

Sample article for organizations and employers to use to reach customers (Word Count 367)

Customize and provide the following article in your communication vehicles for your audience.

Matching contributions in your employer's retirement plan

Many employers who have retirement plans, such as [Simple IRAs](#) and [401\(k\)s](#), match some portion of the amount you contribute to your retirement account. Matching contributions are money that your employer adds to your retirement plan account if you contribute to the plan from your salary. These contributions:

- don't reduce the amount you can contribute to the plan from your salary;
- grow tax-free while in the plan; and
- are taxed only when withdrawn from the plan.

Example: Your 401(k) plan's matching formula is 50 percent of your contributions up to 5 percent of your annual salary (the maximum salary amount used in this calculation is limited and subject to the annual [cost-of-living adjustments](#)). If you contribute \$1,200 from your \$30,000 annual salary to the plan, your employer's 50 percent match on your contributions up to 5 percent of your salary means your employer will add an additional \$600 (50 percent x \$1,200) to your retirement account for the year.

To receive matching contributions, you **must** participate and contribute to the plan from your salary. Generally, the more you contribute to the plan, up to the plan's match limit, the more you receive in matching contributions.

Review the plan information your employer gave you to find out:

- how long you have to work before receiving matching contributions;
- the matching formula; and
- how much you have to contribute to fully benefit from the match.

NOTE TO EDITOR: Below are helpful resources on retirement topics on [IRS.gov](#).

- [Types of Retirement Plans](#) – information on different types of retirement plans, including the amount and types of contributions that you can make to the plans.
- [Tax Information for Plan Participant/Employee](#) – information on participating in a retirement plan, including how to join and contribute to the plan, and tax on withdrawals.

- [Retirement Plans Frequently Asked Questions](#) - answers to commonly asked questions on a variety of retirement plan topics.

On Twitter? Send these Tweets:

- Get these great #retirement savings tips <http://go.usa.gov/33Zpk> #IRS
- Learn about #retirement plan contributions <http://go.usa.gov/33ZVV> #IRS