



Published on *Adobe Benefits* (<https://benefits.adobe.com>)

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401(k) plan

Saving for the future takes focus and planning. When it comes to achieving financial security, set-i-and-forget-it is not an option. Whatever your ultimate retirement goals are—lots of travel, starting a new business, doting on your loved ones—take full advantage of your benefits to help you get there.

On this page you will find information about:

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Who is eligible and how to enroll

All U.S. employees and interns are eligible on their first day of work. Within 60 days of your hire/rehire date, all employees will be automatically enrolled in Adobe's 401(k) plan. Interns are not automatically enrolled, but can choose to participate.

- You may choose your own contribution rate and investments.
- If you don't choose a rate or specific investments prior to your first payroll deduction, you'll be automatically enrolled at 6 percent in a Vanguard Target Retirement Trust based on your age.
- Through Vanguard's One-Step Save Program, your contribution will be automatically increased by 1% every March.

Participation is voluntary. Visit vanguard.com [1] to:

- Opt out within 60 days of your hire date, or any time thereafter
- Change how much you contribute to the plan
- View and manage your account

You can also enroll by calling 800-523-1188. Adobe's plan number is 096204. Please note: It can take 7-10 days from your hire date for your information to become available in Vanguard's database.

The [Vanguard 401\(k\) website](#) [2] can also help you make the right decisions for you.

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What you can contribute

You can contribute 1 percent to 65 percent of your eligible pay, subject to IRS limits. The IRS limit for 2019 is \$19,000. If you are age 50 or over, you may contribute an additional \$6,000 in catch-up contributions.

Save in the 401(k) on traditional pre-tax basis, in an after-tax Roth 401(k) or a combination of both.

You may roll over any old retirement savings accounts to the Adobe 401(k) plan.

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Matching contributions

To help your savings go even further, Adobe matches 50 percent of the first 6 percent that you contribute as regular pre-tax and Roth 401(k) after-tax salary deferral contributions each pay period. That means that for each \$1 you contribute to your 401(k), Adobe will contribute 50 cents, up to 6 percent of your eligible pay (the IRS-eligible annual compensation maximum in 2019 is \$280,000). If you contribute more than 6 percent of your eligible pay, Adobe matches 3 percent of your annual compensation.

Examples of how the company match works

If your annual compensation is **\$100,000 and you contribute 6 percent** of your pay to your 401(k):

- \$100,000 annual compensation x 6 percent deferral x 50 percent Adobe match = \$3,000 in matching contributions from Adobe per year

If your annual compensation is **\$150,000 and you contribute 10 percent** of your pay to your 401(k):

- \$150,000 annual compensation x 3 percent (if you contribute more than 6 percent, Adobe matches 3 percent of your compensation) = \$4,500 in matching contributions from Adobe per year

If your annual compensation is **\$300,000 and you contribute 6 percent** of your pay to your 401(k):

- \$280,000 IRS annual compensation max x 6 percent deferral x 50 percent Adobe match = \$8,400 in matching contributions from Adobe per year

Adobe offers an annual year-end true-up provision to make sure you can take full advantage of the company match even if you reach the IRS contribution maximum (\$19,000 in 2019) before the end of the calendar year. For example, you may reach the contribution maximum if you had a bonus paid out at the start of the year, or if you contribute more in the first quarter to maximize the annual earnings in your 401(k). To be eligible for true-up funding, you must be an active employee on Dec. 31. All company contributions are completely vested.

Example of how the true-up works

If your annual compensation is **\$150,000 and you contribute 20 percent** of your pay to your

401(k), you would reach the IRS contribution limit of \$19,000 on the 17th pay period, in August. With the true-up, you still get the company match for the remaining four months of the year:

- \$150,000 annual compensation x 3 percent (since you're contributing more than 6 percent of your pay) = \$4,500 maximum matching contribution
- \$4,500 maximum matching contribution - \$2,769.28 match already received (your per-pay-period company match of \$173.08 x 16 pay periods from Jan. to Aug.) = \$1,730.72 true-up amount

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Your investment options

You can choose a Target Retirement Trust, which chooses the level of risk in your portfolio based on an estimated retirement age of 65, or you can create your own portfolio by selecting from our lineup of Core Investment Funds. [Learn about your options.](#) [3]

Vanguard Brokerage Option

Through a Vanguard Brokerage Option account you can have access to thousands of mutual funds from hundreds of fund families. While Adobe's 401(k) menu includes a fund that invests in stocks meeting certain environmental, social and governance (ESG) characteristics, you also have the opportunity to access and invest in ESG funds in the Vanguard Brokerage Option to align with your personal beliefs.

