

# RACETRAC & YOU 401(k) FREQUENTLY ASKED QUESTIONS



## What is a 401(k) plan?

- A 401(k) is a retirement plan that allows employees to contribute a portion of their paycheck to an account, which can be invested and potentially grow tax-free over time. RaceTrac contributes to your account as well!

## Who is our 401(k) plan administrator?

- TransAmerica

## When can I start contributing to my 401(k) account?

- You are eligible to participate on the first of the month after 30 days of employment.

## How do I enroll in the 401(k) plan?

- To enroll in the 401(k) plan, contact TransAmerica at 800-755-5801 or <https://transamerica.com/login>.

## What is an employer match?

- An employer match is when your employer contributes additional funds to your 401(k), typically based on how much you contribute.

## What is RaceTrac's employer match policy?

- For your first 3% of contributions, RaceTrac matches 100%
- For your 4% and 5% contributions, RaceTrac matches 50%
- If you contribute 5% of your pay, RaceTrac will match you at 4%

## What is RaceTrac's vesting period?

- A vesting period is the amount of time you must work for your employer before you have full ownership of the employer's contributions to your 401(k). At RaceTrac you are immediately vested.

## What happens to my 401(k) if I leave RaceTrac?

- You can either leave the account with RaceTrac in your Transamerica account, roll it over into an IRA, or transfer it to your new employer's 401(k) plan if they allow it. Alternatively, you can cash it out, but this would likely result in taxes and penalties.

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## How do I choose what I contribute to my 401(k)?

- Educate yourself by exploring [transamerica.com/portal](https://transamerica.com/portal) and the website's full range of resources including webinars, articles, and the interactive features shown below.

### COMMON TERMS

- Understanding retirement-planning terms can be easier with Transamerica's comprehensive financial glossary. Visit [transamerica.com/financial-glossary](https://transamerica.com/financial-glossary) to browse the list.

### FINANCIAL WELLNESS CENTER

- Explore retirement savings options to help you set aside money for your future financial security. The portfolio builder at [transamerica.com/portal/financial-wellness/](https://transamerica.com/portal/financial-wellness/) explains how you can maximize your retirement savings.

### PERSONAL FINANCE CALCULATORS

- Forecast your future with Transamerica's online calculators. The Retirement Planner Calculator can be especially helpful. It provides estimates based on your income, how much you're saving, and when you plan to retire. Log in to your online account at [transamerica.com/portal](https://transamerica.com/portal), click VIEW DETAILS, then hover over Resources in the top navigation bar and click Calculators.

### DISCOVER YOUR RETIREMENT FORECAST WITH TRANSAMERICA'S ONTRACK® TOOL

- Knowing how you're doing as you prepare for retirement should be as easy as checking the weather. Transamerica's OnTrack® tool is an online tool that uses straightforward weather icons to create Your Retirement Outlook®, making it easy to see if your retirement forecast is sunny, rainy, or somewhere in between. You can help Brighten Your Outlook® by using the tool to increase your contribution rate, change your investment strategy, or add outside assets.

## What retirement plans does RaceTrac offer?

- Your options are a 401(k) or Roth 401(k):
  - The Traditional 401(k) allows you to save before-tax dollars.
  - The Roth 401(k) saves after-tax dollars.
  - You can also choose a combination of both!
  - The best option for you will depend on whether you think you'll be in a higher or lower federal tax bracket when you decide to withdraw your money.
  - The Roth 401(k) calculator on the plan website can help you determine which may be right for you here: <https://transamerica.com/login> or call 800-755-5801 for more information.

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## Can I withdraw funds from my 401(k) before I retire?

- Yes, the 401(k) plans allow withdrawals for the following:
  - **Hardship Withdrawals** - such as medical expenses, funeral expenses, or tuition. These withdrawals may be penalty-free. If you withdraw funds before age 59½, you may have to pay a 10% additional tax on the distribution, plus federal and state income tax.
  - **Qualified Disaster Recover Distributions** - participants who are economically impacted by a federally declared disaster can take a distribution up to \$22,000 per disaster without subject to the federal 10% early withdrawal penalty.
  - **Emergency Personal Expense Withdrawals** – participants are allowed to take a penalty free withdrawal of up to \$1,000 to help pay for an emergency personal expense. Only one emergency personal expense can be withdrawn per year.
- Contact Transamerica at 800-755-5801 for more detailed information.

## Can I take a loan from my 401(k) account?

- Yes. To learn more, log into your Transamerica portal at <https://transamerica.com/login>.