Personal F	inance
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Name \_\_\_\_\_\_

How much should you contribute to a 401k?

Date \_\_\_\_\_\_ Period \_\_\_\_\_\_

1. What is a good way to increase your contributions to your 401k plan slowly (over the course of several years)?

2. What is the most important (first presented in this article) rule related to how much to contribute to your 401k plan?

a. Why should this be considered the most important rule related to how much to contribute to your 401k plan?

3. What is the limit of how much an employee can contribute to their own 401k plan per year (and the ages related to those limits)?

4. What percentage of participants are saving the suggested amount according to a Plan Sponsor Council of America survey?

5. What factor should have an effect on how much you are saving?

- 6. According to the article, "The ultimate goal is to save \_\_\_\_\_\_ times your salary by the time you are \_\_\_\_\_."
- 7. What happens if you contribute more than the maximum allowable contribution to your 401k plan(s)? (You will need to find this information outside the article.... Do some research?)
  - a. List the penalties (less than a year later)

b. List the penalties (more than a year later)

8. Why do you think most people don't save the recommended amount for retirement?