Keep in mind that the risks are substantially higher with the Brokerage strategy and that you will be responsible for paying commissions and other costs.

Brokerage associates are available to answer your questions: Call 800-992-8327 (Monday-Friday, 8 a.m.-10 p.m. ET, Saturday, 9 a.m.-4 p.m. ET.)

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Optional plan features

Traditional After-Tax Contributions

Traditional after-tax contributions offer an alternative to the pre-tax and Roth 401(k) after-tax contributions available in the Adobe 401(k) Plan and allow you to contribute above the IRS contribution limit for pre-tax and Roth 401(k) after-tax contributions.

Note: Traditional after-tax contributions are not eligible for company matching contributions.

Like Roth contributions, traditional after-tax contributions are made with after-tax dollars. You will not owe taxes on a withdrawal of your traditional after-tax contributions. However, you will owe income taxes on the portion of the withdrawal that represents earnings on those contributions (as well as a 10 percent federal penalty tax if you are under age 59½).

To learn more, visit the [Vanguard site](#) [4]. You can begin making traditional after-tax contributions at any time. To do so, log on to [your account](#) [5].

Roth In-Plan Conversions

The Roth in-plan conversion feature allows you to convert all or a portion of your pre-tax and/or traditional after-tax savings to Roth money within the 401(k) Plan. You will owe ordinary income tax on the pre-tax money converted to Roth in the tax year of the conversion. If you convert after-tax money to Roth, you will owe taxes on the portion of the conversion that represents earnings for the year in which the conversion is made. Taxes must be paid from assets outside of the 401(k) Plan.

Roth money, including any earnings, can be withdrawn tax-free if you are age 59½ or older and the Roth account has been established for at least five years. Tax-free withdrawals could be a significant benefit in retirement.

You will be responsible for paying any federal, state, local or foreign taxes on a distribution or withdrawal from pre-tax accounts. A distribution or withdrawal of Roth 401(k) earnings is usually also taxable unless the initial Roth contribution was made more than five years ago and you are at least age 59½. Early withdrawals may be subject to a 10 percent federal penalty tax. To the extent required by law, Vanguard will make the appropriate withholding for tax purposes. We recommend that you consult a tax advisor before taking any action.

To learn more, visit the [Vanguard site](#) [4]. To elect a Roth in-plan conversion, call Vanguard Participant Services at 800-523-1188 (Monday–Friday, 5:30 am–6 pm PT).

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Investment advice options

Whether you just want a little guidance or prefer ongoing investment management, Vanguard offers options to find the assistance that's right for you.

Let Vanguard do it for you

The Vanguard Managed Account Program provides ongoing professional management for your investments in the Adobe 401(k) plan. The service will select your funds, invest your money, and periodically make changes to your asset mix to suit your goals. You'll get to preview your proposed strategy before any initial changes are made to your account, and you'll receive a quarterly portfolio report. Program fees are based on a percentage of assets under management (excluding any loan balances), with a minimum annual fee of \$60.

Get started by logging on to [your account](#) [5]. Select the Get Advice icon in the bottom right corner, and then select the Advice tab for information on the Managed Account Program. You may also call 800-310-9228.

Let Vanguard help you

The Personal Online Advisor tool (powered by Financial Engines) can help you choose the funds that are right for you. It provides online investment advice about your personal investments and an unbiased evaluation of your chances of reaching your financial goals. There is no cost to Adobe employees for this service.

Get started by logging on to [your account](#) [5]. Select the Get Advice icon in the bottom right corner, and then select the Advice tab for a link to the Personal Online Advisor.

