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# RETIREMENT 101, PART 1: THE BASICS

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Retirement is a complicated, emotional topic. It means different things to different people and can seem overwhelming. But it doesn't have to be. In this blog series, we'll explore many of the things you need to know about investing for retirement. One of the first things you need to know about retirement planning is that the bulk of the responsibility falls on you. More and more companies are offering defined contribution plans—plans where you contribute in a tax-deferred manner, e.g., in a 401(k)—than ever before. Once quite popular, defined benefit plans, i.e., pensions, have been going “the way of the dodo” as companies attempt to control costs and improve efficiencies. And as far as Social Security is concerned, if it is still a solvent benefit when you retire, it will likely not be sufficient to cover your income needs. So, what should you do? It can be easy to get overwhelmed when thinking about retirement planning, but take heart—there are some simple ways to save. For example, your company likely offers some type of 401(k) or equivalent defined contribution plan. A 401(k) provides a simple, painless way to save for retirement. You can set up automatic deferrals with your company so that you never see the money in your paycheck. And because your contributions are tax deferred, every dollar you invest may feel like far less. Setting up a 401(k) plan with your company right away can help facilitate a steady flow of savings. Like a slow-cooker, set it and forget it. Within a 401(k), you make your own investment choices and your money can grow on a tax-deferred basis, meaning you don't pay taxes on your earnings until you withdraw the assets in retirement. There can be penalties for early withdrawals, but most plans offer loan options, should you need to access your money before retirement. In future blog entries we'll discuss more about the typical features of 401(k) plans, determining how much you need in retirement, why and how you should allocate your assets, different investment options—and much more. For more information on 401(k) plans, visit [www.wisdomtree.com/401k](http://www.wisdomtree.com/401k).

For standardized performance and the most recent month-end performance click [here](#) NOTE, this material is intended for electronic use only. Individuals who intend to print and physically deliver to an investor must print the monthly performance report to accompany this blog.

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