GETTING STARTED | USING THE PLAN | THINGS TO THINK ABOUT | WHAT WOULD YOU DO?

Save for your future

A guide to your New York Life 401(k) Savings Plan

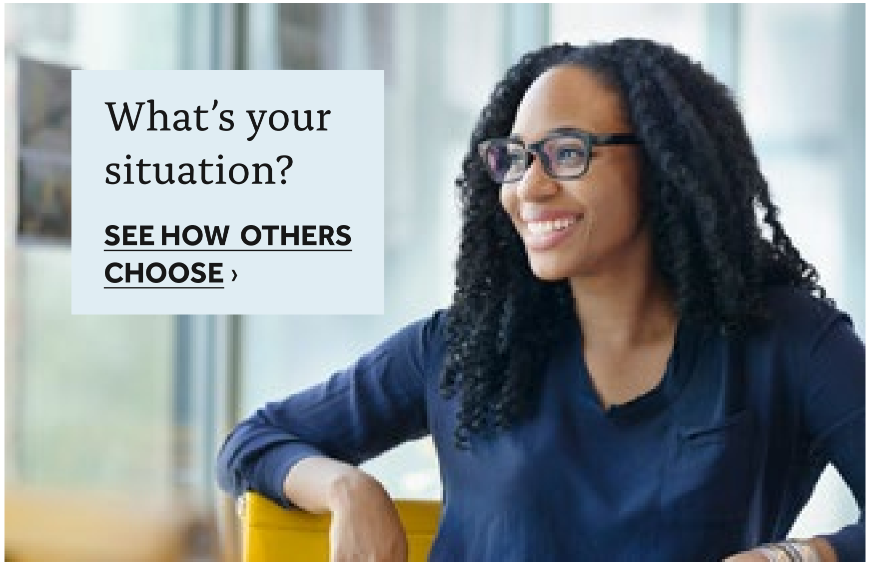
START NOW

Your contribution choices

CONSIDER YOUR OPTIONS ›

It pays to save

LEARN ABOUT COMPANY CONTRIBUTIONS ›



What's your situation?

SEE HOW OTHERS CHOOSE ›

Resources

GET SUPPORT ›

For agents

Put the 401(k) Savings Plan to work for your future

No matter what your financial goals, the 401(k) Savings Plan can play an important role in helping you achieve them. It's up to you to set the wheels in motion and stay on course.

New York Life is here to help. We provide the tools to help you plan and save for a more secure financial future.

Review this eGuide to see how the features of the 401(k) Savings Plan can help you get the most value from your financial strategy.

Learn about the Roth 401(k) option

The plan offers a tax-advantaged Roth contribution feature as yet another tool to help you save for your retirement. You'll need to decide if it's right for you.

Learn more now ›

In this guide

Allison

Robert

Elliott

Emily

Kenneth

About this guide

It's easy to find what you need in this interactive guide. You can read it front to back or use the blue links to jump directly to the information you want. Additionally, frequently used terms throughout are found at the "Definitions" link below. This guide is fast and easy to use online, but you can print it if you'd like.

What's your reason for saving?

The reasons for saving are as unique as you are. Whether it's buying a new home, improving the one you have, paying for college, or securing your retirement—whatever your goal, there are many ways to make it happen.

"My interest lies in the future, because I am going to spend the rest of my life there."

– Charles F. Kettering, American Inventor

Think about this:

Depending on when you retire, you may need income for 30 or more years after you stop working. That can add up to a lot of money.

It's up to you.

If you have a short-term savings goal—a down payment on a house, for example—your savings strategy will be different than if you're planning for retirement.

Unfortunately, short-term goals can often crowd out a long-term objective like saving for the future, especially if retirement is many years away. Even though retirement income is the most important long-term goal for most people, some wait until they're close to retirement to consider their post-employment finances—and wind up disappointed in the results.

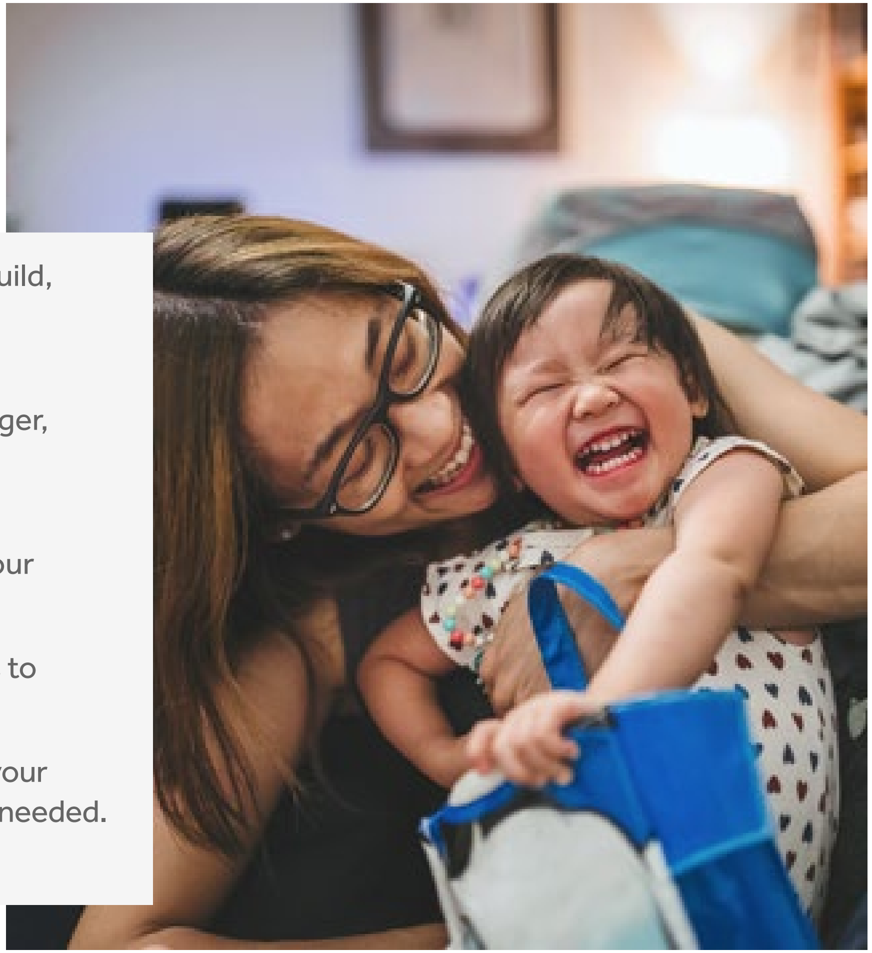
New York Life provides the Nylic Retirement Plan to eligible Agents—it requires no contribution from you. And Social Security benefits will help. But to make sure that you can retire when you want with the lifestyle you want, a long-term savings and investment strategy is required. That's where the 401(k) Savings Plan can help.

