



# 401(k) Plan Enhancements

Are you making the most of the Plan?

No matter how far or close it may be, UBS wants to help you prepare for retirement. Two years ago we announced a significant investment to the 401(k) Plan with incremental increased contributions over a three-year period. In 2020, you have the opportunity to save even more than before in the 401(k) Plan:

- **Increased maximum Company Match.**<sup>1</sup> In 2020, UBS will match 100% of your payroll contributions to the 401(k) Plan, up to 6% of your eligible compensation,<sup>2</sup> up to a \$8,000 annual maximum Company Match.
- **Retirement Contribution (RC) schedule.**<sup>3</sup> A Retirement Contribution, which is an annual 401(k) Plan contribution from UBS based on eligible compensation and years of service, will change slightly in 2020, per the schedule announced last year (see back page for details).

We're committed to investing in you and your long-term financial health, and you showed us last year that you are too. More employees contributed enough to receive the maximum Company Match from UBS than in the previous year.

**See "UBS 401(k) Contributions" on the back page for more information.**

It's up to you to make the most of your 401(k) Plan. Keep reading to learn about a few ways to do so.

<sup>1</sup> If you are actively contributing to the Plan, UBS will also contribute to your retirement savings. UBS will fully match every dollar you contribute to the Plan, up to 6% of your eligible compensation up to the Plan maximum match. Generally, to retain Company Match contributions for a Plan year, you must be an active employee on the last business day of the applicable Plan year and meet the Plan's vesting requirements. See the SPD for additional details.

<sup>2</sup> Eligible compensation is defined as your gross eligible earnings prior to certain pre-tax deductions, as determined by the Plan administrator in its sole discretion. Eligible earnings are (as applicable) your salary and any bonus and commissions. Eligible earnings could also include (as applicable) additional compensation, some types of recurring awards and supplemental payments. Plan limits and IRS limits apply.

<sup>3</sup> If you are eligible, UBS provides you with a Retirement Contribution equal to a percentage of your eligible compensation. Generally, the percentage is based on your years of service with UBS as of the beginning of the applicable Plan year. You do not have to contribute to the Plan in order to receive a Retirement Contribution. You must generally be actively employed by UBS on the last business day of the applicable Plan year in order to receive a Retirement Contribution; provided, however, that no Company Retirement Contribution will be made for any year in which you are credited with contribution credits under the UBS Pension Plan or if you are an "electing grandfathered participant." See the SPD for additional details.

# MAKE THE MOST OF YOUR RETIREMENT SAVINGS

**Some great ways to do so are:**

- 1. Put time on your side.** Don't wait to start saving. And, remember, even an extra 1% or 2% of your eligible compensation can really add up over time.
- 2. Save as much as you can.** First, be sure you're maximizing the Company Match, but don't stop there! This year, you can save up to \$18,500 in the Plan (pre-tax and Roth contributions combined), or \$24,500 if you're age 50 or older.<sup>4</sup>
- 3. Choose your investment approach wisely.** The target date funds give you a way to let your 401(k) investments automatically rebalance toward lower risk as you approach age 65. Or, you can choose from a number of investment options.

## Let's look at a few examples

### 1. Put time on your side.

**MEET PAUL AND MARIA**

Paul and Maria, both age 25, start working at UBS at the same time. They each have eligible compensation of \$80,000 per year. Maria starts saving right away in the 401(k) Plan, contributing 6% of her eligible compensation. Paul waits a few years, starting at age 30 and saving a steady 6%. Both maximize the Company Match as defined in the Plan documents. If we assume they will both contribute at the same level until age 65, here's how their balances compare:

	Maria	Paul
At age 30	\$54,120	\$0
At age 65	\$1,485,720	\$1,069,770

*Numbers rounded to the closest \$10.*

**Because of compounding interest, Maria's starting balance at age 30 built into a \$415,950 difference at age 65, when compared to Paul's.**

These examples are for illustrative purposes only. They assume an annual average investment return of 6% with no loans or Plan withdrawals. They do not incorporate salary changes or account fees. In addition, the Retirement Contribution (which can vary based on tenure and eligible compensation, as described on the previous page) is not included.

