This section explores investment-related sites on the Internet. Each issue highlights an area that may be of interest to *Computerized Investing* readers. We welcome referrals to sites you have discovered.

# Help With 401(k)s and 403(b)s

Traditional pensions (defined-benefit plans) have gradually been replaced among corporations by 401(k) and 403(b) retirement plans. These are called defined-contribution plans because the employee elects to set aside tax-deferred income for retirement on a regular basis. A 401(k) plan is offered by corporations to its employees, while a 403(b) is the version offered by nonprofit organizations, such as universities and charitable organizations.

This change has moved the responsibility of retirement planning and saving from the company to the employee. For many people, their defined-contribution plan will be their only source of retirement income outside of Social Security payments (assuming the system remain solvent). Studies have shown that many workers do not take full advantage of these retirement plans. Some employees fail to contribute enough to maximize their employer's matching programs, and others fail to make contributions at all.

The advantages of 401(k) and 403(b) plans include reducing taxable income by the amount contributed and delaying payment of income tax on the earnings until withdrawals are made. Deductions are automatically withdrawn from paychecks, making it easier to save and less tempting to skip a contribution. In addition, many employers match contributions, and some plans allow investors to take out loans.

The number of investment options offered under these plans by companies is also steadily growing. Investors can now choose from a wealth of mutual funds to find one or a few that suit their needs.

With the recent market downturn, many 401(k) plans were hit hard, emphasizing the importance of proper planning, allocation and risk management—all of which fall to the plan participant.

With the rise of 401(k) usage, options and importance in retirement planning, where can you find out what you need to know to make the most of your retirement plan? When you've exhausted the information provided by your employer, the following Web sites can fill in your knowledge gaps.

## Fidelity's 401(k).com

401k.fidelity.com

Fidelity's free 401(k) help center is open to all investors. In most cases, the information is not specific to Fidelity funds and investment plans, so it can be useful for any investment plan you are using. The site has four main sections: Getting Started, Guidance & Retirement, Investments, and Resources.

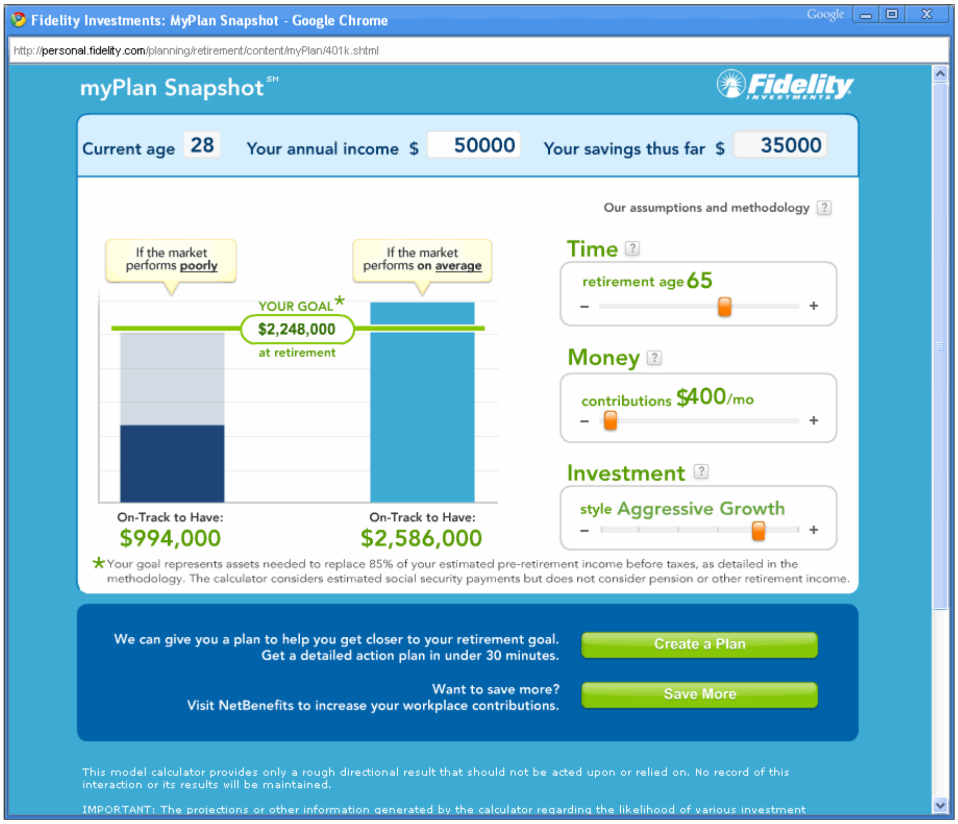
The Getting Started area includes articles about how to join a plan, the benefits of using a 401(k) plan, how much to contribute and more.