The 401(k) Savings Plan is all about the long term.

New York Life provides the 401(k) Savings Plan to help you save for your future. You can take a loan or withdraw money from your account under certain circumstances, but the 401(k) is specifically designed for one thing—to help you retire with enough money to enjoy everything you've worked so hard to achieve. Of course, it's always a good idea to have outside savings and investments as well, especially for short-term goals, emergencies, and other needs. But the tax and savings advantages of the 401(k) Savings Plan make it uniquely suited to help you save for retirement.

NEXT: How the 401(k) Savings Plan works ›

The 401(k) Savings Plan: A quick refresher



The 401(k) Savings Plan is a convenient way for you to invest, build, and manage long-term financial resources for retirement. It's convenient because:

- Your contributions are automatically deducted from your Ledger, deposited into your account, and invested according to your instructions.
- You can choose how much hands-on control you want over your investments, based on your comfort level.
- You can change your contribution rate and move your savings to different investment funds at any time.
- You'll have access to a variety of tools that will help you gauge your progress toward your financial goals and make adjustments as needed.

Generally, there is no service requirement for eligibility to make contributions.

Contributions

You can contribute from 1% to 15% (in whole percentage amounts) of your eligible commissions, subject to IRS limits. The Internal Revenue Code limits the maximum amount of eligible commissions that can be used to calculate contributions—for 2021 that limit is $290,000.

If you're considered highly compensated (for 2021, your 2020 earnings exceeded a set amount), the maximum amount you can contribute to the plan is different.

You have a choice of making four different types of contributions: Pre-tax, Roth, pre-tax catch-up, and Roth catch-up.

- **Pre-tax** and **pre-tax catch-up** contributions are deducted from your Ledger before income tax is calculated, which lowers your taxable income for the current year.
- **Roth** and **Roth catch-up** contributions are deducted from your Ledger after taxes, so they don't lower your current taxable income.

See how contribution types compare ›

IRS and plan contribution limits (2021)	
401(k) Pre-tax	$19,500 (combined with Roth)
Roth	$19,500 (combined with pre-tax)
Catch-up	$6,500 (in addition to other limits; only permitted if you are age 50 or older during the year; combined pre-tax and Roth)
Combined 401(k) and Roth contribution limit	15% of eligible commissions ***Note:*** *For highly compensated employees, this limit is different*

Company contributions

If you are under an active contract on December 31 of the previous year, the company may make a contribution on your behalf to your account annually in March—even if you don't contribute. This contribution is made at the discretion of the Board of Directors, and generally represents a percentage of net renewal commissions, net renewal premiums, and cash values for the plan year for certain policies for which you are the original writing Agent. If you do not have an investment election in place, your company contribution will be invested in the Fixed Dollar investment option until you make an investment election.

All contributions (yours and the company's) are always 100% vested.

Investment options

The 401(k) Savings Plan offers a number of different options you can choose from:

- **Target Date Funds:** Fund portfolios designed for your planned retirement date.
- **Core Funds:** A variety of balanced, bond, and equity funds.
- **Fixed Dollar Option:** Provides a fixed or stated return, meaning that the return is set for a period of time.

Learn about your fund choices

You can find a complete list of the plan's investment options and learn more about these options on Your Benefits Resources™ (YBR) at **http://digital.alight.com/newyorklife** under "Savings and Retirement" and "Fund Prospectuses." You can also request a copy of any of the prospectuses for the plan's investment options by calling the New York Life InfoLine at **1-888-513-4636**.

Create your own investment mix

All the investment options are available for each type of contribution, including any company contributions. The plan's investment options offer a range of asset classes that allow you to diversify your investments based on your savings goals, risk tolerance, and how long you have until retirement. You can mix and match your investment options however you like to fit your needs.

Connect with an investment professional

Consider using the online or professional management resources available to you through Alight Financial Advisors, LLC (AFA).

To connect with AFA:

- **Go online:** From **Your Benefits Resources (YBR)**, select "Investment Advice" from the "Savings and Retirement" tab;
- **Speak with an advisor:** Call **1-888-513-4636**, select "401(k) Savings, Deferred Plans and Retirement," and then select the "Investment Advice" option. Advisors are available between 9 a.m. and 9 p.m. Eastern Time, Monday through Friday.

See important note about investment advisory services >

Important Note:

New York Life is not using New York Life Agents who are investment advisory representatives of Eagle Strategies, a New York Life company, for this process because ERISA imposes significant restrictions on investment advice arrangements between investment advisers (like New York Life's Eagle Strategies) and related retirement plans (like New York Life's own 401(k) Savings Plans). Thus, we cannot use any New York Life Agent to advise participants in New York Life's own 401(k) Savings Plans on their 401(k) account balances. The advice services being offered through Alight are not subject to these restrictions. In addition, as noted above, the advice being offered through Alight is strictly limited to 401(k) account balances. We want to ensure that all New York Life Agents and Employees are able to make informed decisions about their 401(k) retirement savings and want to provide the resources to do so, should they need help.

