

Make the Most of Your Caterpillar 401(k) Plan

Understand your Plan and how to get the most out of it.

	Before-Tax	Roth
Taxes on Contributions	Reduces current taxable income	Does not reduce current taxable income
2026 Employee Limits	\$24,500 if under age 50. \$32,500 if age 50 and over. \$35,750 if age 60 to 63. Age 50+ and earned more than \$150,000 in Caterpillar FICA wages in 2025? Qualifying catch-up contributions you make in 2026 will automatically become Roth contributions after you reach the \$24,500 annual limit, unless you opt out.	
Taxes on Distributions	Contributions and earnings taxed as ordinary income	Qualified distributions tax-free ¹
Penalties	Prior to age 59½ subject to 10% early withdrawal penalty	
Rollovers	Eligible for rollover to Traditional or Roth IRA ²	Eligible for rollover to Roth IRA

¹ A qualified distribution is one that is made at least five years after the year the first Roth contribution is made and on or after attaining age 59 ½.

² If rolling over from a before-tax 401(k) to a Roth IRA, this would be considered a conversion and can create major tax implications.

How to Make the Most of Your 401(k) Plan?

Start early

Perfect your contribution strategy

Allocate your assets

Avoid borrowing

How Much to Save? It Depends on:

Factors	Why it matters
Retirement lifestyle	This determines how much income you'll need to live on.
Retirement age	The earlier you retire, the earlier you need to use your savings and the more years you need to fund.
Life expectancy	The longer you live, the more savings you need for those extra years of life.
Personal goals	If you have personal goals like legacy planning, extensive health care needs, or family support, you will have to plan for those specific goals.
Investment strategy	Your investment strategy and growth potential and risk tolerance can impact your savings and account balance.

Experts typically suggest saving at least 10 - 15% or more

What's Next?

Start **early**, save **consistently**

Maximize your **employer match**

Increase your contributions to a **goal of 10 - 15%**

Review your account on a regular basis

Use your **tools and resources** and ask questions

Benefits website: www.CatBenefitsCenter.com
Benefits Center: 877-228-4010 Mon-Fri, 8AM - 6PM CT

Information here is provided solely to supplement the Make the Most of Your 401(k) presentation. This information should not be considered advice, and your information may warrant consideration of other alternatives. Please speak with your financial advisor and/or tax advisor.

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