

Morgan Stanley

MY WELLBEING

Maximizing Your 401(k) for a Sound Retirement



Topics We'll Cover Today

When Is the Best Time to Save for Your Retirement?

Contributing to Your 401(k)

How Much May I Contribute to My 401(k)?

What if I Need to Access My Funds?

401(k) Plan Statistics

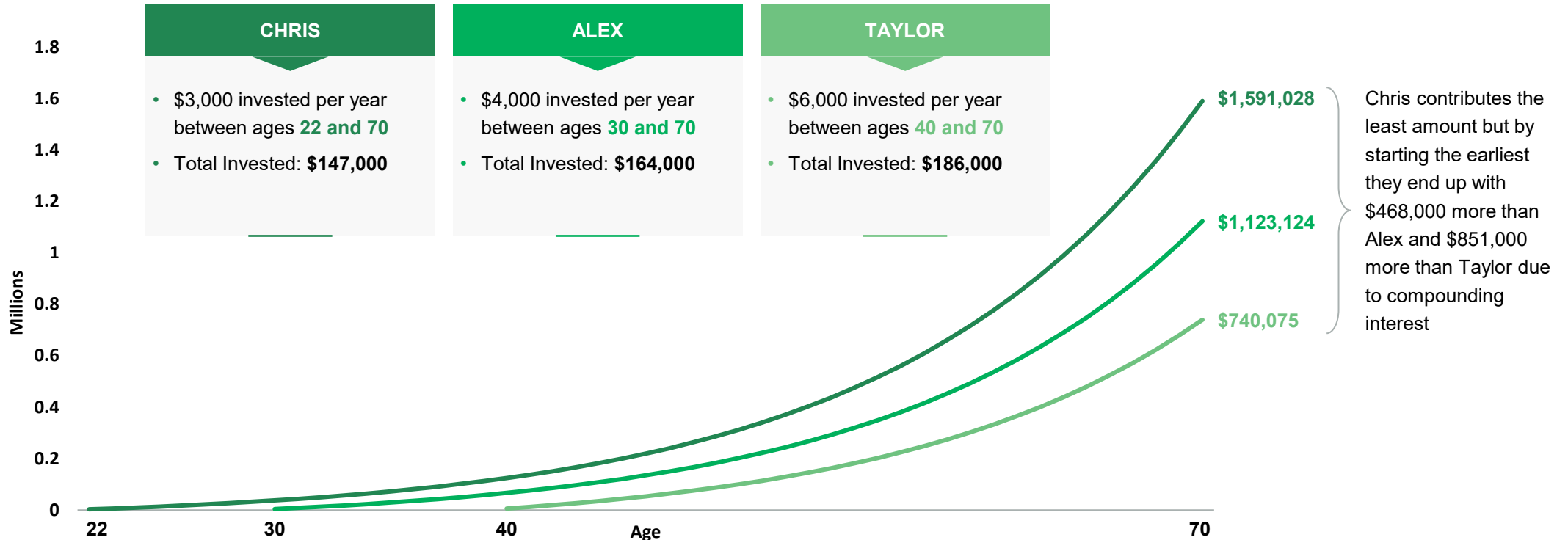
Questions

SECTION 1

When Is the Best Time to Save for Your Retirement?

Yesterday! But Never Too Late to Start

The Power of Compounding and Investing Time Horizon: A Hypothetical Illustration, Assuming 8% Annual Return



Source: Morgan Stanley Wealth Management GIC

SECTION 2

Contributing to Your 401(k)

Save for Retirement through Before- or After-tax Paycheck Contributions



Before-Tax Contributions



- Contribute up to 50% of your pay | 90% total with other contribution types
- Current taxable income is reduced by the amount of your contributions
- Taxes due at time of distribution on both contributions and earnings
- Separate election can be made for bonus and incentive compensation

After-Tax Contributions



- Current taxable income is not reduced by amount of your contributions
- Taxes due on earnings only at time of distribution
- **NEW:** Highly compensated employees may contribute up to \$29,700 for 2023
- **COMING:** Beginning in 2024, make separate elections for bonus and incentive compensation

Roth After-Tax Contributions



- Current taxable income is not reduced by amount of your contributions
- No taxes due on contributions and earnings at time of distribution if at least age 59½ x – and it's been 5 years after your first contribution
- **COMING:** Beginning in 2024, make separate elections for bonus and incentive compensation

How Does Morgan Stanley Help You Save? 401(k) Plan Company Contributions

Matching + Fixed Contributions



If your eligible pay* is **less than \$100k** and you are **not a Financial Advisor**:

- Maximum **match is 4%** of your eligible pay, up to IRS pay limit**
- The Firm will also contribute an additional **fixed amount of 2%** of your eligible pay to your 401(k) each year

* *Eligible pay is your total income from Morgan Stanley for a calendar year and typically includes base pay, overtime, commissions, bonuses and incentive compensation.*

** *2023 IRS pay limit is \$330,000.*

Matching Contributions Only



If your eligible pay* is **between \$100k and \$275k**, maximum match is 5% of eligible pay, up to IRS pay limit**



If your eligible pay* is **more than \$275k**, maximum match is 4% of eligible pay, up to IRS pay limit**

Reminders

- Generally, must be employed on Dec. 31 to receive company contributions.
- Company contributions are deposited as a lump sum into your account in the **first quarter** of the following year based on your investment directions on file.
- After working for the Firm 3 years, you're "fully vested" and company contributions are yours to keep even if you leave. (**Note:** If you leave the Firm before 3 years, you forfeit 100% of company contributions but keep all paycheck contributions.)
- **Don't miss out on free money:** Be sure to contribute at least the matched amount (4% or 5% depending on your eligible pay).

