



When you think of the benefits of your retirement plan, tax-deferred savings and matching contributions are probably top of mind. But there's more to your workplace retirement plan than meets the eye. Beyond the basics, retirement plans can come with a number of lesser-known advantages that can help you protect, grow, and pass on your savings more efficiently. Here are five perks you might not even realize you have.

- 1. Dollar cost averaging:** Your retirement contributions go into your account on a regular schedule, regardless of fluctuations in the market. This means you buy more shares when prices are low and fewer when prices are high, evening out your average cost per share over time. This is known as "dollar cost averaging." It's a simple, steady approach that takes the guesswork and emotion out of investing, helping you stay consistent through market ups and downs.
- 2. Greater creditor protection:** Retirement balances are generally shielded from commercial creditors, adding an extra layer of security for your nest egg. This protection is built into federal law, offering a safeguard most personal investment accounts can't match. Even if you face a lawsuit or bankruptcy, your retirement savings are generally off-limits to most creditors. While certain exceptions can apply – such as for federal income taxes owed to the IRS – this layer of protection can help keep more of your hard-earned savings dedicated to your financial future.

3. **Easier estate planning:** You can name beneficiaries directly on your retirement account, helping your savings transfer smoothly without probate delays. By naming your beneficiaries, you can help ensure that your savings pass directly to your chosen heirs, avoiding the time, expense, and complications of probate. Regularly reviewing and updating your beneficiary designations after major life events, such as marriage, divorce, or the birth of a child, can help keep your estate plan aligned with your wishes.
4. **Professional oversight:** Retirement plans have designated fiduciaries that are responsible for reviewing fund performance, keeping fees reasonable, and ensuring investment options meet the plan's standards, giving you the benefit of built-in due diligence and expert oversight. These fiduciaries are legally obligated to act in your best interest, quietly working behind the scenes for your benefit.
5. **Potential fee savings:** Many larger plans offer institutional share classes with lower fees. While the difference may seem small, perhaps just a few tenths of a percent, those cost savings can add up to tens of thousands of extra dollars over decades of compounding. Lower expenses mean a higher percentage of each contribution stays invested, allowing more of your savings to keep working for you.

By understanding and taking advantage of these benefits, you can help make the most of your plan and strengthen your retirement readiness. A little knowledge can go a long way toward securing your financial future.

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