



## Getting to know your SPARC Group LLC 401(k) Investment and Savings Plan

One of the great benefits that your company offers you is the ability to save for retirement in a 401(k) retirement savings plan. So, what is a 401(k) retirement savings plan and what can it do for you? We've got you covered.

### What is a 401(k) Plan?

A 401(k) Plan is one component of the benefits The SPARC Group LLC offers to help you save for retirement. You choose how much you want to contribute and that amount is automatically deducted from your paycheck and placed into your account within the 401(k) Plan.

Your retirement savings can continue to grow tax-deferred until you make a withdrawal and you do not pay taxes on your salary deferrals or earnings until you take a withdrawal from the plan.

Generally, the rule of thumb is that you can begin to withdraw this money once you are 59½. Keep in mind, there are tax penalties that you may have to pay if you try to take a withdrawal before you turn 59½. A good way to think about it is this is money that it is being put aside for your future self.

### Common plan features

Most 401(k) Plans have some common features. Below are some features that your plan has and what they all mean.

**Automatic Enrollment** – The SPARC Group knows just how important it is to start saving for retirement as early as possible, so they have a feature that automatically enrolls you into The SPARC Group LLC 401(k) Investment and Savings Plan and into a Voya Target Retirement fund at 3%. More on this later below.

**Contribution Rate** – You can choose the amount you want to contribute each payroll up to a predetermined IRS limit. As an employee in The SPARC Group LLC 401(k) Investment and Savings Plan you may contribute between 0% and 100% of your annual pay (or up to \$22,500 annually as per the 2023 IRS limits\*).

**Employer Match** – Some companies will provide even more help saving for retirement by matching how much you contribute. For example, if you contribute 1% of each of your paychecks, your company will contribute another 1% on top of that. In your case, SPARC will match 100% of the first 1% that you contribute to the Plan and 50% of any additional contributions for the next 5%. Meaning, if you contribute 6% of each paycheck to your 401(k) account, SPARC will match up to 3.5% of it!

**Available Investment** – You can choose from a variety of investment choices that have been selected by your employer. Remember, you will automatically be invested into a Voya Target Retirement Fund at 3%. These target date funds are based on factors such as your age and the year in which you plan to retire, and feature investments that are in line with helping you grow your investments as much as possible until your identified retirement date.

**Deferred taxes** – Not only do your pre-tax contributions help lower your taxable income each pay period, but all earnings on your contributions grow tax deferred!

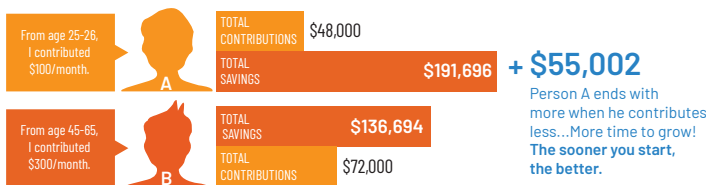
### It's never too early to start saving

The longer you save, the more you may have in retirement. How can such a simple idea be so essential? It's because time is one of the most important factors affecting how much you may end up with in retirement.

When you invest through an employer retirement plan, the return made on your money may be automatically reinvested. The longer you have to invest, the greater the opportunity for your investments to potentially grow.

The earnings on those investments get reinvested where they have the potential to grow and create more earnings, which get reinvested and on and on. This process is called compounding, and it can be a powerful growth engine for your savings.

Check out this illustration on the impact of compounding:



*Assumes each account earns an annual tax-deferred rate of return of 6.00% compounded monthly. This illustration is hypothetical, is not guaranteed and is not intended to reflect the performance of any specific investment or security. You should consider your financial ability to continue investing consistently in up as well as down markets. In addition, these figures do not reflect taxes or any fees, expenses or charges of any investment product. Taxes are generally due upon withdrawal and early withdrawal penalties may apply to withdrawals taken prior to age 59½. You should consult with a tax professional or tax attorney prior to implementing tax based decisions. Legal and tax advice are not offered by Voya Financial and its representatives.*

### Investment Basics

Here some terms and definitions you should be familiar with you around investments:

**Stocks** are shares of ownership in a company.

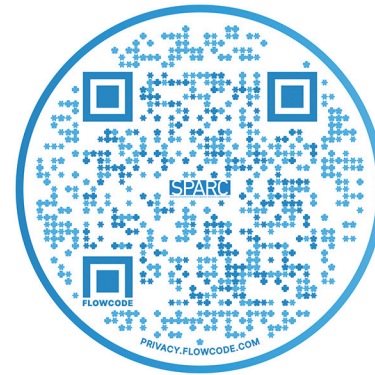
**Bonds** = debt security. AKA "I.O.U."

**Cash** – Short-term investments (money markets, treasury bills, CDs)

**Mutual Funds** – Diversified collection of investments that can include stocks, bonds, cash real estate and other financial assets, all managed by a professional investment specialist.

What's most important for you to remember is the concept of diversification. You should have your retirement savings spread across multiple investments, and this is called diversification. Otherwise known as "never put all your eggs in one basket." Great news, the Voya Target Retirement fund that you are automatically invested in is a diversified type of mutual fund, so you're already on the right path!

Scan the code below for a quick video for more on how to get started on your retirement journey



To explore all of these great features and more, log in to your account. A few simple steps is all it takes to start your retirement journey off right.

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