

Plan For
Your Future

With a 401(k)



What is a 401(k) plan?

A company-sponsored retirement account to which employees can contribute a portion of their income every pay period.

Part-time and full-time employees 18 years and older are eligible to participate in Genesco's 401(k) Plan with Empower. Employees can sign-up to participate in the 401(k) at any time. Visit www.empowermyretirement.com to register.

Genesco will match 100% of the first 3% you contribute, and 50% of the next 2% that you contribute. Your contributions to the plan and any earnings are immediately 100% vested!



What you need to know

Genesco offers both a **Traditional 401(k)** and **Roth 401(k)**, each with distinct tax advantages.

Traditional 401(k)

Contributions

- Made with pre-tax dollars.
- Reduces taxable income for the year of contribution.
- This means money comes from your paycheck before income taxes are taken.

Growth

- Investment earnings grow tax-deferred.



Withdrawals

- Taxable upon withdrawal during retirement.
- Required Minimum Distributions (RMDs) start at age 73.

Benefits

- Immediate tax benefit through reduced taxable income.
- May be beneficial if you expect to be in a lower tax bracket during your retirement.

Roth 401(k)

Contributions

- Made with after-tax dollars.
- No immediate tax benefit.
- This means contributions come from your pay after income taxes have been deducted.

Growth

- Investment earnings grow tax-free.



Withdrawals

- Tax-free if the account is at least five years old and the account holder is 59 1/2 or older
- RMDs required starting at age 73.

Benefits

- No taxes on withdrawals in retirement.
- May be advantageous if you expect to be in a higher tax bracket during retirement.

Limits & Rollovers

2024 Limits

- Employees can contribute a max amount of \$23,000 in 2024.
- 50 or older can deposit an extra \$7,500 in catch-up contributions for a combined total of \$30,500.
- The money you put in a 401(k) should be treated as untouchable until you turn 59 ½.

Rollovers

- New Employer
- IRA
- Mutual Fund Company / Bank
- The benefit of moving your 401(k) is to help you avoid immediate taxes and maintain the accounts tax advantage status.

If you leave the company you can take your 401(k) with you and roll it into a new 401(k) with your new employer, IRA, Mutual Fund Company or even a bank. The benefit of moving your 401(k) is to help you avoid immediate taxes and maintain the accounts tax advantage status.

Want to learn more about investments? We recommend speaking with your personal financial advisor or you can reach out to Empower for questions regarding your account.

Key Considerations

Flexibility & Predictability

- Traditional 401(k): Uncertainty about future tax rates.
- Roth 401(k): Predictable tax-free income in retirement.

Immediate vs. Future Tax Benefits

- Traditional 401(k): Immediate tax benefit.
- Roth 401(k): Future tax benefit.

Tax Bracket

- Traditional 401(k): Lower tax bracket expected in retirement
- Roth 401(k): Higher tax bracket expected in retirement.

Traditional 401(k): Best for those seeking immediate tax savings and expecting lower taxes in retirement.

Roth 401(k): Best for those preferring tax-free income in retirement and expecting higher future taxes.

Loans

If you need to borrow money a 401(k) loan is one of your options. There are some key advantages of 401(k) loans over the alternatives, but these loans may not be advisable unless you've exhausted your other options: They can be costly for your future and come with risks that are often overlooked.

A 401(k) loan allows you to borrow from the balance you've built up in your retirement account. You may borrow up to 50% of your vested balance for a maximum loan of \$50,000. 401(k) loans must be repaid within five years

If you leave the company and fail to repay your loan on time, including any required interest, then the unpaid amount is considered an early distribution. Meaning you will pay both income taxes and if you're under 59 1/2, a 10% early withdrawal penalty if applicable. Please reach out to Empower to learn more about the pros and cons of taking a loan out on your 401(k).

Hardship Withdrawal

401(k) hardship withdrawals are designed to let participants withdraw money from their retirement plans if they're facing certain financial hardships.

If you are experiencing a hardship, please reach out to Empower to see if you qualify at 1-844-465-4455.



Sign-up to participate in the 401(k) today!
Please visit www.empowermyretirement.com to get started. Questions? Please reach out to retirement@genesco.com