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Q: Can you offer advice on things people should know about 401(k) plans?

A : Sure. How much money you have in your 401(k) account when you retire depends in part on how you handle it (the choices you make), having a solid plan for managing it and the degree of discipline you bring to this challenge.

These plans are how most Americans save for retirement. They enable people to invest pre-tax dollars, and these contributions can take the sting out of saving money by lowering your tax bill in the years that you earn them. For many people, this is highly advantageous because they're in a lower tax bracket after retiring than during their working years. For those contributing to a Roth 401(k) account (offered by some employers), withdrawals at retirement can be tax-free, but taxes must be paid on this income in the years that you earn it.

Unfortunately, many people make wrong decisions concerning their 401(k) accounts or have lapses of discipline, resulting in lower eventual account balances. Here are some pointers to help keep you on the right track:

Try to invest the maximum allowable amount.

For 2016, this amount is $18,000, but the maximum is subject to limits specified by your plan. People 50 and over can contribute an additional $6,000. If you invest less than the maximum allowed, this might make your goal of a secure retirement much more challenging. Studies show that most people don't invest the maximum. In many cases, this is because they spend too much on nonessentials.

If you're not contributing the maximum, have a look at your spending and see if there are ways to cut back and free up more cash for contributions.

Be sure your plan contributions go into a bal anced portfolio of investments, chosen based upon your personal objectives and risk tolerance.

All too often, 401(k) account holders choose investments that overlap - for example, two or three mutual funds that own some of the same investments. This can increase risk. To prevent this, make sure the investments you choose for your account are truly different so they won't be likely to rise and fall in concert together. If your plan provides an option to invest in a model portfolio - one that is automatically diversified among various investment funds - strongly consider taking advantage of this.

Don't fail to keep an eye on your company's matching money, if any.

Some companies don't provide a match, but many match up to a set percentage of your con tributions. This is free money. Above all, make sure that you contribute whatever you must to get 100 percent of your employer's matching money.

Consider making extra contributions from your bonuses and raises.

If your plan allows, sign up for increases that kick in automatically when you get bonuses and raises.

Maintain the discipline necessary to avoid taking money out of your 401(k) account before retirement.

This is critical. If you take money out, you'll be reducing your nest egg substantially because you won't have this money invested. And under IRS rules, if you borrow from your account for longer than 60 days, you might incur income tax on the amount you withdraw. What's more, Uncle Sam might hit you with a painful 10 percent penalty.

This might be avoided if you restore the withdrawn amount to your plan within the 60-day period. Unfortunately, many people use this option as a rationalization for making withdrawals and fail to come up with the cash in time to pay it back. Borrow from your plan only in desperation as a last resort - or better yet, never.

Don't forget to make minimum withdrawals (the IRS calls them required minimum distributions, or RMDs) once you reach age 70½ if you are no longer employed.

Failing to do so can bring costly penalties.

If used wisely, 401(k) plans can be a highly effective retirement savings tool - if you keep these important points in mind.