

# Bitcoin and your retirement plan

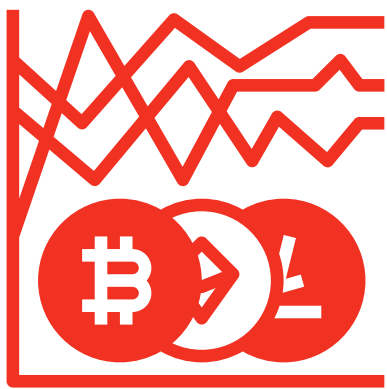


## What is it?



Bitcoin, digital currency, or cryptocurrency (crypto for short) is a medium of exchange created and held electronically. Since it is digital, this currency does not have a physical representation of value like the dollar bills in your wallet.

**There are hundreds of cryptocurrencies: Litecoin, Ethereum, Dogecoin, etc., but Bitcoin is the first and largest.**



## Will digital currency be an option in my retirement plan?

401(k) / 403(b)

For now, the answer is: No.

## Why?

**Retirement plan investments should be appropriate for everyone.**

The vast majority of participants do not have the knowledge or expertise to make an informed and prudent allocation to crypto. The price of digital currencies moves unpredictably experiencing rapid and significant fluctuations. In a 401(k) or 403(b) plan, this could lead to a bumpy ride and poor outcomes – not what you want with retirement savings. Plus, a retirement account is not meant to have frequent trading like day trading, which is what you would need to react to such volatility.

401(k) and 403(b) plans are highly regulated in the best interest of plan participants and beneficiaries.

Platforms that buy and sell digital currency may not be regulated, and can be hacked. In addition, these platforms may stop operating, and some have failed. Like the platforms themselves, digital wallets that store the crypto can be—and have been—hacked resulting in consumers losing money.



**An acceptable level of risk.**

Bitcoin transactions can be subject to fraud and theft. For example, a fraudster could pose as a Bitcoin exchange, Bitcoin intermediary, or trader in an effort to entice you to send money, which is then stolen. Bitcoin payments are not reversible. Once you complete a transaction, it cannot be reversed. Reversing a transaction depends on the willingness of the recipient to do so.

↑ **5-10%+**  
daily volatility for Bitcoin

When researching and evaluating a potential investment, investors must decide for themselves whether the investment fits with their time horizon, financial circumstances, tolerance and preference for volatility, and risk of loss.

Anyone thinking of investing in digital currency outside of their 401(k) or 403(b) should do their research, be prepared for significant price gyrations, and proceed with caution.

**“It is a highly speculative asset and... people should be aware it can be extremely volatile and I do worry about potential losses that investors can suffer.”**

-Treasury Secretary Janet Yellen

## REACH OUT WITH QUESTIONS



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