

HOW TO MAXIMIZE YOUR WELLS FARGO BENEFITS PACKAGE



Wells Fargo employs over 27,000 people in the Charlotte area. As a financial advisor in Charlotte—and the husband of a Wells Fargo employee—I’m acutely aware of the company’s employee benefits package and its nuances.

In this article, I’ll walk you through some simple ways to optimize your benefits, so you can make sure you’re making the most of what this large corporation has to offer.

Here’s how to optimize your Wells Fargo benefits package:

How do I optimize my 401(k) match as an employee at Wells Fargo?

Wells Fargo matches 401(k) contributions dollar for dollar, up to 6%. This means that if you make \$100,000 a year, you can contribute \$6,000 and Wells Fargo will throw in another \$6,000 to boot.

You won’t find this kind of return anywhere else in the market. If you haven’t already, adjust your paycheck withholdings so you’re contributing enough to get the full employer match. It’s a 100% return on your investment.

Take It A Step Further By Maxing Out Your Wells Fargo 401(k) Completely

Maxing out your 401(k) is one of the easiest ways to reduce your taxable income for the year. It also gives a nice boost to your retirement savings.

For 2024, you can contribute up to \$23,000 to your 401(k). If you’re at least 50, you can save an additional \$7,500 in catch-up contributions.

Many people forget to bump up their contribution amount starting the year they turn 50 to account for this increased limit, so set a reminder if your 50th birthday is on the horizon.

Diversify Your Wells Fargo 401(k) Holdings

Wells Fargo automatically invests your 401(k) match and optional profit sharing in the Wells Fargo ESOP Fund or the Wells Fargo Non-ESOP Fund. This is essentially Wells Fargo stock and is susceptible to volatility and large declines in value just like owning the actual stock (WFC).

If you’re holding too much of this Wells Fargo “stock,” consider diversifying out of it. It’ll mitigate your risk and ensure your wealth isn’t wiped out if the stock value decreases.

Consider Roth Contributions

Roth accounts can play a large part in helping you minimize taxes and maximize your retirement savings. Depending on your financial situation, it may make sense to contribute to your company Roth 401(k) or a backdoor Roth IRA.

This step is more difficult to complete than the others, so you may need help from an expert to figure out if Roth contributions are something you should consider.

At Calamita Wealth Management, we help you evaluate whether to put money into the Roth component of your Wells Fargo 401(k). We also evaluate the viability of doing an annual backdoor Roth IRA.

Backdoor Roth IRAs, in particular, require precise timing to avoid taxes. Our team can help you figure out if they should be a part of your overall wealth plan.

Update Beneficiaries For Wells Fargo 401(k) Plans

Many people I work with forget to update the primary and contingent beneficiaries on their 401(k) plans. We've seen many instances where our client thought they had the correct beneficiaries listed. But after receiving a printed beneficiary confirmation statement, it was clear that either the wrong beneficiary was listed, no beneficiary was listed, or it was missing contingent beneficiaries.

Moral of the story? Request printed beneficiary confirmation statements for your accounts and make sure you've listed the correct beneficiaries.

Get Familiar With Empower 401(k) — Wells Fargo's 401(k) Platform

Wells Fargo used to have its own 401(k) platform, but over the last few years it migrated all its employees to a new platform called Empower 401(k). Now is the perfect time to get familiar with Empower, review your investment options, and update your asset allocation.

Max Out Your Wells Fargo HSA Contributions

If you have a high-deductible health insurance plan, you're eligible for a health savings account (HSA). HSAs are unique because they're 100% tax free: contributions are tax-free, money held in the account grows tax-free, and withdrawals are tax-free. You can use them to cover most medical expenses, including prescriptions, doctor visits, and even eyeglasses.

For 2024, you can contribute up to \$4,150 if you have a self-only insurance plan and up to \$8,300 for a family plan.

Wells Fargo also offers employer matching when you and your spouse complete a list of "activities" in your account dashboard.

Review Your Wells Fargo Long-Term Incentive Compensation Plan

If you're a highly compensated Wells Fargo employee, you may have access to a long-term incentive compensation plan. This plan is often made up of awards, such as:

- Stock options
- Stock appreciation rights
- Restricted stock and restricted share rights
- Performance shares and performance units
- Stock awards

If you hold any of these, it may be beneficial to go over the details of each with an experienced professional who can help you optimize them.

For our clients, we typically come up with a multi-year strategy to diversify out of company stock and mitigate investment risk. We also maintain a detailed record of the terms of each award, its vesting schedule, and any potential tax consequences. We then strategize ways to minimize these taxes and even estimate taxes due so there are no surprises.

How We Help Wells Fargo Employees

At [Calamita Wealth Management](#), many of our clients are Wells Fargo employees whom we've helped maximize and optimize their benefits. (As I previously mentioned, my wife also works at Wells Fargo, so I'm keenly aware of your plan options.) If you'd like professional help making sure you get the most out of all your benefits have to offer, [schedule an introductory phone call using our online calendar](#) or reach out to us at (704) 276-7325 or todd@calamitawealth.com.