The Guidance & Retirement section includes some proprietary tools. You can see if you are saving enough by using the MyPlan tool, which asks for basic information (i.e., age, income, monthly savings and investment style) and then produces a bar chart showing how much you need versus how much you will have at your chosen retirement age. You can play around with the numbers and see how changes to certain inputs will alter the results.

This area also includes a section called "Get Guidance for Life," which links to other areas of the Fidelity site for free articles and commentary about investing and saving in various life stages.

Next, the "Investments" area includes a Fundamentals of Investing presentation for beginners. The rest of the section is

**Fidelity's 401(k).com**



geared more toward marketing than education. Finally, the "Resources" area offers links to tools and calculators, instructional videos and podcasts, and discussions by topic.

The site is free.

### 401(k).org

www.401k.org

This nonprofit site is designed to help individuals become educated about retirement planning, saving and investing. It is maintained by the Profit Sharing/401k Council of America. The site's home page offers a discussion of current issues affecting retirement investing—for example, investing in a volatile stock market.

The "All About 401(k) Plans" link provides an introduction to 401(k) plans, FAQs and a glossary of terms, as well as tips and links to additional resources. More specific topics include dealing with 401(k)s in the event of a divorce, tax issues, laws and regulations, and 401(k) loans. Also in this section, you will find a 401(k) calculator, interactive games for learning the basics of 401(k)s and an annual retirement checkup feature.

You can find a list of archived articles in the "Articles and Features" section.

The site is free.

### 401(k) Rollover Guide

www.401krolloverguide.com

This site is geared toward employees who have changed jobs and wish to roll 401(k) funds over to another account. It is easy to make a costly error with this transaction, so the 401(k) Rollover Guide discusses the most common rollover mistakes and offers a checklist and tips. You can also learn about contribution limits.

A section called Rollover Basics provides a beginner's guide to 401(k) and 403(b) plans. The FAQ section provides answers to general 401(k) questions as well as more specific rollover and withdrawal questions.

### 401(k) Help Center

www.401khelpcenter.com

The 401(k) Help Center is a portal for news, commentaries and tools to help 401(k) plan administrators and investors. Click on "Plan Participant Channel" for articles that address recent issues in 401(k) investing. In addition, you can read about investment options, early withdrawals, participant rights and more. Basic 401(k) questions are covered along with explanations of compounding interest, asset allocation and handling company stock. Finally, the site's tools include a retirement goal calculator and Roth 401(k) analysis tool.

The site is free.

### FINRA's Smart 401(k) Investing

www.finra.org

The Financial Industry Regulatory Authority (FINRA) is the largest independent regulator for all securities firms doing business in the U.S. The FINRA Web site offers educational information for investors. To access the Smart 401(k) Investing area, go to Investors, click on Smart Investing and choose Smart 401(k) Investing under Retirement.

The site offers a step-by-step discussion of 401(k) investing from start to finish. You can learn about the importance of saving for retirement and how to open, invest, manage and make withdrawals from your 401(k). Each topic includes several discussions with definitions, pros and cons, and links to related Web sites and topics.

For example, Investing in Your 401(k) includes discussions of various types of mutual funds and other investment options such as variable annuities. It also covers how to choose and use brokers for participants whose accounts offer a brokerage window.

You can also learn about 401(k) loans, hardship withdrawals and how to move your plan to another provider. Finally, a glossary provides definitions of commonly used terms.

The site is free.

### IRS

www.irs.gov/retirement

The Retirement section of the IRS Web site provides discussions of various retirement plans, how they work, their contribution limits and their tax consequences. For information specific to 401(k) and 403(b) plans, choose Types of Plans from the left menu bar under Topics.

Here you can read about newly enacted, pending and proposed tax rules and regulations pertaining to these plans. The 401(k) Resource Guide [found as a link mid-way down the 401(k) page] provides articles and "plain language" discussions of sometimes complex rules and requirements.

The site is free.

### Roth 401(k).com

www.roth401k.com

Beginning in 2006, 401(k) plans were permitted to allow employees to designate their contributions as Roth contributions. These contributions are subject to the same rules as Roth IRAs, which means the contributions must remain in the plan for five years to receive the tax-free advantage. For 2010, salary contributions to a Roth 401(k) are limited to $16,500, or $22,000 if age 50 or older, similar to a standard 401(k) or 403(b) plan.

Roth401k.com is a site devoted to this unique investment opportunity. Articles and recent news stories regarding the Roth 401(k) are archived with titles and descriptions. The articles are drawn from various sources including the Wall Street Journal and Dow Jones newswires. Some of the articles may be restricted to subscribers, depending on the source. Users can also read proposed and enacted laws and regulations dealing with the Roth 401(k).

This site is free.