Vanguard Financial Planning Services provide advice from a financial advisor in two ways:

- **Ask an Advisor**, quick situational guidance from an advisor, such as discussing specific investment options or whether you're saving enough. There is no cost to Adobe employees.
- **Vanguard Financial Plan**, a free service for participants age 55 or older that includes an in-depth financial plan and consultation with a financial advisor. All your household assets (taxable, nontaxable and spousal accounts) can be included in your financial plan. You will review the recommendations over the phone with your advisor, who can answer your questions.

Consult an advisor at 800-310-8952.

Do it yourself

[The Investor Questionnaire](#) [6] provides suggestions for an appropriate asset allocation based on your investment goals, time horizon and comfort with risk. You can use the suggested asset mix to help you build a portfolio of funds offered in the Adobe 401(k) plan.

Vanguard Target Retirement Trusts are all-in-one investment options that provide a professionally maintained, diversified mix of investments that shifts its emphasis to more conservative investments as the year of retirement nears. The year in the trust name refers to the approximate year (the target date) when you plan to retire. The trust will gradually shift its emphasis from more aggressive investments to more conservative ones based on its target date.

To choose your investments, call Vanguard at 800-523 1188, Monday-Friday 5:30am - 6pm PT, or log on to [your account](#) [5].

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Your 401(k) plan if your company was acquired

If your company has been acquired by Adobe, you'll have a period of approximately 12-24 months after the acquisition when you can access your old 401(k) account and continue to allocate investments, but you won't be able to roll over assets or request an account distribution.

Once your account assets have been distributed from your old 401(k) plan, you can do one of the following:

- Roll over your account assets into Adobe's 401(k) plan at Vanguard.
- Roll over your account assets to an individual retirement account (IRA).
- Request an account distribution, which will be subject to taxes and early withdrawal penalties.

If your employment ends, you can immediately initiate a rollover or account distribution by contacting the plan's provider.

To update the address on your account:

- If you're an active Adobe employee, your address is updated through Workday on a weekly basis.
- If you're a terminated employee, you can update your address through the provider's website or call center. Be sure to update your contact information regularly, so you can receive notifications about your account assets and actions you have to take.

Here's the status of the 401(k) plans for recently acquired companies:

Livefyre

- 401(k) provider: [Fidelity](#) [7], 800-835-5095, Plan Number 49676
- Status: IRS Favorable determination received. Participants must take action to rollover account assets by August 31, 2018.

TubeMogul

- 401(k) Provider: [Fidelity](#) [7], 800-835-5095, Plan Number 20645
- Status: Filed with IRS for favorable determination upon plan termination and awaiting approval from IRS.

Magento 401(k) Plan

- 401k Provider: [Schwab](#) [8], 800-724-7526
- Status: Plan has been terminated, and plan audit is underway. Will file with IRS for favorable determination upon plan termination.

Marketo 401(k) Plan

- 401k Provider: [Fidelity](#) [7], 800-835-5095, Plan Number 29593
- Status: Plan has been terminated. Audit will be initiated. Will file with IRS for favorable determination upon plan termination.

Bizable 401(k) Plan

- 401k Provider: Ascensus/Vanguard (My.vanguardplan.com [9]), 866-794-2145
- Status: Plan has been terminated. Audit will be initiated. Will file with IRS for favorable determination upon plan termination.

Source URL: <https://benefits.adobe.com/financial-survivor-benefits/401k-plan>

Links

[1] <http://www.vanguard.com>

[2] <http://adobe.vanguard-education.com/>

[3] <https://retirementplans.vanguard.com/PubFundChart/adobe/2862>

[4] https://retirementplans.vanguard.com/ekit/pages/adobe/plan_changes/

[5] <http://retirementplans.vanguard.com/VGApp/pe/PublicHome#/>

[6] <https://retirementplans.vanguard.com/VGApp/pe/PubQuizActivity>

[7] <https://www.401k.com/>

[8] <https://workplace.schwab.com/>

[9] <http://My.vanguardplan.com>