

Three Tips to Maximize Your Employer Match

Contributing to your workplace retirement plan is an investment in your future. As an added benefit, some employers offer a matching contribution. Maximizing your employer match is a powerful way to boost your retirement savings—be strategic to benefit as much as possible.

Here's how to make the most of your employer match.

1

Understand your plan's match model.

Employer match programs vary, with common formulas being either a dollar-for-dollar match up to a certain percentage of your salary, or a 50% match on your contributions up to a limit. See examples of these formulas on the next page.

2

Adjust your contributions to get the full match.

If you can't comfortably contribute enough to maximize the match, try saving what you can now and increase it later. Even saving 1% of your paycheck now and gradually increasing by 1% every 6-12 months can help you reach the full match.

3

Know the plan's vesting schedule.

Some plans have a vesting schedule for their matching contributions, meaning you only gain full ownership of those funds after working at the company for a specified period of time. You'll always be fully vested in the money you contribute, but it might take a few years until your employer contributions are fully vested. This schedule might influence how long you choose to stay with a company.



Examples of common employer match formulas



Example 1:

Elliot makes \$2,000 per paycheck, and his employer **matches 100% of the first 4%** of his earnings.

	2%	4%	6%	8%	10%
Elliot's contributions per paycheck	\$40	\$80	\$120	\$160	\$200
Employer match per paycheck	\$40	\$80	\$80	\$80	\$80
Total contributions per paycheck	\$80	\$160	\$200	\$240	\$280

If Elliot saves less than 4%, he misses out on money from his employer. But if he saves 4% or more, he receives the maximum employer match and his total contributions are greater.



Example 2:

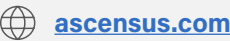
Mary makes \$1,000 per paycheck, and her employer **matches 50% of the first 8%** of her earnings.

	2%	4%	6%	8%	10%
Mary's contributions per paycheck	\$20	\$40	\$60	\$80	\$100
Employer match per paycheck	\$10	\$20	\$30	\$40	\$40
Total contributions per paycheck	\$30	\$60	\$90	\$120	\$140

If Mary saves less than 8%, she'll leave money on the table. But when she saves 8% or more, she maxes out her employer match.

Learn more

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Visit [Retirement Saving Resources](#).



Examples are for illustrative purposes only.

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