The 401(k) Savings Plan ("Plan") has hired Alight Financial Advisors, LLC (AFA) to provide investment advisory services to plan participants. AFA has hired Financial Engines Advisors, L.L.C. (FEA) to provide sub-advisory services. AFA is a federally registered investment advisor and wholly owned subsidiary of Alight LLC. FEA is a federally registered investment advisor and wholly owned subsidiary of Edelman Financial Engines, LLC. Neither New York Life, the Plan, AFA nor FEA guarantee future results. All marks are the exclusive property of their respective owners.

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Alight Financial Advisors, LLC (AFA) provides independent and unbiased investment advice through its partnership with Financial Engines. Neither sells investments or receives commissions based upon their recommendations.

Getting your money out of the plan

Tax-advantaged plans like the 401(k) Savings Plan are specifically designed to help you save for retirement. Generally, the IRS requires that if you take a distribution from your 401(k) account before you reach age 59½, you will pay a 10% penalty in addition to any taxes you may owe. While you're an active New York Life Agent, you can take and repay a loan from your 401(k) Savings Plan account without owing taxes or paying a penalty. You can also take a hardship withdrawal under certain circumstances, but you may have to pay taxes and/or penalties.

Managing your account is easy

Online

To enroll, change, stop, or restart your contributions, or to change your investment options, visit Your Benefits Resources (YBR). While you're there, you can learn more about the investment options under "Savings and Retirement" and "Fund Prospectuses."

By phone

You can also manage your account and request investment fund information by calling the New York Life InfoLine at **1-888-513-4636** and speaking with a Benefits Center representative.

NEXT: See other plan features that benefit you ›

For more details about how the 401(k) Savings Plan works, visit **www.nylbenefits.com** under "Savings and Retirement" and refer to the Summary Plan Description for the Agents Progress-Sharing Investment Plan, which is available on the Agency Portal or on **Your Benefits Resources (YBR)**.

Other features that benefit you

Contribution escalation

You may choose to automatically increase your contribution rate on an annual basis, up to a maximum contribution rate that you choose, or up to IRS limits.

Auto-rebalancing

This feature keeps your account investments focused on your long-term investment strategy by automatically transferring your money every 90 days among your chosen investment options. This insures your investments follow your original, intended investment approach, despite market changes.

Roll over prior accounts

If you participated in a prior employer's qualified plan or an IRA, you can roll your distribution over into the New York Life 401(k) Savings Plan and defer paying taxes on your savings.

NEXT: Learn about pre-tax contributions ›

How pre-tax contributions work

When you make pre-tax contributions (including catch-up contributions) to the 401(k) Savings Plan, the money is deducted from your Ledger before income taxes are calculated and withheld. As a result, your taxes are calculated on a lower amount, so you don't pay as much in income tax as you would otherwise.

How much you can contribute

Each year, the IRS sets a limit on the amount of pre-tax contributions you can make to the 401(k) Savings Plan. This annual maximum pre-tax contribution limit is $19,500 in 2021. (If you make Roth contributions, those are also included in this annual pre-tax limit because earnings on Roth contributions are tax-free.*) Catch-up contributions are allowed in addition to this limit.

* To receive a tax-free distribution of earnings, you must be at least age 59½ (or disabled) and the Roth account must be at least five years old.

When you pay taxes

Your pre-tax contributions and their investment earnings are not taxed until you take a distribution. Distributions of pre-tax contributions and their earnings are taxed like regular income. If you take a distribution before you reach age 59½, generally you'll pay a 10% penalty in addition to the tax you owe.

Pre-tax contributions—important considerations	
Advantages	**Disadvantages**
• Your current taxable income is reduced by the amount of your contributions, meaning you owe less in current taxes. • Account can grow faster because you don't pay taxes on contributions and earnings until distribution.	• There is a limit to the amount of contributions you can make. The maximum annual contribution amount is $19,500 in 2021, including Roth contributions. • You could owe more than planned because distributions increase your taxable income and could place you in a higher tax bracket.

Who might benefit from pre-tax contributions

Most Agents will benefit from making at least some pre-tax contributions to the 401(k) Savings Plan. You should consider these contributions if you:

- Like the idea of paying less in taxes now, in exchange for paying them when you take the money out.
- Think you'll be in a lower tax bracket than you're in now when you take the money from your account.
- Can delay taking a distribution to avoid early withdrawal penalties.

NEXT: Learn about Roth contributions ›

How Roth contributions work

Roth contributions are deducted from your Ledger after income taxes are calculated and withheld, and they don't lower your current taxable income. You don't pay taxes on Roth contributions or earnings* at the time of distribution.

* You must be at least age 59½ (or disabled) and the Roth account must be at least five years old at distribution.

How much you can contribute

Roth contributions fall under the same IRS limit as pre-tax contributions. In 2021, this annual limit is $19,500. The combined total of your Roth contributions plus pre-tax contributions can't exceed this limit. Catch-up contributions are allowed in addition to the limit.

"Exceeding the limit" with Roth contributions

Making Roth contributions may allow you to effectively "exceed" the IRS contribution limit, depending on market performance, your current tax bracket compared to your tax bracket at retirement, and how long your Roth contributions are left in the account to earn tax-free interest. For instance, if you were to max out the limit in Roth contributions (and tax rates in retirement are the same or higher than they are now) you could have a larger balance at retirement, after payment of taxes, than you would making the same contribution in pre-tax dollars.

