



**Constantine Wines, Inc.**

**401K Retirement Plan**

# Maryland Secure Act

October 2022

# Benefits of Retirement Savings

- Social Security will not be enough in most cases
- Contributions can be pre-tax
- Retirement savings grow tax-deferred or tax-free
- 25 vs 35 Example
- Federal Tax Saver's Credit - Max tax credit is \$1,000 (\$2,000 if married filing jointly)

# 2023 Tax Saver's Credit

Credit Rate	Married Filing Jointly	Head of Household	All Other Filers
50% of your contribution	AGI not more than \$43,500	AGI not more than \$32,625	AGI not more than \$21,750
20% of your contribution	\$43,501 - \$47,500	\$32,626 - \$35,625	\$21,751 - \$23,750
10% of your contribution	\$47,501 - \$73,000	\$35,626 - \$54,750	\$23,751 - \$36,500
0% of your contribution	More than \$73,000	More than \$54,750	More than \$36,750
* \$2,000 Max Contribution Qualifies (\$4,000 if MFJ)			

# Paychex Facts

- In business for 50 years
- Largest 401K recordkeeper in the USA
- Over 730,000 payroll clients

# Eligibility & Contribution Limits

## Eligibility

- Must be 18 years old
- Eligibility Date is the 1<sup>st</sup> of the month following 60 days of employment

## Contribution Limits

- 2022: \$20,500/ Age 50+ is \$27,000
- 2023: \$22,500/ Age 50+ is \$30,000

# Enrollment

- Step-by-step instructions will be emailed to you.
- Sales personnel – Enroll by 12/04/2022 to start with 12/09/22 pay.
- All other personnel – Enroll by 11/27/2022 to start with 12/02/22 pay.
- Auto-enrollment is a 1% contribution. You can opt to have it auto-increase by 1% each year until it reaches 10%. *If you do nothing, you will be auto-enrolled.*
- Print out the beneficiary form. Complete and sign the form and hand it in to Lori (HR). If you're married and naming anyone other than, or in addition to your spouse, your spouse must also sign.
- You have 90 days to opt-out. Contact Lori if you want this option.
- Any future changes must be made by the Sunday before a pay day.

# Investment Options

- Pre-tax contributions with tax-deferred growth – Contributions and growth are not taxed until you take a distribution
- Roth contributions (post-tax) – No tax on growth if distribution is 5+ years after account is established
- 26 Funds to choose from including Target Date funds



# Retirement Savings Guidelines

## Save the Equivalent \$ by Age

1x Salary	35
2x Salary	40
4x Salary	50
5x Salary	55
8x Salary	67

# Distributions

- Loans – Through Participant Call Line
- 10% Federal penalty on distributions before age 59-1/2
- No penalty for Hardship Distributions (examples: college, home purchase, medical, funeral)
- IRS Rule of 55

# Thank You!

Paychex Participant Call Line 1-866-385-5005  
x7560002

See Lori if you did not receive an enrollment email  
from Paychex