SECTION 3

How Much May I Contribute to My 401(k)?

401(k) Plan Limits

- The plan allows you to make separate elections in before-tax, after-tax, Roth and catch-up contributions, up to 50% of your pay each or 90% in total
- However, the IRS limits the amount of contributions you may make to your 401(k) each year as shown below; limits change year to year

2023 Plan Year IRS 401(k) Limits

Eligible Pay Limit (on Total Earnings)	\$330,000	IRS limit on eligible pay in 2023 (company contributions limited to eligible pay)
402(g) Limit	\$ 22,500	Before-tax + Roth combined contribution limit
415 Annual Addition Limit	\$ 66,000	Limit on employee plus employer contributions for 2023 (before any catch-up contributions)
Catch-up Contribution Limit	\$ 7,500	If age 50 or older by Dec 31, may make additional before-tax or Roth contributions

- **May I contribute more than the 402(g) limit? Yes, by using Roth conversions**
- 401(k) plan allows you to convert non-Roth after-tax money to Roth
- Earnings on non-Roth After-tax contributions between contribution date and conversion date are taxable in the year of conversion
- **NEW:** The plan now allows auto-Roth conversions of your non-Roth after-tax contributions to Roth, which eliminates any taxable earnings

SECTION 4

What if I Need Access to My Funds?

Flexibility



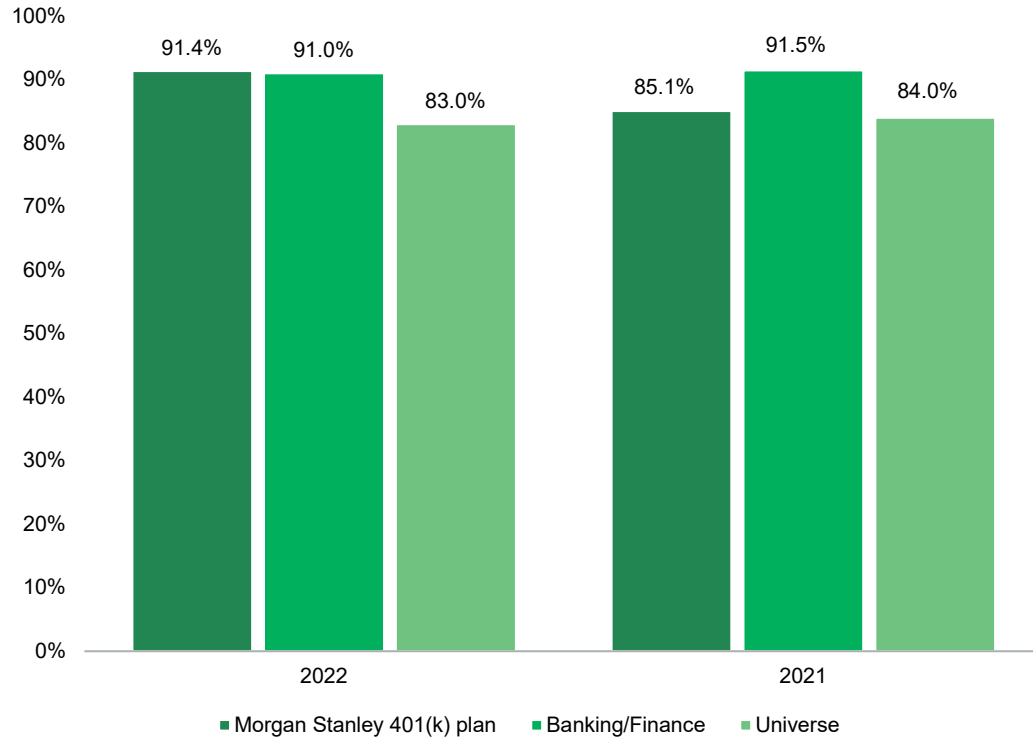
- Hardship distributions are available for the specific purposes listed below:
 - Uninsured or unreimbursed medical expenses
 - Purchase or construction of principal residence (**Good to know:** You have up to 15 years to repay this type of 401(k) loan)
 - Tuition expenses
 - Prevention of foreclosure or eviction of principal residence
 - Funeral expenses
 - Repairs to primary residence due to casualty loss
- **NEW:** Participants may now self-certify hardship distributions
- Non-hardship distributions are generally available after age 59½
- Money rolled into the Morgan Stanley plan is available for distribution at any time
 - Tip:** For instructions on how to roll over a 401(k) from a former employer into the Morgan Stanley plan, type [former401k/](#) in your Firm browser
- Non-Roth After-tax contributions are available for distribution at any time
- Loans of up to 50% of your account balance, or \$50,000 (whichever is less)
 - You may have up to 2 loans outstanding
 - You may continue to make 401(k) loan payments after leaving Morgan Stanley through direct debit from your bank account
- You may keep your 401(k) balance in the plan after leaving Morgan Stanley as long as your balance is greater than \$1,000