Understand potential tax implications

You can convert your existing after-tax and/or pre-tax account balances to a Roth account, but there are important considerations. **Learn more ›**

When you pay taxes

The key advantage of Roth contributions is that you also *may not be required to pay taxes on the earnings* in your account—which means tax-free income in retirement.

To avoid a penalty, the earnings on Roth 401(k) contributions can only be withdrawn after age 59½ (or if you become disabled). The Roth account must also be at least five years old at distribution, or the earnings will be taxable.

Know your limits

If your combined contributions put you over the annual pre-tax limit ($19,500 for 2021), your Roth (and pre-tax) contributions stop for the rest of the year.

Roth contributions—important considerations	
Advantages	**Disadvantages**
• You won't owe taxes on the contributions in your account when you withdraw them.* • Your account can grow faster because you don't pay taxes on earnings. • Qualified distributions don't increase your taxable income.	• You pay more in current taxes. • You'll pay a penalty if you take money from your Roth account before age 59½ or if the account is less than five years old. • You can only contribute up to the 2021 annual $19,500 pre-tax limit (Roth plus pre-tax contributions).

* You must be at least age 59½ (or disabled) and the Roth account must be at least five years old at distribution.

Who might benefit from Roth contributions

You should consider making Roth contributions if you:

- Think you'll be in the same or higher tax bracket at retirement than you're in now.
- Have a longer time until retirement to allow more compounding of tax-free earnings.
- Would rather pay the taxes on your contributions now in exchange for tax-free retirement income.

NEXT: Learn about catch-up contributions ›

Roth contributions are irrevocable.

You can stop making Roth contributions at any time, but you cannot convert existing Roth account balances into pre-tax savings.

Make up time with catch-up contributions

Catch-up contributions allow Agents—especially those who may have begun saving later in life—to save an additional amount in the 401(k) Savings Plan as they get closer to retirement.

How they work

If you will be age 50 or older at any time during the year, you can make catch-up contributions, which allow you to exceed the normal annual maximum contribution limits. You can make pre-tax or Roth catch-up contributions, or any combination.

How much you can contribute

Each year, the IRS sets a limit on the amount of catch-up contributions you can make to the 401(k) Savings Plan. In 2021, you can make an additional $6,500 in catch-up contributions.

Who might benefit from catch-up contributions

Most Agents who are eligible will benefit from making catch-up contributions—saving too much for retirement is a pretty rare problem. You should especially consider catch-up contributions if you:

- Didn't start saving for retirement until later in life.
- Have depleted other savings.
- Would like to have additional retirement savings for health care expenses or the unexpected.

When you pay taxes

Catch-up contributions are taxed based on the type of contribution you make: pre-tax or Roth.

NEXT: Compare your 401(k) contribution options ›

Compare your contribution options

How you use the 401(k) Savings Plan to save for retirement is a personal decision. Just like there are many different reasons to save, there's no "right" or "wrong" type of contribution. Each has its own strengths. In fact, some financial experts recommend a combination of contribution types, as a sort of "tax diversification" strategy. You can even convert existing pre-tax and after-tax savings into Roth savings. **Learn how ›**

New York Life offers these different kinds of contributions precisely because each individual has unique retirement goals, needs, and savings preferences.

See the side-by-side comparison of the contribution types ›

Roth contributions are irrevocable.

You can stop making Roth contributions at any time, but you cannot convert existing Roth account balances into pre-tax savings.

Contribution options

	Pre-Tax	Roth	Catch-Up
2021 annual maximum contribution	$19,500 (combined with Roth)[1]	$19,500 (combined with pre-tax)[1]	$6,500 (combined pre-tax and Roth)
Tax treatment			
Contributions from Ledger	Not taxed (until distribution)	Taxed in the year earned	Taxed based on the type of contributions
Earnings	Taxed at distribution	Not taxed	
At distribution	Pay taxes on contributions and earnings	No taxes due[2]	
Penalty for distributions before age 59½	Yes, on contributions and earnings	Yes, penalty on earnings only (unless disabled)	Penalty based on the type of contributions

[1] The plan's combined pre-tax and Roth contribution limit is 15% of your eligible commissions. If you're considered highly compensated (for 2021, your 2020 earnings exceeded a set amount), the maximum amount you can contribute to the plan is different.

[2] To receive a tax-free distribution of earnings, you must be at least age 59½ (or disabled) and the Roth account must be at least five years old at distribution.

NEXT: If you're thinking about adding Roth to your savings ›

Considering Roth?

Roth contributions provide another way to prepare financially for your future with the 401(k) Savings Plan. But Roth contributions may not be for everyone, and there are issues you should think about carefully before adding Roth contributions to your savings strategy.

NEXT: Important considerations ›

Consult an expert

You should discuss the advantages and disadvantages of Roth 401(k) contributions with your tax or financial advisor.

Taxes

Roth contributions are made after taxes are deducted from your Ledger. Which means, unlike just a pre-tax account, a Roth 401(k) account can provide tax-free income in retirement.*

That's certainly an attractive feature, but it requires you to think about your situation, and especially your tax bracket—both now and when you plan to retire. Of course, future tax rates are never easy to predict.

Consider what your situation might be when you take your money out of your 401(k) Savings Plan in retirement:

- If you think you'll be in a **lower** tax bracket than you're in now, pre-tax contributions may make more sense than Roth, because pre-tax contributions save you money on taxes today. Even though you'll be paying taxes on pre-tax contributions and earnings in the future, it could be less than you'd pay today.
- If you think you'll be in the **same or higher** tax bracket than you are now, Roth contributions might be a good option because your tax liability would be greater in the future, and you'd avoid paying taxes on the earnings in your account.

