# **Deloitte.**



## The Deloitte 401(k) Plan

Saving for the Future
Total Rewards | July 2016

## Introduction

The Deloitte 401(k) Plan ("the 401(k) Plan") provides a customizable savings and investment vehicle with options to suit the financial needs of Deloitte professionals. Whether your primary concern is tax savings, investment options, or added value through a Deloitte-provided match, Deloitte's plan has it.

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# See how quickly it can all add up

By taking a few steps in the right direction now, your savings can build quickly in the first four years of your career at Deloitte:

- 1. Enroll in the 401(k) Plan with at least a 6% contribution rate to maximize the Deloitte matching contribution.
- 2. Consider electing automatic, annual one-percentage-point increases when you enroll.
- 3. Learn about investing and pick where your money is invested.

### 401(k) Plan Balances After Four Years

The chart below illustrates how your retirement savings can really add up in the first four years of your career at Deloitte.

	Hired at Age 25 Earning \$50,000	Hired at Age 32 Earning \$75,000	Hired at Age 40 Earning \$100,000
Employee Contributions	\$18,500	\$27,700	\$36,900
Deloitte 401(k) Match	\$3,700	\$5,500	\$7,400
Grand Total	\$22,200	\$33,200	\$44,300

Projections use the following assumptions: The employee contributes 6% of eligible pay with an automatic escalator rate of 1 percentage point each year, bringing his or her final deferral rate to 9% in the fourth year; the employee receives an annual salary increase of 5%; and, an incentive bonus of 5% each year. The account balance earns an annual investment return of 6%. This hypothetical illustration does not represent the return on any particular investment. The final account balances do not reflect any taxes or penalties that may be due upon distribution. Withdrawals from a tax-deferred account before age 59½ are subject to a 10% federal penalty tax unless an exception applies.

The numbers above are estimates for illustration purposes only. Actual contributions or the amount of any earnings on accounts or future salary increases may vary from year to year, thus producing different results.



# Plan highlights

At Deloitte, you are encouraged to start saving and planning for your future on day one. Full time salaried professionals can participate in the Plan immediately. Highlights include:

- **Immediate eligibility.** Salaried professionals are able to enroll right away when they join Deloitte. You can easily direct a percentage of each paycheck to the Plan by enrolling online (subject to certain IRS limits).
- Convenient payroll deductions. It's easy to save through the 401(k) Plan. There are no deposit slips to fill out, no checks to mail, no waiting for the next available teller. The money you save comes out of your pay before you get it, which means you're less tempted to spend it.
- **Deloitte matching contributions.** Because we think it's very important that you save enough now to meet your future needs, we offer a match of 25% of each \$1 you contribute, up to 6% of your eligible compensation, each Plan year. That translates to a matching contribution equal to 1.5% of your eligible compensation

## **Note on Eligibility:**

The information contained in this brochure is intended for employees of Deloitte. Eligibility requirements may apply based on tenure, role, or other criteria such as work location or organizational unit. Please note that this brochure is not applicable to the Directors or Partners of Deloitte.

for the Plan year, assuming you contribute at least 6% and are employed on the last day of the Plan year.

- **Eligibility for matching contributions.** In most cases, if you are an active employee (non-Director) on the last day of the Plan year, you will be eligible for matching contributions. Those hired during the last 60 days of the Plan year will be eligible for matching contributions the following Plan year.
- **Timing of matching contributions.** Deloitte's Plan year begins the Sunday following the Saturday closest to May 31 and ends on the Saturday closest to the next May 31. Plan participants who are eligible to receive a matching contribution for the Plan year should see it credited to their Plan account near the end of June.
- A flexible approach to tax savings. You can make before-tax and Roth 401(k) after-tax contributions, allowing you to choose between paying taxes now or later. Either way, any earnings in your account grow tax-free until distribution.\*
- Vesting. You are immediately vested in your own contributions and associated earnings. You are also immediately vested in any rollover balances from other plans. This means that if you decide to leave Deloitte, the portion of your account that you contributed from your own paycheck or rolled over from another employer is always yours to keep. You become fully vested in Deloitte's matching contributions and any associated investment returns after just four years of service. Contributions will vest gradually—with 20% after one year of service, 40% after two years, 60% after three years, and 100% vesting after just four years of service.
- Automatic increases. This optional savings tool allows you to gradually increase
  your contribution rate by one percentage point each year—automatically.
- A diversified lineup of investment options. Choose from a wide selection of investments, ranging from conservative to aggressive.
- **Advice services.** Access education and professional advice services that can help you on the path to your financial goals.
- The power of compounding. By keeping your money invested for the long term—and reinvesting any returns earned along the way—your savings can compound and grow over time.
- **Short-term flexibility.** Although it's designed for long-term savings, the Plan provides a loan feature and other in-service withdrawal options under certain circumstances.
- **24-hour access.** Dedicated Plan websites provide you with up-to-date information, calculators, and tools to help you manage your financial future.

## **Total Rewards**

Deloitte's Total Rewards includes your compensation and a broad range of benefits covering retirement, health care, insurance, wellness and more. For a closer look at Deloitte's Total Rewards offerings, visit Talent on Demand

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All investing is subject to risk, including the possible loss of the money you invest

\*When taking withdrawals from a tax-deferred plan before age  $59\frac{1}{2}$ , you will have to pay ordinary income tax plus a 10% federal penalty tax. Withdrawals from a Roth 401(k) are tax-free if you are over age  $59\frac{1}{2}$  and have held the account for at least five years. If you take a withdrawal from your Roth 401(k) account before age  $59\frac{1}{2}$  or less than five years from the first contribution, the portion of the withdrawal that is attributable to earnings will be subject to ordinary income tax and a 10% federal penalty

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Advice is provided by Vanguard Advisers, Inc., a federally registered investment advisor. Eligibility restrictions may apply.

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