Your Guide to Building Wealth at Sherwin-Williams in 2025

A Practical Guide for SHW Employees Looking to Maximize Their Benefits

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Hey SHW Team, Let's Build Your Wealth!

Sherwin-Williams is all about helping you thrive, not just at work but in your financial life too.

Their benefits package is loaded with tools to boost your net worth while keeping that work/life balance in check. From a solid 401(k) to stock options, incentive bonuses, and unique perks like Deferred Compensation, SHW gives you plenty of ways to grow your wealth.

Our team at Tempo Wealth has worked with SHW employees at every level for years, and we're here to break down how to make these benefits work for you—whether you're dreaming of retirement, a new home, or a legacy for your family. Let's jump into a practical guide to get your money working efficiently for you.

What's your big financial goal, and how can SHW's benefits help you maximize your planning?

401(k)/ESPP: Your Savings Superstar

*As of 10/2/2025, Sherwin-Williams has suspended its employer matching contributions. The below matching formula has been in place thru 10/1/2025 and we'll be updating the match based on future announcements by the company.

The Employee Stock Purchase and Savings Plan (ESPP), aka the 401(k), is your main hub for building wealth. You can save pre-tax (tax break now, pay taxes in retirement) or Roth (pay taxes now, enjoy tax-free withdrawals after 59½). Pre-tax is awesome if you expect a lower tax bracket in retirement, while Roth protects you if tax rates climb.

Here's what to think about:

- Do I have a big pre-tax or Roth account already? Should I balance them?
- Will my income and tax bracket go up? If so, should I go Roth now and switch to pre-tax later for bigger tax breaks?
- What'll my retirement income look like from Social Security, pensions, or 401(k)s? Higher or lower than now?
- What other savings tools am I using that could affect my future taxes?

SHW matches your first 6% of pay, up to a cap. For example, if you earn $150,000 and contribute 6% ($9,000), SHW kicks in another $9,000—doubling your savings before growth. For 2025, you can save up to $23,500 (up from $23,000 in 2024). If you're 50+, add a $7,500 catch-up. If you're 60–63, you can stash up to $10,000 in catch-ups, indexed for inflation. Starting in 2026, if you're 50+ and earn over $145,000, catch-ups must go Roth.

Take Margaret, 40, earning $205,000 with a 2% annual raise, starting with a $200,000 401(k) balance, contributing 6% for the full match, and earning 5% returns. After 20 years, her balance hits $1,715,662. Max out at $23,500 plus the match, and she's looking at $2,115,139—about $400,000 more. How much can you pump into your 401(k) to level up your savings?

Sherwin's Pension Investment Plan (PIP)

SHW's PIP is like a bonus savings boost, with contributions based on your age and years of service. Here's the 2025 breakdown:

Age + Years of Service	Contribution Rate
18–34.9	2.0%
35–44.9	2.5%
45–54.9	3.0%
55–64.9	3.5%
65–74.9	4.0%
75–84.9	5.0%
85–94.9	6.0%
95+	7.0%

Eligible earnings include your W-2 compensation, plus pre-tax 401(k) or healthcare contributions, minus overtime, tuition aid, moving expenses, stock income, or separation pay. How can PIP juice up your retirement savings?

Deferred Compensation: A High-Earner's Tax Trick

For high earners, the Deferred Compensation (DC) plan lets you defer income to delay taxes, with payouts starting at retirement or termination. You elect deferrals during open enrollment and pick a payout (lump sum, 5-year, or 10-year). For example, retiring at 57 means no IRA access until 59½, so DC payouts can bridge that gap. A 5-year payout could provide steady income until 62.

Payout length impacts state taxes. If you're in Ohio (5% state tax) and move to Florida (no state tax) two years into retirement, a 5-year payout on a $500,000 balance means $100,000/year, taxed at 5% for all five years ($25,000 total). A 10-year payout ($50,000/year) taxes only the first two years in Ohio ($5,000 total). What payout schedule fits your retirement and tax plans?

Health Savings Account: Your Healthcare Hero

Are you using a High-Deductible Health Plan (HDHP)? You can contribute to a Health Savings Account (HSA)—a triple-tax-advantaged powerhouse. Contributions are pre-tax, growth is tax-deferred, and withdrawals for medical expenses are tax-free. SHW chips in $400 (employee-only) or $800 (family) if you're on the Prime Plan.

Below is a chart showing the maximum contribution limits annually in 2025 according to the IRS.

