

Getting Organized

Managing Your Finances

Preparing Your income Tax

Family Relationships

Your Health Care

Life & Disability Insurance

Planning Your Future

Planning Your Child's Future

Resources/Conclusions

Table of Contents

Types of Retirement and Savings

Your Long-Term Care

Estate Planning for Your Family

Profit-Sharing Plans

Your employer may offer to share its profits, often by contributing company stock or cash into a profit sharing account, in your name. The contributions grow tax-deferred, and you don't pay income tax on the contributions until you withdraw them at retirement.

If you receive company stock, the value of your profit sharing plan will rise and fall as the price of the company stock fluctuates over time. Remember to keep in mind the importance of diversifying your investments—to not invest too heavily in any one type of investment or particular stock. You might have heard this rule of thumb referred to as “Don't put all of your eggs in one basket.”

In addition, your employer does not have to share its profits year after year. Think of your profit-sharing plan as a bonus rather than as a resource for your retirement or for your child's needs.

For more information on profit sharing plans, **visit** the Profit Sharing/401k Council of America at www.401k.org or **call** 312-419-1863.



[< Prev](#)

[Next >](#)

[⤴ Top of Page](#)

Possibilities: A Financial Resource Guide for Parents of Children with Disabilities

This publication is intended to provide general financial information; it is not intended to substitute for, or supersede, professional or legal advice. The specific needs of every disability or life circumstance have not been covered in this publication. The best course of action must be based on individual circumstances. Note: The content areas in this material are believed to be current as of this publication's writing, but, over time, legislative and regulatory changes, as well as new developments, may date this material.

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