Time

How long until you think you'll retire? Because the more time you have until you need the money in your account, the more likely you'll benefit from Roth 401(k) contributions.

Here's why. Earnings can grow substantially through compounding—the longer you can let them compound, the more potential for growth. And since earnings aren't taxable in a Roth account,* you could avoid a potentially large tax bill at distribution with a Roth account compared to a pre-tax account.

* To avoid taxes and penalties at distribution, your Roth 401(k) account can only be withdrawn after age 59½ (or if you become disabled) and the Roth account must be at least five years old.

Learn about converting current eligible balances to Roth ›

Converting your current eligible balances

You can convert all or a portion of your current eligible 401(k) Savings Plan account balance to a Roth account (called an in-plan conversion). However, *be sure you understand the tax implications* (including state and local taxes, if applicable) before you request such a conversion.

There are important tax considerations with a Roth in-plan conversion.

When you convert existing *pre-tax money* into a Roth account, those dollars instantly become taxable income in the year the conversion is complete. Which means you could face a sizable tax bill (and the conversion could bump you into a higher tax bracket for that year).

The increase in taxable income from the conversion could put you over an income threshold that could impose additional tax on investment income.

You may also need to increase your tax withholding amount for the year of the conversion or make estimated tax payments to avoid an underpayment penalty.

For example:	If you convert $500,000:	If you convert $40,000:
Effective tax rate	37% (30% federal tax, 7% state tax)	29% (22% federal tax, 7% state tax)
Tax payable for year of conversion	$185,000	$11,600

What happens if I withdraw money from my Roth account within five years of the conversion?

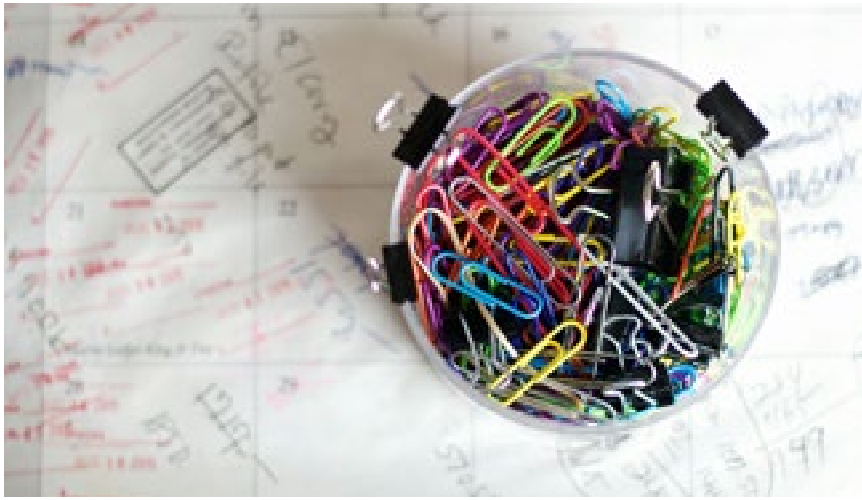
You'll owe taxes on the earnings in the account. If you're under age 59½, you'll owe an additional 10% penalty on the entire earnings amount that you withdraw (unless an exception applies).

Is an in-plan Roth conversion right for you?

Be sure to consult a financial or tax advisor to explore the tax implications before requesting a Roth conversion.

Here are some considerations to get you started:

You might benefit from an in-plan conversion if you:	You might *not* benefit from an in-plan conversion if you:
• Expect your tax rate to be the same or higher in the future. • Are interested in tax diversification (owning assets taxed at different rates to cushion against changes in tax rates or taxable income). • Plan to keep the money invested for at least five years before taking a withdrawal.	• Expect your tax rate to be lower in retirement than it would be at the time of conversion. • Will need to access your money within five years of the conversion. • Would find it difficult to pay the tax owed on the amount of the conversion.



How to request an in-plan conversion

If you decide that an in-plan conversion is right for you, you can initiate a conversion (up to two requests per year) on **Your Benefits Resources (YBR)**. After you log on, select **Convert to Roth 401(k)** under the **Savings and Retirement** tab and follow the steps.

Get some help

Use the tools available to you on Your Benefits Resources (YBR) at **http://digital.alight.com/newyorklife** to help you decide whether Roth contributions might be right for you.

If you have questions, call the New York Life InfoLine at **1-888-513-4636** to speak with a Benefits Center representative.

NEXT: Think outside the plan ›

Think outside the plan

New York Life's Nylic Retirement Plan and 401(k) Savings Plan form a solid foundation for building your retirement finances. But as any financial advisor will tell you, diversification is a key to successful saving and investing.

Some liquidity is important.