SECTION 5

401(k) Plan Statistics

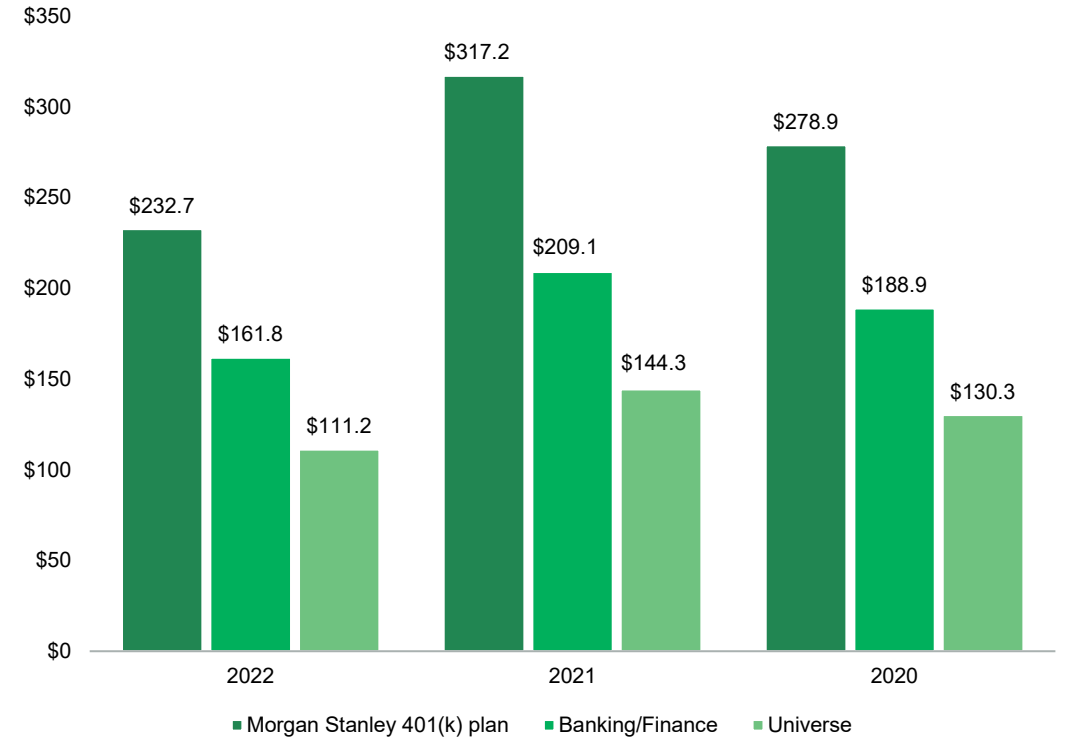
401(k) Plan Statistics

Participation Rate



Average Plan Balance Across All Active Participants

\$ in Thousands



Questions?



HR SERVICES

877-MSHR-411 (674-7411)

9 am to 7 pm ET, M-F

Call with questions about:

- Firm's benefit plans
- Retirement
- HR policies
- Payroll and direct deposit
- Updating personal information or beneficiaries

Good to know

Web chat from MSToday

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[hrservices/](https://www.morganstanley.com/hrservices/)

SECTION 6

Be In the Know about Your Benefits

What to Learn More about Your Morgan Stanley Benefits?

Webinars for Employees + Partners

Overviews with the Benefits Team
Deep Dives from Key Partners

[See Schedule + Replays](#)

Digital Guide + Websites

Employees + Partners
No password required

mybenefits.ms.com

Employees Only
From Firm network

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beintheknow/

Save the Date

Benefits Enrollment 2024
November 3 to 17

Benefits Support

HR Services

401k, payroll, HR policies, etc.
877-MSHR-411 | [Web chat](#)

Benefits Center Website

Manage 401k,
enroll in benefits, etc.
[benefits/](#) or ms.com/benefits

Accolade Health Assistants

Health care, insurances,
family programs, etc.
866-386-0076
Accolade app
member.accolade.com



OTHER IMPORTANT INFORMATION

Any inconsistency between this communication and the terms of an official plan document will be governed by the plan document. Morgan Stanley and its benefit plans are not responsible for any data errors or processing delays. The plan administrator may correct any errors at any time.

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Check your confirmations and statements to ensure that your elections are correctly reflected. Morgan Stanley's benefit plans may be amended or discontinued at any time, including to curtail benefits for some or all covered individuals.