

Repaying your loan or withdrawals

Check to see if your plan offers these options

Financial setbacks can happen to almost anyone at any time. We're here to help you work through these challenging times as you pay back your loan or withdrawals. Here are a few tips and benefits to think about:

Loan repayments

If you took a CARES Act loan or delayed your retirement plan loan repayments, paying that debt off sooner gives your retirement savings more time to potentially grow. Here are a few things to think about:

- Even with a loan, you can keep adding to your savings.
- Increase your savings rate if you can.
- You can keep making payments while your loan is on hold.
- You can pay off your loan online. Simply log in to your account at empowermyretirement.com and click on *Account/Loans & Withdrawals/Loans*.

Not paying back your loan now
may cost you more later¹



¹ FOR ILLUSTRATIVE PURPOSES ONLY. Assumes an annual salary of \$40,000 with a contribution rate of 6%. Assumes a loan of \$5,000 amortized over 60 months at a 3.25% interest rate. Assumes contributions and loan payments are invested and grow at a 7% annual rate compounded monthly over 20 years. Contributions stop when the loan is taken and then restart after loan repayment period.

Withdrawal repayments

Even though you have three years to pay back CARES Act withdrawals, the sooner you pay them back, the more time your retirement savings have to potentially grow. Here are some things to think about:

- If you withdrew more than you needed, you can send it back with no penalties.
- You can lower your tax bill by claiming your withdrawals over three years.
- You can repay withdrawals all at once or over three years. Just download a rollover form.

Additional forms are available online

- Log in to your account.
- Go to *Account Information*.
- Select *Plan Information*.
- Click on *Plan Forms*.

Withdrawals now may cost you later

A **\$10,000** withdrawal today could cost you nearly **\$40,000**.

Balance after 20 years



**With
withdrawal**



**Without
withdrawal**

FOR ILLUSTRATIVE PURPOSES ONLY. This hypothetical illustration is not intended as a projection or prediction of future investment results, nor is it intended as financial planning or investment advice. It assumes a 7% annual rate of return and reinvestment of earnings with no withdrawals over 20 years. Rates of return may vary. The illustration does not reflect any associated charges, expenses or fees. The tax-deferred accumulation shown would be reduced if these fees were deducted. Assumes a \$10,000 withdrawal on an account balance of \$40,000.

Visit learningfromempower.com for more information

Investing involves risk, including possible loss of principal.

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