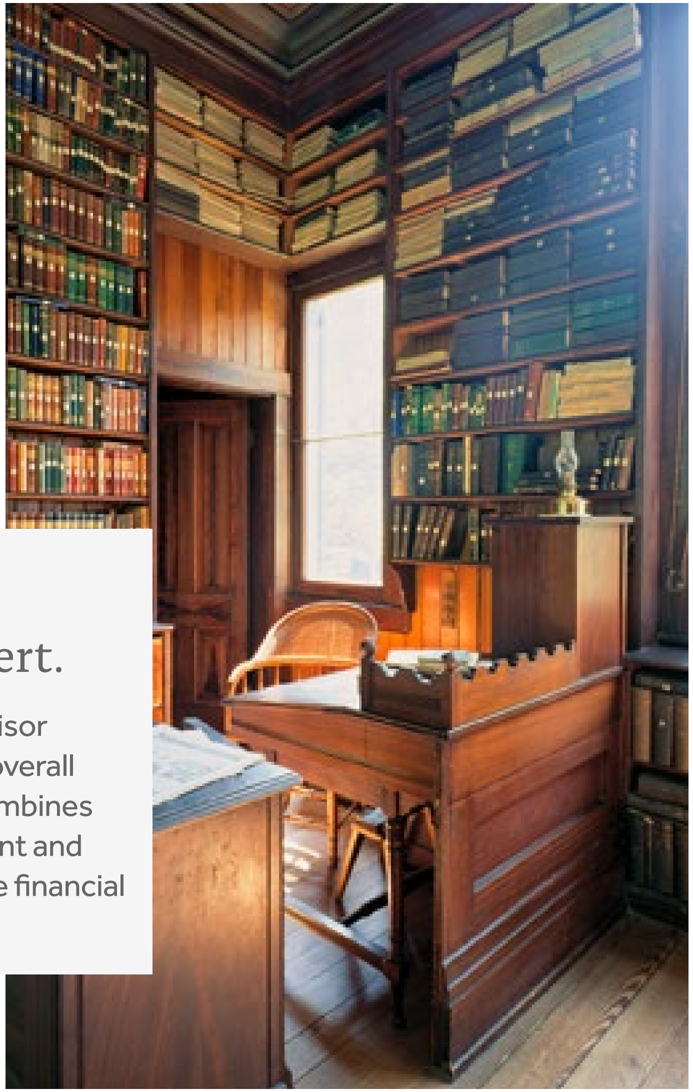
You generally don't receive your Nylic Retirement Plan benefits until you retire. Your 401(k) Savings Plan money is more accessible, but it also has restrictions (because it's intended for long-term savings).

- You can take a loan from your 401(k), but the money you take out stops earning investment returns and compounding until you repay it.
- Hardship withdrawals are available, but only under certain circumstances. Not only do you lose any earnings on that money, but you could also have tax and/or penalty costs.

The ability to get to your money when you need it—liquidity—is one of the reasons it's important to have savings outside your New York Life plans. In addition to fully liquid bank accounts, stocks, and mutual funds, there are also some tax-favored savings options, such as IRAs and tuition savings plans that you may be able to take advantage of, depending on your annual earnings and other factors.

Consult an expert.

Talk to your financial advisor about how to create an overall savings strategy that combines New York Life's retirement and savings plan with outside financial opportunities.



Watch how much you contribute to the 401(k) Savings Plan

There is such a thing as contributing too much in pre-tax and/or Roth contributions. The 401(k) Savings Plan has a contribution limit imposed by the IRS, and that limit includes Roth contributions. In 2021, the maximum annual limit is $19,500. Once the total of your pre-tax and Roth contributions hit that limit, they stop until the following year.

Catch-up contributions…

aren't included in the pre-tax contribution limit.

NEXT: See how others make the most of their retirement and savings plans ›

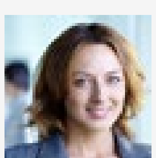
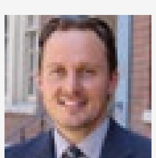
What would you do?

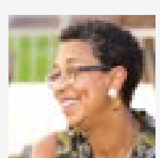
Your New York Life 401(k) Savings Plan is a powerful tool that can help you secure your future. But everyone's situation is unique—your goals, age, earnings, priorities, savings habits, etc.—so getting the most from your plan requires some thought and planning, and perhaps some advice from tax or financial experts.

It can also help to see how others structure their savings strategies based on their specific situation.

Meet Allison, Robert, Elliott, Emily, and Kenneth.

These aren't real New York Life Agents, but one or more of their "stories" may sound familiar to you. In the next few pages, you'll meet each of them, learn about their financial and retirement goals, and how they use the 401(k) Savings Plan to help achieve them. Obviously, none of their situations will match yours exactly, but perhaps you can apply some of their thought processes to your own.




Important

The following scenarios are representative examples only and are not based on any New York Life Agent or other real person, living or dead. These scenarios are not tax advice, and their investment returns and tax rates are based on assumptions only. The Nylic Retirement Plan is not included in the calculations. The calculations on the following pages use these assumptions:

- Social Security, other investments, and other income are not included
- Future calculations are based on 2% inflation, 3% annual increase in earnings, and 8% investment returns
- Non-qualified plan balances, and other compensation and incentives are not included
- Calculations were based on the federal tax rates and tax brackets for married individuals filing joint returns and a 7% New York tax
- The tax calculations ignore any tax credits or deductions other than for the 401(k) plan

Keep in mind the various modeling tools available on **Your Benefits Resources (YBR)** and other sources will likely yield different results than the numbers calculated for these examples because of differing assumptions, starting values, etc. For this reason, payout amounts are rounded to the nearest $100.

Allison

Age: 25

Current eligible commissions: $35,000

Allison just recently began her career as a New York Life Agent. She's encouraged so far by the number of policies she's written and excited about making a difference in her community. She's watching her budget carefully. It's tough, because she's single and her life outside work is important to her. But just like she tells her clients, she knows that her retirement—as far away as it is—is her responsibility.

She also understands that, at age 25, time is definitely on her side when it comes to saving for the future. She knows that what she does now can make a big impact on her retirement finances. So, she's determined to start saving something now and let compounding go to work on her money for as long as possible.

What Allison does

Allison crunches her budget numbers. She considers the difference between saving 5% and 10% in the 401(k) Savings Plan. Since the difference in the deduction to her Ledger would be only slightly more than $100 a month, she decides to trim a little off her clothing budget and start by contributing 10%—if she needs to dial it back later, she can do that any time she wants. Using these numbers, she models her future account balance at different ages on the Project Your Income tool on **Your Benefits Resources (YBR)** and likes what she sees.

