

A photograph of an older couple walking away from the camera on a sandy beach at sunset. The man is on the left, wearing a white short-sleeved shirt and light-colored shorts, and the woman is on the right, wearing a white long-sleeved top and light-colored pants. They are holding hands and looking towards the ocean. The sky is a warm orange and yellow, and the water is calm. The text 'Participant Path Guidebook' is overlaid on the left side of the image in white, with a horizontal line underneath.

Participant Path Guidebook



A Practical Guide to Managing Your
Retirement Plan (401(k), 403(b), 457,
TSP) to Build Wealth and Reduce Taxes

www.PlanParticipant.com

Introduction

Your workplace retirement plan, whether a 401(k), 403(b), 457, or TSP, is one of the most powerful tools to build wealth, secure your future, and reduce taxes along the way.

This guide is designed to help you make the most of it. You will learn how contributions work, how to invest wisely, and how to avoid common mistakes. You will also see how different investment options compare, from simple defaults to do-it-yourself menus and advanced choices.

Think of this as your flight plan. The basics will keep you on course, and when your situation grows more complex, you can rely on Plan Participant as your wingman to guide you through the accumulation phase.

1. Understanding Your Plan

Every retirement plan has the same core purpose: help you save and grow your wealth for the future. But the details vary:



401(k): Common in private companies, usually offers employer match and a mix of mutual funds.



403(b): Offered by schools, hospitals, and nonprofits. Often features annuities and mutual funds.



457: For government workers and some nonprofits. Unique benefit: no early withdrawal penalty if you separate from service.



TSP: For federal employees and the military. Known for low fees and a small, simple investment menu.

Key features to know:



Employer match: always contribute enough to get it.



Vesting schedule: know when employer contributions become yours.



Contribution limits: for 2025, you can save \$23,000, plus \$7,500 if age 50 or older.

2. How Contributions Work

Saving into your retirement plan reduces taxes, grows wealth, and compounds over time.

Contribution strategies:



Start with 10% to 15% of income.



Increase your contributions each year or when you get a raise.

Decide between Roth and Traditional:



– Roth: pay taxes now, tax free growth later.

– Traditional: tax deduction now, taxable withdrawals later.

3. Investment Pathways: Choosing How to Invest

When you enroll, your money must go somewhere. Here are the main pathways:

A. Default Funds (Hands-off approach)

If you do not choose, most plans put you into a target-date fund or lifecycle fund based on your age.



Simple, set-it-and-forget-it.



Mix of stocks and bonds automatically adjusts as you get closer to retirement.



Downsides: not personalized, may be too conservative or aggressive for your needs.

B. Do-It-Yourself Menu (Core mutual funds and index funds)

Most plans offer a lineup of mutual funds and index funds. These may include:



US Stock Funds: Large cap, mid cap, small cap.



International Funds: Developed and emerging markets.



Bond Funds: Government, corporate, or blended.



Balanced Funds: Mix stocks and bonds.



Stable Value or Money Market Funds: Low risk, low return.

DIY benefits: Full control, ability to match investments to your goals.

DIY risks: Too many choices, risk of chasing returns or making emotional decisions.

C. Advanced Options (Brokerage windows and mutual fund windows)

Some plans offer access beyond the core menu:



BrokerageLink (401(k), 403(b)): Open access to thousands of mutual funds and ETFs.



TSP Mutual Fund Window: Expands the five core TSP funds into thousands of choices.

Advanced benefits: More flexibility, professional management possible, institutional-grade options.

Advanced risks: More responsibility, higher fees, not needed for everyone.

4. Building Your Portfolio

No matter which path you choose, the principles remain the same:



Diversify across stocks, bonds, and cash.



Limit company stock to 10% or less.



Rebalance once a year to stay aligned with your goals.



Adjust risk level as you move from early career to retirement.

5. Reducing Taxes Along the Way



Max contributions when possible (\$23,000 plus \$7,500 if 50 or older).



Blend Roth and Traditional to create tax flexibility.



Use other tax advantaged accounts such as HSA and IRA alongside your retirement plan.



Plan for withdrawals now to avoid surprises later.

6. Mistakes to Avoid



Leaving old plans behind when you change jobs.



Over-relying on default funds without checking if they fit your goals.



Overreacting to market swings.



Forgetting to rebalance.

7. Strategies by Career Stage

Early Career: Capture the match, favor Roth, invest aggressively for growth.

Mid Career: Raise contributions to 15% or more, diversify beyond defaults, watch lifestyle creep.

Executives and High Earners: Max limits (\$23,000 plus \$7,500 catch-up), use tax planning, monitor concentration in employer stock.

Government and Military: Use the G Fund for safety, combine with C, S, and I funds for growth.

Near Retirees: Reduce risk gradually, plan tax efficient withdrawals, prepare for required minimum distributions.

8. When Professional Help Adds Value

Most participants can succeed with the basics, but some need more support:



Large account balances where mistakes are costly.



High income earners who need tax efficient strategies.



Participants frustrated by limited menus.



Near retirees planning income streams and Social Security integration.

In these cases, professional guidance and, if appropriate, brokerage windows can expand opportunities without adding complexity to your life.

9. Your Next Step: Why Plan Participant

You have taken the first step by learning the basics. Now consider what ongoing support looks like.

At Plan Participant, we are the wingman for every retirement plan participant. Our mission is to support you throughout your accumulation years so you do not have to navigate this alone.

We do this by:



Helping you understand your plan and investment menu in plain language.



Showing you how to select funds that align with your goals, whether that is using defaults, choosing your own mix of mutual funds, or evaluating advanced options.



Providing strategies to maximize contributions and minimize taxes at each stage of your career.



Offering guidance that grows with you, from your first job through your peak earning years and into retirement readiness.

You are in control of your plan, but you do not have to go at it alone. With Plan Participant, you have a partner who is invested in your success and ready to guide you every step of the way.

Conclusion

Your retirement plan is more than a savings account, it is the engine that powers your future financial independence. By contributing steadily, investing wisely, and avoiding common mistakes, you will go far. With the right wingman at your side, you can go further, faster, and with greater confidence.

Plan Participant is here to be your wingman, supporting your retirement journey every step of the way while you are in the accumulation phase and preparing you for the financial freedom you deserve.

Take the Next Step on Your Path

You have the knowledge. Now it is time to take action.

The difference between information and transformation is having a trusted partner by your side. At Plan Participant, we believe every participant deserves a personal financial copilot, someone who helps you navigate the complexities of saving,

investing, tax planning, and legacy building.

Here is what you receive when you begin your journey with Plan Participant:

- A personalized financial plan tailored to your unique goals and circumstances
- Guidance to maximize your retirement plan and reduce taxes along the way
- Support integrating estate, insurance, and investment strategies into one clear roadmap
- A dedicated coach who keeps you accountable and on track during your accumulation years and beyond

Your financial journey does not have to be traveled alone.

Start today with your free consultation and discover how Plan Participant can be your copilot on the path to building wealth, protecting your future, and achieving financial freedom.



Disclosures

This guide is for educational purposes only. It is not investment, tax, or legal advice. Plan Participant is not a registered investment adviser, broker-dealer, or fiduciary. Please consult a licensed financial advisor, tax advisor, or attorney before making any financial decisions.



Ask Henri

Have More Questions? Ask Henri.

Henri stands for Helping Everyone Navigate Retirement Insights. Henri is your educational guide here to simplify complex retirement topics and point you toward the right resources.

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