

## Sample article for organizations and employers

Customize and include the following article in your communication vehicles for your customers, members and employees.

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### Understand Your Employer's Retirement Plan

The first step in taking full advantage of your retirement plan at work is to understand the plan. Your employer must give you plan disclosure documents that provide a brief overview of the following basic concepts:

#### Eligibility to participate

Your plan's disclosure documents will state the conditions you must meet to participate in the plan. Employers can set [participation requirements](#), within limits, depending on the type of retirement plan. Your plan may allow you to participate immediately, or you may have to work for a specific amount of time before you can participate.

#### Contributions

Your plan's disclosure documents will also explain about contributions to your plan. Contributions made to retirement plans are subject to various [annual limits](#), depending on the type of plan. Some plans may only allow employer contributions, others only employee contributions and some may allow both. If you're allowed to contribute to the plan, you may even have a choice as to the [type of contributions](#) you can make (for example, pre-tax salary deferrals or designated Roth contributions).

#### Vesting

Your plan's disclosure documents will state the plan's vesting schedule. [Vesting](#) means ownership. You always own 100% of any contributions you make to your retirement plan, even if you leave your employer. However, depending on your type of retirement plan, vesting of employer contributions may be immediate or take up to seven years.

#### Distributions

Normally you can only take money out of your employer's retirement plan, except for IRA-based plans, when you retire or leave your job. However, depending on the type of plan you have, you may be able to get money earlier from your plan for specific events such as hardship or disability. The plan's disclosure documents will explain if and under what conditions you can get early distributions from the plan.

In IRA-based plans (SEP and SIMPLE IRA plans), you can take money out at any time but you have to pay taxes on any previously untaxed amount and may have to pay additional taxes for distributions you take before age 59½ unless you qualify for an [exception](#).

Take the time to understand your plan's disclosure documents and use the plan to save as much as possible for your retirement!

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**NOTE TO EDITOR:** Below are helpful resources on retirement topics on [IRS.gov](http://www.irs.gov):

- [Tax Information for Plan Participant/Employee](#) – information on saving for retirement, including how changes in your life can affect retirement planning.
- [Retirement Saving Tips for Individuals](#) – help on saving for retirement and understanding your employer's retirement plan.
- [Retirement Plans FAQs](#) – answers to common retirement-plan and IRA questions.

**On Twitter? Send these Tweets to your customers:**

- Learn why you should contribute to a retirement plan or IRA [#IRS](http://go.usa.gov/rekk)
- Check out these tips on how to save for your #retirement? [#IRS](http://go.usa.gov/rek4)