Allison also considers whether she should make pre-tax or Roth contributions. She isn't sure if she wants to pay taxes on her contributions now, or on her contributions and earnings when she takes the money out. Roth contributions would yield more than $452,000 at age 65. That's really tempting, but being on a budget and contributing 10% means she needs every penny she can get from her Ledger today. Pre-tax contributions will mean a little more in her commissions each month. Plus, she can't begin to guess what tax bracket she'll be in or how taxes may change by the time she retires. So she sticks with the 10% pre-tax contributions, knowing she can add Roth contributions later, or even convert her entire balance to Roth if she wants.

The numbers Allison considers	With 5% pre-tax contributions	With 10% pre-tax contributions	With 10% Roth contributions
Current take home amount	$27,331	$25,913	$25,248
Payout at age 65 (after taxes)	$490,100	$892,000	$1,344,100

Robert

Age: 35

Current eligible commissions: $70,000

Robert is 35 years old and has been an Agent with New York Life for about 5 years. He lives with his wife Cindy and three children in a house they've recently finished renovating, which has consumed most of his weekends and a lot more of his income than he thought it would. Robert's also been contributing to a 529 plan for three college tuitions. Now that the kids are all in school, Cindy is returning to the workforce, and with the renovations complete, Robert's taking another look at his 401(k) Savings Plan contributions.

With all the expenses for the past few years, Robert has been making pre-tax contributions of 5%, and has a current pre-tax account balance of $20,000. He knows he needs to boost his savings and wants to see the effect of doing more.

What Robert does

He runs the numbers on the Impact on Paycheck tool on **Your Benefits Resources (YBR)** and sees the difference in the Ledger deduction between a 5% and 10% contribution is less than $3,000 per year. He also sees that the difference in his account balance at age 65 could be substantial—a 10% pre-tax contribution rate will yield almost $319,000 more than a 5% contribution.

Robert talks to his tax advisor, who suggests Robert consider Roth contributions, especially since Robert and Cindy expect to be in a higher tax bracket when they retire than they are now, and since Robert plans to continue selling insurance under a retired Agent contract.

Since Roth contributions are deducted after taxes, his advisor suggests they look carefully at his tax bracket each year to see if making pre-tax contributions that year might keep Robert in a lower tax bracket than he'd be in otherwise. But even with the lower take-home amount, at age 65 Roth contributions could provide Robert almost $420,000 more than only making pre-tax contributions, which are taxed (along with their earnings) when Robert takes a distribution.

The numbers Robert considers	With 5% pre-tax contributions	With 10% pre-tax contributions	With 10% Roth contributions
Current take home amount	$54,263	$51,428	$50,098
Payout at age 65 (after taxes)	$531,300	$850,200	$1,270,000

Elliott

Age: 45

Current eligible commissions: $90,000

Elliott's clients consider him a great advisor when it comes to retirement planning, but Elliott knows he could be doing a better job of planning for his own. So Elliott decides to take a fresh look at his New York Life 401(k) Savings Plan to see what more he could be doing. At 45, Elliott already has $113,000 saved in his pre-tax account, so it's not like he's starting from scratch. But his career is going well and he expects his income to grow over the next 15-20 years—which means if he wants to maintain his lifestyle in retirement, he needs to do some planning now.

Elliott is actively working to grow his book of business, and he plans to continue selling insurance as long as he can under a retired Agent contract, so Elliott expects to be in a higher tax bracket when he retires than he is now. Elliott also believes that tax rates will only increase over the next couple of decades, especially on those with higher taxable income. After retirement, Elliott would like to be able to travel more with friends. Footing a large tax bill on his pre-tax account balance is not part of that plan.

What Elliott does

Currently, Elliott is comfortable making 10% pre-tax contributions. He talks to his tax advisor about switching to Roth contributions. It's certainly appealing to pay a lower tax rate on his contributions now to avoid paying a higher one on contributions and earnings later. Even though it will lower his take-home amount by at least $2,600 per year to pay taxes up front, running the numbers shows Elliott that by switching to Roth contributions going forward, he could avoid a tax hit of almost $225,000 in retirement.

In addition, his advisor suggests something Elliott hadn't considered—making an in-plan conversion of his existing pre-tax balance. The tax bill for making the conversion isn't cheap—$33,375—so Elliott will need to tap some outside investments to pay the tax. Elliott may also need to increase his withholding or make estimated tax payments to avoid an underpayment penalty. But at age 65, his Roth conversion and Roth contributions could provide over $148,000 more than if Elliott continues making only pre-tax contributions.

The numbers Elliott considers	With pre-tax contributions	With Roth contributions (no conversion)	With Roth contributions and conversion
Current take home amount	$66,008	$63,403	$63,403
Payout at age 65 (after taxes)	$688,500	$912,700	$1,061,100
Tax payable for current year due to conversion of existing balance	-	-	$33,375

Emily

Age: 55

Current eligible commissions: $110,000

When Emily and her husband Paul had some significant medical expenses a few years ago, Emily had to make a hardship withdrawal from her 401(k) Savings Plan and cut back her contributions. Now, with an account balance of a little more than $47,000, she knows she has some serious savings ground to make up, especially since she and Paul want to be able to visit their grandkids who are scattered around the country.

She's a realist, and knows she may not be able to retire at 65. She wants to continue selling insurance on a retired Agent contract anyway, and with her current commissions and with at least 10, if not 20 more years working, she'll likely be in a higher tax bracket when she retires.

What Emily does
Her first stop is the Project Your Income tool on **Your Benefits Resources (YBR)** to figure out how much to contribute. Their living expenses aren't that high, so she wants to save as much as possible. She decides to contribute the maximum: 15% of eligible commissions. And because she's over age 50, she can make additional catch-up contributions of $6,500 per year.

