

ESOP UPDATE

Information about your Employee Stock Ownership Plan (ESOP)

Combine ESOP with other savings



Employees in companies with an ESOP tend to have a higher household net worth and more retirement savings than their non-ESOP counterparts. This isn't because ESOPs replace other retirement savings. It is because ESOPs bring an additional wealth-building component to savings. Regularly making your own contributions to retirement savings — through an Individual Retirement Account (IRA) or a company-

sponsored plan allows you to get the best of both in your planning.

The chart below illustrates the similarities and differences that work together to enhance your future financial health.

Characteristic of the plan	Typical ESOP	401(k) or IRA
Funded primarily by company-paid contributions	Yes	No
Main source of investment is employee salary deferrals (or your contributions)	No	Yes
Diversified into multiple funds/accounts	No	Yes
Invested in the shares of your employer	Yes	No
Government-regulated retirement savings plan	Yes	Yes
Value of original investment or account growth is guaranteed	No	No
Participant-directed investment choices	No	Yes
Designed to provide for your retirement	Yes	Yes