Type of Limit		2024	2025	Change
HSA Contribution Limit	Self-only	$4,150	$4,300	**Up $150**
	Family	$8,300	$8,550	**Up $250**
HSA Catch-Up Contributions (not subject to adjustment for inflation)	Age 55 and Older	$1,000	$1,000	No Change
HDHP Minimum Deductible	Self-only	$1,600	$1,650	Up $50
	Family	$3,200	$3,300	Up $100
HDHP Maximum Out-of-Pocket Expense Limit (deductibles, copayments and other amounts, but not premiums)	Self-only	$8,050	$8,300	Up $250
	Family	$16,100	$16,600	Up $500

Once your HSA hits $1,000–$2,000, you can invest it. If you can cover medical costs out-of-pocket, let the HSA grow for future needs. Should you use your HSA now or let it grow tax-free?

Life Insurance: Protecting Your Loved Ones

Full-time, non-union employees get basic life insurance up to 2x base pay (capped at $100,000). You can add supplemental coverage (1x–7x earnings, up to $1.5M), but 3x+ or over $500,000 needs health approval. Premiums rise every five years, so younger employees pay less than those 55–59. Consider term insurance outside SHW for level premiums and portability. Does SHW's life insurance meet your needs, or should you explore outside options?

Disability Insurance: Safeguarding Your Income

Full-time, non-union employees qualify for:

- Short-Term Disability: After a 7-day wait, 8 weeks at 100% salary, then 17 weeks at 60%.
- Long-Term Disability: After 180 days, basic coverage is 50% of earnings (up to $10,000/month, pre-tax). Optional 10% buy-up boosts to 60% (up to $15,000/month).

LTD benefits can last to age 65. If the coverage falls short of your expenses, supplemental insurance can help. Is your disability coverage enough, or do you need extra protection?

Stock Options and RSUs: Your Equity Edge

SHW offers Non-Qualified Stock Options (NQSOs) and Incentive Stock Options (ISOs), vesting in thirds over three years and exercisable within 10 years. At retirement (age 65 or age 55 with age + service = 75+, with 180 days' notice), options may continue vesting.

Key differences:

- ISOs: Tax-free on exercise if held two years from grant and one year from exercise; gains at sale get long-term capital gains rates (0–23.8%). Missing the holding period triggers ordinary income tax. Watch for Alternative Minimum Tax (AMT) on exercise.
- NQSOs: Taxed as ordinary income on exercise (bargain element). Plan around SHW stock value and other income to minimize taxes.

RSU-eligible employees get performance-based RSUs (EPS and RONAE), vesting based on company performance (0–200% of target) over three years. Vested RSUs are taxed as ordinary income. Hold or sell during open windows, with gains taxed as short-term (within a year) or long-term capital gains (0–23.8% after a year). At retirement (with 180 days' notice), target RSUs continue vesting, but new grants during the notice period are forfeited.

Questions to ask:

- Do I need cash from selling RSUs or options, or can I hold for growth?
- How can I exercise or sell in a tax-smart way?
- Am I too tied to SHW stock, and what's my exit plan?
- Should I set up quarterly tax payments since SHW withholds 22% federal tax?
- If my income tops $1M (37% withholding), will it cover my taxes?
- If I'm bullish on SHW stock, should I make an 83(b) election for RSUs?

Net Unrealized Appreciation: A Stock Tax Hack

Got SHW stock in your 401(k)? Net Unrealized Appreciation (NUA) can save you big at retirement (age 55+). For example, with $600,000 in SHW stock ($100,000 cost basis, $500,000 growth), you pay ordinary income tax on the $100,000 basis when rolling to a taxable account. The $500,000 growth is taxed at long-term capital gains rates (0–23.8%) when sold, potentially saving tens of thousands versus an IRA rollover. Roll non-SHW assets to a Rollover IRA. Plan NUA years ahead to avoid tax surprises. Can NUA lower your retirement tax bill?

Non-Deductible IRAs: A Roth Backdoor

If your income blocks direct Roth IRA contributions, contribute $7,000 (or $8,000 if 50+) to a non-deductible Traditional IRA and convert to a Roth IRA for tax-free growth and withdrawals after 59½ (and 5+ years). This works for a non-working spouse too, if eligible. Could a backdoor Roth IRA boost your tax-free savings?

Building Your Financial Team

To maximize the SHW benefit plans, you need a team: a Financial Planner, CPA, Estate Planning Attorney, Debt Specialist, and independent P&C Advisor. They'll align your 401(k), RSUs, HSA, and more with your goals, optimize taxes, protect assets, and plan for your family's future. Do you have the right team to maximize your benefits?

Let's Get Started

SHW's benefits are a goldmine for building wealth, but you need a plan to unlock their potential. Whether you're saving for retirement, a home, or your kids' future, Tempo Wealth is here to guide you.

Got questions or want a second opinion? Reach out to Tim Farley at tcf@tempowealth.com or call **440-568-3676 ext. 101** for a complimentary introductory consultation. What's your next step to make SHW's benefits your financial win?

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