

ESOP UPDATE

Information about your Employee Stock Ownership Plan (ESOP)

Young participants jump ahead of peers

What's the benefit of an ESOP for an employee who is decades away from retirement? Getting a head start that others do not have!

A recent study found that workers between the ages of 28-34 at ESOP companies tended to enjoy higher income levels, better benefits, more job stability, and more wealth compared to workers at a non-ESOP business.

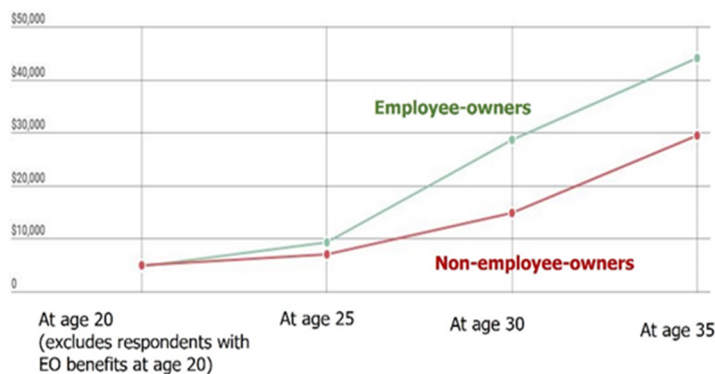
Younger employees have an incentive to spend the beginning of their career with an ESOP company. Data shows that in a period of 15 years, an employee participating in an ESOP accumulates an average of 50% more wealth than if that employee was at a non-ESOP company.

If younger ESOP participants leave to continue their career elsewhere, the vested value of the account is theirs to take with them at distribution. It is portable. When you are eligible for a distribution you can take the vested value (assuming you want to pay the taxes and penalties.) It can also be rolled over into another qualified retirement savings account allowing you to continue to defer the taxes.

While retirement may be a long way off, being in an ESOP early pays!

Data shows young workers at ESOP companies are building more wealth than workers their age at non-ESOP companies.

Employee Ownership and Wealth Over Time



Graph from the National Center for Employee Ownership