



STABLER

WEALTH MANAGEMENT

Maximize Your Boeing 401k: Key Strategies to Accelerate Your Path to Retirement

As the significance of 401(k) programs in retirement planning continues to rise, we, at Stabler Wealth Management, find it crucial to shed light on the topic. Working extensively with Boeing professionals, we've identified an untapped potential within Boeing's 401(k) program. Let's delve deep and explore strategies that can set you firmly on the path towards a comfortable retirement.

Boeing's 401(k) Match (aka "Free Money")

Boeing offers an enticing 401(k) matching program for most employee groups, matching your contribution dollar-for-dollar for the first 10% you contribute to your 401(k). For certain union employees, like those under SPEEA, Boeing provides a fixed contribution amount (it's important to review for your specific situation). This substantial benefit, when compared to other industry giants, is a robust way to amplify your retirement savings in a tax-efficient manner. Remember, if you're aged 50 or above, there's room to contribute an additional \$7,500 annually beyond the regular \$22,500 limit.

Beyond Traditional: The Roth 401(k)

Besides the traditional 401(k), Boeing presents the option to contribute to a Roth 401(k). While this means paying taxes upfront without the tax deduction benefit that the traditional 401(k) offers, it provides for tax-free growth as all subsequent withdrawals are tax-free. Given the impending tax rate increases set for 2026, it's worth weighing the Roth 401(k) even for those in the higher tax brackets currently. We invite you to consult with our office to determine which suits your financial goals better.

The Mega Backdoor Roth = Game Changer

One of the standout features of Boeing's 401(k) plan is the Mega Backdoor Roth, allowing an additional contribution of up to \$30,000 into the after-tax part of your 401(k) in 2023. However, for seamless future tax-free growth, it's crucial to convert these contributions to Roth promptly. Since Fidelity doesn't handle this conversion automatically, we recommend contacting them and opting for this conversion. For those with a significant after-tax balance in your 401(k), rolling it into an external Roth IRA might be the smarter move. Converting this balance within your 401(k) means any gains would be taxed as ordinary income, a scenario avoided by the roll-over. We're here to assist you in navigating these nuanced decisions to optimize your retirement planning.

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Boeing SSP – Proceed With Caution

While Boeing's SSP (Supplemental Savings Plan) presents another savings avenue, it comes with significant limitations. Electing the SSP restricts you from modifying your 401(k) elections during the year. The fixed distribution periods and taxing schedules might not suit everyone, and it's worth noting the Boeing credit risk associated with SSP – these are non-ERISA protected accounts. In our view, given the expansive contribution room in the 401(k), it might be wiser to bypass the complexities of the SSP in most cases. For those keen on surpassing the annual \$73,500 401(k) threshold (inclusive of Boeing's match), consider HSA accounts, external Roth IRAs, or even traditional brokerage accounts for added flexibility.

In Conclusion

Boeing's 401(k) program is a great vehicle to fast track your retirement journey. With potential contributions of up to \$73,500 annually in a tax-advantaged setup, combined with Boeing's match and the options of traditional Roth, and the Mega Backdoor Roth, your dream retirement could be closer than anticipated.

Please reach out to our office for a comprehensive review of your retirement plan with our Certified Financial Planners. Specializing in assisting Boeing professionals, Stabler Wealth Management is committed to maximizing your wealth and ensuring a smoother flight towards retirement.

Contact us to schedule a no cost consultation with one of our Certified Financial Planners.

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Please tune in to our website blog (www.stablerwealthmanagement.com), YouTube channel and LinkedIn page to receive our latest financial planning updates for Microsoft professionals.

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