



**HEALTH.
WEALTH.
WISDOM.**



5 Retirement Steps to Help You Strive—and Thrive

Checklists, like grocery lists or weekend to-do lists, are a great way to organize tasks and keep us progressing toward getting “stuff” done. Here is a five-step retirement checklist to help jump-start—or stay on track with—your retirement planning efforts. And remember: When you participate in your workplace retirement plan, you’re already taking a big step in the right direction.

1 **Pay attention to your contribution amount**

Consider increasing your contribution rate (the amount deducted from your paycheck) to boost your 401(k) savings. Remember, even contributing 1 percent more annually could make a difference when you retire. If your employer provides matching contributions—which is free money for your retirement—be sure to contribute enough to take full advantage of the match. Don’t forget that if you are age 50 and older, you are eligible to make an extra “catch-up” contribution of up to \$6,000 into your plan annually!

2 **Synchronize your retirement progress with your lifestyle**

Let’s get to the heart of the matter: When do you hope to retire? How much will you need, and how much will you have saved? Use the planning tools available on your plan’s website to establish a savings target and monitor your progress. Review your spending habits and make small lifestyle changes. It’s essential to get back to basics: save more, spend less, and come up with a plan to manage your debt. A simple tip you can try today is to create a line item in your budget for “retirement savings” and pay it each month!

3 **Set your investments, but don’t forget them**

Check your portfolio at least once or twice a year, and make changes to help you stay on track with your goals. As your retirement approaches, check it more frequently. Has your tolerance for risk changed? If so, you may need to reduce your exposure to stocks. As markets fluctuate, asset allocations tend to shift. For example, a portfolio divided evenly between stocks and bonds could become unbalanced over time due to market activity. Another option is to take the guesswork out of the equation by investing in a target-date fund—a portfolio that automatically allocates and balances according to your desired retirement date.

4 Determine an appropriate withdrawal strategy and consider postponing distributions

In order to avoid outliving your assets, have a defined withdrawal strategy. Upon retirement, you may even want to postpone withdrawals. Why? Because even after you retire, you can boost the long-term income power of your tax-advantaged accounts. You may want to tap your taxable investments first and postpone withdrawals from your workplace plans and traditional IRAs for as long as you can—up to age 70½. And don't forget about social security. You can start claiming your retirement benefit at age 62, but in most cases, delaying your social security benefit by months—or even years—may put more of that hard-earned money back in your pocket.

5 Don't go it alone—get help!

We could all use the support of experts—like trainers, coaches, or teachers—to help us to achieve our goals. A financial advisor has the knowledge and experience necessary to help you make a plan and stick with it. Working with a financial advisor can also provide an emotional buffer, helping you stay focused on long-term goals and steering you clear of knee-jerk reactions. Coaching and support from a trusted guide can provide valuable perspective and help you make decisions with confidence.

Common Retirement Plan Questions

Q: I've done okay in saving for retirement, but I need to start making up some ground—and quickly. I heard there is a way for me to ramp up my retirement savings after I turn 50. How do these catch-up contributions work?

A: You're not alone! The good news is that it's never too late to save for retirement. Here's how catch-up contributions work: Beginning in the year in which you turn 50, you can begin depositing an extra \$6,000 into your 401(k) or 403(b) plan above the [regular contribution limit](#) each year. The catch-up rule applies to IRAs as well; you can contribute an additional \$1,000 above the regular \$5,500 limit annually.

Q: At my old job, I contributed to a 401(k) plan, but when I moved to my new employer, I forgot about the old account. How do I find my old 401(k) account, and what should I do once I locate it?

A: Workplace retirement plans, like 401(k)s, are tied to an employer, and they don't automatically move with you when you switch jobs. But don't worry; locating your old account is easy, and once you locate it, chances are that you'll be able to roll it over to your new employer's 401(k) plan or an IRA. Here is a list of steps you can take to hunt down that old account:

- Contact the human resources department of your previous employer. Somebody there should be able to help you find the appropriate forms to roll your funds over to an IRA or your new 401(k) plan. If available, somebody may also direct you to the plan's website to initiate a rollover transaction yourself.
- Check your records for an old 401(k) statement. The statement may have contact information for your old account.
- Search online for your old retirement plan account. Check with the [National Registry](#) to see if your former employer has reported you as a missing participant. You can also try the U.S. Department of Labor's [Abandoned Plan Database](#), which may show whether your former employer's plan has been—or is in the process of being—reported as terminated. The database may provide a contact to a qualified termination administrator.



Stressed? Color Away!

Are you feeling stressed out on the job? You're not alone! [Recent research](#) indicates that 40 percent of workers find their jobs very—or extremely—stressful, and 25 percent consider their jobs to be the number-one stressor in their lives.

What can you do to reduce that workplace stress? Try coloring! Yes, the carefree activity that we all enjoyed as children can help ease stress at any age. [Studies have shown](#) that coloring can be therapeutic and improves focus. For your next lunch or coffee break, pull out a [coloring book](#) and your colored pencils, and color away!

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Authored by the Retirement Consulting Services team at Commonwealth Financial Network.