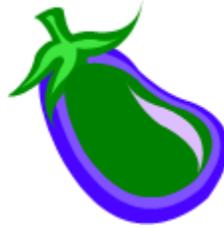




*Prevention & Medical Care
To Help You Live Better, Longer.*



The Eggplant

Valley Medical Group, P.C. Staff Newsletter

Volume XIX, Issue 3, Oct. 2, 2019

On behalf of the Board of Directors, **I am very happy to announce that VMG will be making an interim matching contribution to your 401K Plan accounts on a bi-weekly basis beginning in the paycheck on October 10.** VMG will match 25% of your bi-weekly contribution up to 6% of your wages. If you contribute less than 6% to the plan, the match will be 25% of your bi-weekly 401K contribution. If you contribute more than 6% of wages, the contribution will be based on 6% of your bi-weekly earnings.

VMG has offered an end of the year 401K match the previous 2 years. We hope that this interim matching contribution, in each of your paychecks beginning October 10, will encourage increased participation (higher contributions) in the 401K. VMG recognizes the importance of planning for our futures and we hope this match helps you achieve this goal.

We are also currently planning to do a year-end match based on your 2019 total 401K contributions (subject to VMG's year-end financial performance).

So that you may have a chance to get more information about our 401K and retirement planning, VMG will host Chera Gerstein from Willis Towers Watson and Brian Jordan from Voya in late October and early November. The dates will be announced soon.

If you don't already know: What is a 401K?

A 401(k) is a retirement savings plan sponsored by an employer. It lets you save and invest a piece of your paycheck before taxes are taken out. Taxes aren't paid until the money is withdrawn from the account. Our 401K provider is VOYA.

Why Contribute to Your 401K Account?

Retirement planning is important for all of us (younger and older). Most Americans do not save enough for retirement. Instead they may rely on Social Security and savings accounts (and even stashing money "under the mattress.") While these methods may play a role in your savings and retirement strategy, contributing to your 401K account is a great way to save and offers some unique advantages.

- A great advantage is that, when we can match some part of your contributions, you get "free (to you) money"

- Any contribution you make to your 401K is not taxed until you withdraw the money at your retirement. In fact, your contributions reduce your taxable income now so you pay less in taxes now.
- You have many choices in how to invest the money you put in your 401K. You can choose from relatively safe things like money markets to investments with more growth potential like mutual funds in stocks and bonds. *PLEASE NOTE: We can't give financial advice about investments and we can't guarantee your returns on investments. But even in "hard times," 401K investments have provided better returns than savings accounts.*

A Very Practical Example

Even relatively small amounts of money contributed each pay check can grow substantially over time. Here's a very simple example. Let's say you start with \$500 in your account. And let's say you buy a coffee at Dunkin Donuts 5 times a week, you're probably paying at least \$15 per week for your coffee (and probably more if you're adding other items). If instead, you put that \$15 per week in your 401K that would be about \$60 per month. If your 401K grew at the rate of even 2% per year, after 10 years that \$500 would have become \$8,493. In addition, you would have the advantage of that money not being part of your taxable income until you retire. (And this is even without any matching contribution from your employer).

Here's a link to the VOYA website with more information on why and how to make sure you are planning for retirement:

<https://www.voya.com/articles/retirement-goals-why-bother-saving>

Finally, there's more to financial planning than retirement planning. The VOYA website also has useful information on budgeting, savings, managing debt, and other important topics.

<https://www.voya.com/planning-advice/getting-started-personal-finance>

Thank you for caring for our patients and their families and for your dedication to Valley Medical Group and our communities.

Joel