Your actual results will vary based on salary changes, market conditions and it's important to remember that your account balance can include losses as well as positive returns. Future performance is not guaranteed and these examples are not intended to be a projection or promise of actual results.



**Keep time on your side — don't wait to start saving. Saving today can help keep your passions, hobbies, and experiences thriving into your retirement.**

<sup>4</sup> The IRS sets these limits and they are updated annually. The 2018 IRS compensation limit is \$275,000. The 2019 limits will be available and posted on the UBS Benefits microsite by the end of October.

## 2. Save as much as you can.

For this example, we'll assume Paul does start saving at age 25, alongside Maria. Both contribute 6% of their eligible compensation to the 401(k) Plan and take advantage of the maximum Company Match as defined in the Plan documents. Maria elects to increase her contribution by 1% each year until she reaches 10% of her eligible compensation. Below is a comparison of their balances:

	Maria 6% contribution, increasing to 10%	Paul 6% contribution, no increase
<b>401(k) Plan account balance at age 65</b>	\$1,907,600	\$1,485,720

Numbers rounded to the closest \$10.

**Saving more can make a big difference. With all else being equal, Maria's balance is \$421,880 more than Paul's at age 65.**



Think about ways you can save more in the 401(k).

## 3. Choose your investment approach wisely.

Consider your investments. You can choose a specific mix of funds that your retirement savings are invested in, but be sure your portfolio is diversified. A diverse portfolio provides some protection from changes that occur in the market. Visit the 401(k) website at <http://goto/usbenefits> from your UBS desktop/network (Single Sign-On enabled). Spend some time researching your options so that you can invest your retirement savings in a way that fits your goals and appetite for risk.



### UBS Retirement Contribution

You can invest your annual Retirement Contribution from UBS in any of the investment options within the 401(k) Plan. Visit the 401(k) website at <http://goto/usbenefits> from your UBS desktop/network (Single Sign-On enabled) to learn more.



### Are you taking advantage of all that the Plan offers? What's keeping you from doing so?

If you're not meeting the goals you've set for yourself to prepare for a secure financial future, visit the UBS financial wellness website ([ubs.com/financialwellness](http://ubs.com/financialwellness)) for retirement resources. Learn more about planning for retirement and how to integrate savings with your other financial priorities.

# BUILDING YOUR RETIREMENT SAVINGS... TOGETHER

The UBS 401(k) Plan is comprised of three types of contributions: your contributions, Company Match contributions, and an annual Retirement Contribution. You have the ability to influence the first two.



The table below shows how the maximum Company Match and Retirement Contribution will play out through 2020.

UBS 401(k) Contributions			
	Plan Year 2018	Plan Year 2019	Plan Year 2020
<b>Annual Maximum Company Match<sup>1</sup></b> (UBS will fully match every dollar you contribute to the Plan, up to 6% of eligible compensation)			
<b>All Years of Service</b>	\$4,500 maximum	\$5,850 maximum	\$8,000 maximum
<b>Retirement Contribution<sup>3</sup></b>			
<b>Eligible Compensation &lt; \$200,000</b>			
1-<10 years	2.0%	2.0%	2.0%
10-<15 years	3.0%	3.0%	3.0%
15+ years	3.5%	3.5%	3.5%
<b>Eligible Compensation &gt; \$200,000</b>			
1-<10 years	2.0%	2.0%	2.0%
10-<15 years	3.0%	2.5%	2.0%
15+ years	3.0%	2.5%	2.0%

Years of Service  
(as of January 1 of the Plan Year)

This document is only a summary of the Plan. It does not describe every feature of the Plan. A more detailed description of the Plan can be found in the official Plan document. The official Plan document will control. If there is a conflict between this document and the official Plan document, the official Plan document will govern. The information in this document does not imply that participation in the Plan is a guarantee of continued employment with UBS. It also does not imply that the Plan will exist or remain unchanged in the future. This document creates no vested or contractual rights. UBS reserves the right to amend and/or terminate its benefit plans, including the 401(k) Plan, at any time in its sole discretion for any reason, and all benefits herein will be subject to the terms and conditions of the Plan and may be amended from time to time.