BRACKENS
FINANCIAL SOLUTIONS NETWORK LLC

PEOPLE
PLANS
POSSIBILITIES
A BRIGHTER
TOMORROW

HIGHER
SAVINGS
BRIGHTER
TOMORROWS.

401(k) SUCCESS HACK

CAPTURE 100% OF YOUR EMPLOYER MATCH.

The first retirement-saving rule: capture every available matching dollar.

100%

OF THE AVAILABLE MATCH

Know the formula. Contribute enough every paycheck to receive every matching dollar available to you.

~2X

THE RETIREMENT BALANCE

TheStreet reported, citing Vanguard 2026, that consistent full-match capture across a career can be associated with roughly twice the retirement balance versus missing the match in some years.*

THE BFSN M.A.T.C.H. FRAMEWORK | *Five behaviors you can control.*

- **M — MAXIMIZE**: Get the full employer match.
- **A — AUTOMATE**: Save from every paycheck.
- **T — TURN IT UP**: Increase your rate over time.
- **C — CHOOSE WELL**: Diversify; review costs.
- **H — HOLD ON**: Limit leakage; know vesting.

THE MATCH IS THE FLOOR — NOT THE FINISH LINE.

Vanguard commonly cites a 12%–15% total saving rate (including employer contributions) as a general long-term benchmark. Your appropriate rate depends on your plan, income, time horizon and goals.

DISCIPLINE
TODAY
A BRIGHTER
TOMORROW.

2026 EMPLOYEE LIMIT	AGE 50+ CATCH-UP	AGES 60–63 CATCH-UP
$24,500	$8,000	$11,250

BEFORE YOUR NEXT PAYCHECK | THREE SIMPLE STEPS. A BIGGER TOMORROW.

1. **FIND THE MATCH** — What % must you save to get 100%?
2. **CHECK YOUR RATE** — Are you contributing enough every paycheck?
3. **KNOW THE RULES** — Check vesting and whether your plan offers a year-end true-up — an extra employer match adjustment if your contributions were uneven during the year.

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401(k) SUCCESS HACK

A two-page retirement-saving primer | Updated Sept. 20, 2026

401(k) Retirement Saving: How We Got Here - and Why the Basics Still Matter

EDUCATIONAL USE ONLY. General information - not individualized investment, tax, legal, ERISA, or plan advice; not a recommendation or solicitation. Plan terms and personal circumstances vary.

THE CORE IDEA

A 401(k) is a workplace defined-contribution retirement plan that lets eligible employees direct part of their pay into an individual account. Traditional salary deferrals are generally made before federal income tax; many plans also offer Roth deferrals, which are taxed now but can produce tax-free qualified distributions later. Employers may add matching or other contributions, and the employee chooses from the investment options offered by the plan.

A SHORT HISTORY OF THE 401(k)

1978	Congress added Section 401(k) to the Internal Revenue Code through the Revenue Act of 1978, creating a statutory basis for employee-elected deferral of compensation.
1981	IRS proposed regulations clarified that ordinary employees could defer wages or salary. This is widely treated as the launch point for the modern 401(k) era; early plan designs also paired salary deferrals with employer matching.
2001-06	EGTRRA expanded retirement-plan flexibility, including age-50 catch-up contributions and Roth 401(k) authority; Roth 401(k) contributions became available beginning in 2006. Automatic-enrollment tools also grew in importance.
2022-26	SECURE 2.0 further expanded automatic enrollment, catch-up rules, and plan flexibility. For 2026, the basic 401(k) employee deferral limit is $24,500, with additional catch-up limits for eligible older workers.

WHY 401(k) PARTICIPATION CAN BE SO POWERFUL

1
EMPLOYER MATCH
If your employer matches contributions, contributing enough to capture the full match can add compensation directly to your retirement account.

2
TAX ADVANTAGES
Traditional deferrals generally reduce current federal taxable income; Roth deferrals trade the current deduction for potentially tax-free qualified withdrawals.

3
AUTOMATION + TIME
Payroll deductions make saving systematic. Staying invested gives contributions and earnings more time to compound.

4
OWNERSHIP
Your own salary deferrals are immediately 100% vested. Employer contributions may have a vesting schedule unless plan rules provide otherwise.

5
PORTABILITY
When changing jobs, vested plan assets can generally remain in the plan or be rolled to another eligible retirement account, subject to plan rules.

6
CATCH-UP CAPACITY
Federal rules allow higher deferrals for eligible older workers, giving late-career savers additional tax-advantaged contribution room.

Key perspective: retirement readiness depends on many variables - income, savings rate, years contributed, investment returns, fees, withdrawals, Social Security, pensions, spending and longevity. Capturing the full employer match is one of the highest-impact steps a participant can directly control, but it is not the only one.

THE 401(k) CHECKUP: FIVE QUESTIONS TO ASK YOUR PLAN

A plan can be excellent and still be underused. These five checks help turn a workplace benefit into a retirement-building system.

1. What is the exact match formula?	Find the contribution percentage needed to capture 100% of the employer match. Match formulas differ by employer.
2. Is the match calculated each paycheck - and is there a true-up?	If the plan matches per payroll and does not true-up at year-end, front-loading contributions or reducing them later may cause you to miss matching dollars.
3. What is the vesting schedule?	Your own deferrals are always yours. Employer contributions may vest immediately or over time. Know what you would keep if you changed jobs.
4. Is your savings rate rising as your income rises?	Automatic escalation can help. Vanguard commonly cites a 12%-15% total savings rate, including employer contributions, as a general long-term benchmark - not an individualized prescription.
5. Are investments, fees and beneficiaries still aligned?	Review diversification, fund expenses, target-date assumptions, beneficiary designations and whether loans or withdrawals are eroding long-term compounding.

HOW THE TAX BENEFIT WORKS

FEATURE	TRADITIONAL 401(k)	ROTH 401(k)
Contribution tax	Generally excluded from current federal taxable income	Included in current taxable income
Investment growth	Tax-deferred while in the account	Tax-advantaged; qualified withdrawals can be tax-free
Retirement withdrawals	Generally taxable as ordinary income	Qualified withdrawals generally federal-income-tax-free

2026 employee deferral	Age 50+ catch-up	Ages 60-63 catch-up
$24,500	**$8,000**	**$11,250**

2026 note: certain catch-up contributions for workers whose prior-year wages from the plan sponsor exceeded $150,000 must be made on a Roth basis if the plan offers catch-up contributions. Review your plan and tax situation.

A SIMPLE MATCH EXAMPLE

Salary	Employee deferral	Employer formula	Employer dollars
$60,000	6% = $3,600	50 cents per $1 on first 6%	**$1,800/year**

In this hypothetical formula, contributing only 3% would capture just $900 of employer dollars. Contributing the full 6% required by the formula captures the full $1,800 match - an additional $900 of employer contribution for the year. Actual formulas, caps and vesting differ.

TRUSTED RESOURCES & SOURCE MATERIAL

1. TheStreet - Fidelity data shows 401(k) match habit builds wealth (Sept. 18, 2026)
2. Vanguard - How America Saves 2026: 25th Edition
3. Vanguard - How much does an employer match help?
4. IRS - 401(k) Resource Guide for Plan Participants
5. IRS - 2026 401(k) contribution limits
6. U.S. Department of Labor - What You Should Know About Your Retirement Plan
7. Investment Company Institute - The Basics of 401(k) Plans: FAQs