

A GUIDE FOR WINE & SPIRITS INDUSTRY PROFESSIONALS

10 Ways to Get *More* from Your W-2 Benefits & Build Real Wealth

A practical guide to maximizing every tool available to distributor reps and brand managers — so you can build financial flexibility on your own terms.

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Turning Your Benefits Package into a Real Wealth-Building Engine

Your employer provides a solid foundation — a 401(k) with a match, group insurance benefits, and a compensation structure that rewards performance. **But most reps and brand managers use only a fraction of what's available to them.** This guide covers ten practical strategies to maximize every tool in your W-2 benefits package — and add the right supplemental pieces alongside it.

01

Make Sure You're Capturing Every Dollar of Your Employer's 401(k) Match

Your employer's 401(k) match is one of the most valuable parts of your compensation — essentially additional pay structured as a percentage match on your contributions up to a threshold. Common structures include 50% match on the first 6% of compensation deferred (a safe harbor formula many distributors and suppliers use). If your contribution rate falls below the match threshold, you're leaving guaranteed compensation on the table. This is the single highest-return benefit available to most W-2 employees — worth confirming annually, especially if your commission income has grown since you last set your deferral rate.

— **CONFIRM YOUR DEFERRAL RATE MEETS OR EXCEEDS YOUR PLAN'S MATCH THRESHOLD**

02

Understand How Commission Income Affects Your Tax Picture — and Plan Proactively

A base-plus-commission structure means your income varies meaningfully quarter to quarter. Employers typically withhold supplemental income at a flat federal rate that may differ from your effective annual rate. Reviewing your W-4 withholding before your heaviest commission period allows you to adjust proactively. In some cases, maximizing pre-tax 401(k) contributions during high-commission periods can both reduce current-year tax liability and accelerate retirement savings simultaneously.

— **REVIEW YOUR YTD WITHHOLDING AGAINST PROJECTED ANNUAL INCOME EACH Q3**

03

Review Your 401(k) Investment Elections — and Make Sure They're Working for You

Your employer's plan offers a menu of investment options. Many plans default new participants into a target date fund, which is a reasonable starting point — but reviewing your elections periodically ensures your allocation still aligns with your goals as your income and circumstances evolve. Your plan's fee disclosures and fund expense ratios are available from your plan administrator at any time.

— **REVIEW YOUR FUND ELECTIONS AND EXPENSE RATIOS — YOUR PLAN'S FEE DISCLOSURE IS AVAILABLE ON REQUEST**

04

Increasing Your Deferral by 3% Costs Less After Tax Than Most People Expect

Pre-tax 401(k) contributions reduce your federal and state taxable income dollar-for-dollar. For many wine and spirits professionals in the 22% federal bracket with NJ state tax, a 3% deferral increase on \$100K total comp adds approximately **\$257/month to retirement savings** while reducing take-home by roughly **\$175/month** — because the tax savings absorb the difference. Running the net-of-tax math often makes a meaningful deferral increase feel far more achievable.

Five More Tools to Build Wealth Beyond the Benefits Package

06

A Roth IRA Can Work Alongside Your 401(k) — If You Know Your Eligibility

A Roth IRA and an employer 401(k) are complementary tools. Roth contributions are made after tax, but growth and qualified withdrawals in retirement are entirely tax-free — a different tax profile than your pre-tax 401(k). Eligibility phases out at higher income levels (\$150,000 MAGI for single filers, \$236,000 for married filing jointly in 2025 — verify current limits at [irs.gov](https://www.irs.gov)). For those above the threshold, a backdoor Roth conversion strategy through a non-deductible traditional IRA may still be available. Both vehicles serve distinct roles in a well-rounded retirement plan.

— CHECK YOUR PRIOR-YEAR MAGI AGAINST CURRENT IRS ROTH PHASE-OUT LIMITS AT [IRS.GOV](https://www.irs.gov)

07

If You Have Any Self-Employment Income, a Solo 401(k) May Allow Significantly Higher Contributions

Consulting projects, brand ambassador work, or any 1099 income may open the door to a Solo 401(k) or SEP-IRA alongside your W-2 employer plan. A Solo 401(k) allows total contributions up to \$70,000 per year (2025 — verify at [irs.gov](https://www.irs.gov)), well above the standard employee limit of \$23,500. These plans are entirely separate from your employer plan and don't interfere with it — they simply allow additional tax-advantaged savings on self-employment income.

— IDENTIFY ANY 1099 INCOME IN THE PAST 12 MONTHS AND EXPLORE WHETHER A SOLO 401(K) IS AVAILABLE

08

A Taxable Brokerage Account Is the Swiss Army Knife That Complements Your Retirement Accounts

Tax-advantaged accounts like your 401(k) and IRA are excellent retirement vehicles — but they come with contribution limits and early withdrawal restrictions. A taxable brokerage account complements them with **no contribution ceiling, no income test, no early withdrawal penalty, and no required minimum distributions**. You invest after-tax dollars and pay favorable long-term capital gains rates on growth held over a year. It works best as a complement to maxed tax-advantaged accounts — and is often the vehicle that creates real flexibility before traditional retirement age.

— ONCE YOU'RE CAPTURING THE FULL EMPLOYER MATCH, CONSIDER OPENING A TAXABLE BROKERAGE ALONGSIDE YOUR RETIREMENT ACCOUNTS

09

An Emergency Reserve Is the Foundation That Makes Everything Else Work

Commission-based income is variable, and the wine and spirits industry moves through cycles of consolidation and portfolio shifts that can affect even high-performing reps. A dedicated cash reserve of three to six months of fixed expenses — held separately in an FDIC-insured account — provides the stability to make career and investment decisions from strength. It also prevents the need to access retirement accounts early, protecting tax-advantaged growth from unnecessary penalties and taxes.

— CALCULATE YOUR MONTHLY FIXED EXPENSES AND ASSESS WHETHER YOUR CURRENT CASH RESERVE COVERS 3-6 MONTHS

A Comprehensive Financial Plan Connects All the Pieces — and Puts You in Control

Each tool in this guide is most powerful when part of a coordinated plan rather than a collection of independent decisions. A written financial plan tailored to your income structure, career stage, and goals gives you a clear picture of where you stand, what gaps exist, and what steps get you where you want to go. For wine and spirits professionals navigating variable income and industry cycles, having that plan in place early provides both financial security and the flexibility to write your own next chapter.

— VISIT [AFPLANNERS.COM/JOE](https://afplanners.com/joe) TO SCHEDULE A 15-MINUTE CHAT WITH JOE

YOUR NEXT STEP

You've Built a Great Career. Let's Build a Complete Financial Plan Around It.

I specialize in serving wine and spirits industry professionals — which means I understand your comp structure, your industry's cycles, and the planning questions specific to your career. You won't spend our first conversation explaining how the three-tier system works.

01

15-MINUTE CHAT

A quick, no-pressure conversation to see if we're a fit and what a plan could look like for your situation.

02

CUSTOM ROADMAP

A written financial plan built around your comp structure and actual goals — coordinating your employer benefits with the right complementary tools.

03

ONGOING PARTNERSHIP

As your career evolves, your plan evolves. Proactive reviews, tax coordination, and a CFP® who speaks your language.

SCHEDULE A 15-MINUTE CHAT WITH JOE

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