

Let's Talk About...

How Much is Enough?

It's a common concern: Am I saving enough for retirement? Fidelity recommends (<https://www.fidelity.com/viewpoints/retirement/how-much-money-should-i-save>) that contributions to your annual retirement savings should equal at least 15% of your income.

Keep in mind that in 2023, the IRS allows you to contribute up to \$22,500 to a traditional or Roth 401(k) plan, plus an additional \$7,500 if you are age 50 or older. In 2024, the \$22,500 limit will increase to \$23,000.

If maxing out your contribution isn't possible or practical right now, here are some general guidelines that can help you decide how much to contribute.

Get Your Full Match

Halliburton matches 100% of the first 4% of your salary you contribute and 50% of the next 2% of your salary you contribute. Make sure you're getting every penny by contributing at least 6% of your salary.

The Halliburton Annual Increase Program Helps You Save!

With the Halliburton Annual Increase Program, you can elect to automatically increase your contribution rate by a percentage each year. You choose the percentage and the date, and the Plan takes it from there. Instead of you needing to remember to increase your contribution as intended every year, the Plan carries out your savings plan for you. It also helps you avoid the temptation to veer off course in the future.

When you enroll, your contribution rate will automatically increase by a percentage each year on whatever date you choose. For instance, you could choose to line up your increase date with Focal Point, January 1, or your birthday (consider it a gift to your future self!). Check your Annual Increase Program election (<https://netbenefits.fidelity.com/NBLogin/?option=ChangeAIP>).

Halliburton helps make small regular contribution increases a reality by reenrolling all participants who are not already contributing at least 6% of their salaries (and who do not opt out during the preceding December) at a 6% contribution rate on January 1 each year. These participants are also enrolled in the Annual Increase Program at a 1% increase going forward, up to 10%.

Be Realistic

Good intentions and long-term planning are often closely intertwined. Executing those good intentions over time requires self-discipline. When setting your goals, be honest about what you can and can't live without. Setting a realistic goal makes it easier to achieve. In some cases, your situation might call for focusing on a more pressing financial goal, like paying off high-interest debt, building an emergency fund, or saving for a home or education.

Consider Tax Implications

Contributions to a traditional 401(k) are made with pre-tax dollars, which can lower your current taxable income. This means that the actual impact on your take-home pay might be less than the amount you contribute.

Traditional and Roth Contributions: What's the Difference?

The difference between these contributions has to do with taxes.

Traditional 401(k) contributions

- Made on a **pre-tax** basis
- **Taxed when you take distributions**
- Reduce your current year taxes

Roth 401(k) contributions

- Made on an **after-tax** basis
- **Not taxed when you take distributions** as long as it has been at least five years since you made your first Roth deposit, and you are at least age 59½ or are disabled
- Let you take advantage of today's lower tax rates since taxes may increase before you retire

Fidelity's Roth 401(k) Modeler tool can help you decide which contributions are right for you. Simply enter some information like your annual salary, contribution percentage, and years until retirement. Then use the slide bars to model different pre-tax and Roth contributions. [Click here \(https://workplaceservices.fidelity.com/mybenefits/employerservices/app/rothModeler\)](https://workplaceservices.fidelity.com/mybenefits/employerservices/app/rothModeler) to access the tool.

It can take time to strike the right balance between saving for retirement and meeting your current financial goals. The Plan includes complimentary one-on-one retirement planning help from a Fidelity Workplace Planning Consultant. Call [\(800\) 603-4015](tel:8006034015) to get started or [make an appointment here \(https://NetBenefits.com/WorkplacePlanning\)](https://NetBenefits.com/WorkplacePlanning).

Sources:

<https://www.fidelity.com/viewpoints/retirement/how-much-money-should-I-save>
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