Then Emily talks to her tax advisor about the type of contributions to make. Her current account balance is all from pre-tax contributions, so she knows she'll owe taxes on those contributions and their earnings when she withdraws them. Her advisor suggests she consider Roth contributions going forward. She's not crazy about the idea of paying taxes on her contributions now, since that will reduce her take-home amount. But she decides they won't really miss the extra $600 or so each month she'll pay in taxes up front, in exchange for the tax-free income she'll have in retirement from Roth contributions. And if she decides to work until age 70, the Roth numbers are even more appealing.

Her tax advisor reminds her she can also convert her rolled-over pre-tax account to Roth, but since she'd owe taxes on that money for this year, she decides not to take that tax hit.

The numbers Emily considers	With pre-tax contributions	With Roth contributions
Current take home amount	$70,273	$63,603
Payout at age 65 (after taxes)	$342,900	$466,400
Payout at age 70 (after taxes)	$592,900	$874,400

Kenneth

Age: 60

Current eligible commissions: $130,000

Kenneth and his wife Sue Ann recently built their "forever" home on the shores of a local lake. It's secluded, but a short drive into town, as Kenneth plans to continue selling insurance in retirement and wants to be close to his clients.

Kenneth has been a pretty diligent saver most of his career, and he's built up almost $426,000 in his New York Life 401(k) Savings Plan, regularly saving 10% of his eligible commissions on a pre-tax basis. He was feeling pretty good about that until a fishing buddy told him how quickly he and his wife were running through their retirement finances because they were encountering expenses they hadn't planned for.

What Kenneth does

After hearing about his friend—and being so close to retirement age—Kenneth decides he wants to step on the gas and save as much as possible. So he models different contribution scenarios on the Project Your Income tool on **Your Benefits Resources (YBR)**. If he continues his 10% contribution rate, he'll do well. But then he sees that by maxing out his contribution to the IRS limit and making an additional $6,500 per year in pre-tax catch-up contributions, his monthly take-home amount will be reduced by only $769—but the impact on his account in just five years is significant. And if he keeps selling under the retired Agent contract, and delays taking a distribution until age 70, the difference is even more impressive.

He's curious about whether Roth contributions or even a conversion might be an option, but his tax advisor explains that there's not really enough time before he retires to reap the benefit of compounding to increase his tax-free earnings. His advisor also reminds Kenneth that Roth accounts must be at least 5 years old to avoid paying taxes on earnings—which could be a problem if Kenneth decided to retire before age 65. In addition, Kenneth's take-home amount won't be reduced as much by continuing pre-tax contributions as it would be if he started making Roth contributions.

The numbers Kenneth considers	With 10% pre-tax contributions	With maximum pre-tax contributions + catch up
Current take home amount	$91,573	$82,343
Payout at age 65 (after taxes)	$467,600	$512,900
Payout at age 70 (after taxes)	$715,800	$829,500

Definitions

Asset class
A group of securities with similar financial characteristics, that behaves similarly in the marketplace, and are subject to the same laws and regulations. Different asset classes have different levels of investment risk and potential return.

Catch-up contributions
Contributions that allow you to exceed the annual IRS contribution limits. You must be age 50 or older during the year that you make catch-up contributions. You can make pre-tax or Roth catch-up contributions.

Distribution
When you take money out of a qualified plan, such as the 401(k) Savings Plan. A "qualified distribution" is one which does not require you to pay additional taxes or penalties.

Eligible commissions
Eligible commissions are generally first year commissions, renewal commissions, and service fees credited (net of debits) to an Agent while he or she is a 401(k) Savings Plan participant, including any pre-tax deductions under the 401(k) Savings Plan or Group Plan for New York Life Agents. Eligible commissions exclude (i) any compensation payable by reason of Agent's Nylic Contract (NYLIC Income); (ii) Quality Production Plan payments, Premium Drawing NYLIC (if any, on or before January 1, 1996); and/or Senior NYLIC Accumulation Plan payments by reason of a P-91 Contract, N8-95 Contract, or N8-98 Contract, or any successor contract; (iii) any Training Allowance of Additional Allowance credits; (iv) any compensation or commissions deferred under any deferred compensation arrangements; and (v) any other category of payment that the company determines is excluded from the plan. Commissions do not include expense allowances or reimbursements.

In-plan conversion
Converting an existing pre-tax account balance (either all or a portion) to a Roth account without removing money from the plan.

Pre-tax contributions
Contributions deducted before taxes are calculated and withheld. Pre-tax contributions lower your current taxable income, but you pay taxes on them when you take them out of your account.

Risk
Investment (market) risk. Virtually all investments come with some risk; generally, the higher the investment risk, the higher the potential returns, and vice versa. Some people are comfortable with more risk than others. Your individual tolerance for risk should be part of your investment strategy.

Roth contributions
Special after-tax contributions that can provide tax-free income in retirement because you don't pay taxes on the earnings on Roth contributions for a qualified distribution (i.e., a distribution made after you are age 59½ (or if you become disabled), once your Roth account is at least five years old).

Important Note—Please Read

The information included herein is a general description and overview of certain provisions of the New York Life Insurance Company Agents Progress-Sharing Investment Plan ("401(k) Savings Plan"). For more detailed information regarding the 401(k) Savings Plan, please refer to the Summary Plan Description available on Your Benefits Resources (YBR) and the New York Life Agency Portal at **https://www.agencyportal.newyorklife.com/wps/myportal**. Specific benefits under the 401(k) Savings Plan will be determined only by the terms and conditions included in the relevant plan documents. In the event of any conflict between (1) the plan document and (2) this information, the provisions of the plan document will govern. New York Life reserves the right to amend or terminate the 401(k) Savings Plan, in whole or in part, (including, but not limited to, the level of company matching contributions) at any time without notice to, or consent of, employees, retired employees, or their dependents or beneficiaries. New York Life does not provide you with tax, financial, or investment advice regarding the 401(k) Savings Plan. You are encouraged to consult with your own professional advisors.

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