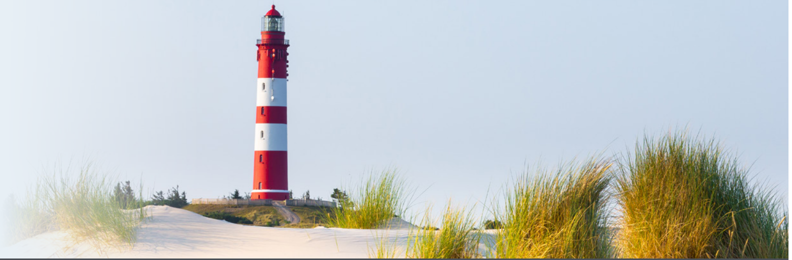
Retirement Plan

Update

Issue 4, 2017

Because the time is now...



Can you contribute more?

Have you thought about your retirement plan contributions lately? If your contribution is automatically deducted from your paycheck, you might not think about it too often. But periodically revisiting the amount you're contributing can be a smart move.

Consider reviewing your contribution amount under the following circumstances.

You receive a raise or a bonus. Earmarking at least a portion of any raise or bonus you receive can be a painless way to increase your plan contribution. You've already been living without that money, so you probably won't miss the amount you contribute to your retirement savings.

Your job description changes. You get a big promotion — and so does your salary. It's a good time to consider contributing the maximum amount to your employer's 401(k) plan. For 2017, you can contribute up to $18,000, with a $6,000 catch-up contribution if you're age 50 or older. (Other plan limits may apply.)

Your financial situation might also improve due to a spouse joining the work force. The extra income might allow you to increase your plan contributions.

It's checkup time. Your annual financial review should include a look at your retirement accounts. If your finances have taken a turn for the better, you may be able to increase your contributions.

Paying off your car or other loan might leave you with extra money each month that you could invest for retirement.

No matter what your current financial situation, make sure you're contributing at least as much as your employer will match to your retirement account.

FA Name
Title

Address
City, State, Zip
email

Phone 1
Phone 2
Website

Oh the things you might find

You never know what you find when you start exploring places you generally might ignore. You might find a rare baseball card in the attic, for instance, or discover your long lost high school ring lodged behind a dresser. And who knows how many treasures you might unearth in the garage . . . !

If your employer's retirement plan falls into the "unexplored" category, it's time for a change. Your retirement account can play a key role in turning your dreams for the future into reality. If you aren't familiar with your plan and your account, you could be missing out on a valuable opportunity to build a secure retirement.

Dig for details

Maybe you've been putting this off, but if you haven't taken a really good look at one of your retirement plan statements for a while, now's the time. The first thing most people look at is their updated account balance. The statement also generally shows how much was contributed to your account during the preceding period and the vested portion of your account balance.

Although mistakes are rare, they can happen, so get in the habit of checking your statements carefully to make sure the details are right. Give your account a thorough review at least once a year. Make sure the following are correct:

- Personal information (i.e., name, address, phone, etc.)
- Hire date (since it can affect vesting)
- Contribution amounts (yours and your employer's, if applicable)
- Investment instructions
- Beneficiary designation

Probe investment performance

Your account statement also provides investment performance information, which will help you make decisions about the funds or portfolios in your plan account. By themselves, performance numbers don't tell you much. For instance, you may think a fund's return is poor, but you can't really tell how well the fund performed until you compare its performance to the returns of similar investments during the same period. Here are some pointers for gauging performance:

- Use a market index of comparable securities as a benchmark for each investment (e.g., the S&P 500 index* as a benchmark for large-cap stock funds or portfolios).
- Compare returns over various similar investment periods (e.g., three months, one year, three years, etc.).

Benchmarking helps put performance in perspective. For example, when a fund or portfolio has a negative return, it's troubling. But it's less troubling when the fund's comparable index dropped by a similar percentage. And, if the overall market dropped 10%, a fund that lost 5% of its value may actually be a relatively strong performer. Even positive fund performance can be disappointing. Returns of 5% during a period when an appropriate benchmark rose 15% are unsettling and may be a reason to investigate further.

Investigate other options

It's a good idea to be familiar with all your investment options, even if you're not thinking of making a change to your plan account. For example, if your plan offers a fund you're interested in, be sure to look over the information your plan provides before investing in the fund. Find out about the fund's:

- Investment objectives (for example, growth, income, or a combination of these)
- Investment holdings and how they may help the fund meet its objectives
- Potential investment risks
- Financial highlights, including performance figures

Don't forget the documents

When you joined your retirement plan, you received a Summary Plan Description (SPD) that spells out how your plan works. If you've never read through it, take time to do that now. SPDs must be plainly written so participants can understand them. Be sure to keep your SPD on file in case you have questions. Here are some of the things you can find in your plan's SPD:

- Description of the plan's benefits
- Plan participation and benefit eligibility requirements
- The amount you can contribute to the plan
- How contributions will be invested
- The plan's vesting provisions
- How and when you can access your retirement money (including information on hardship withdrawals and loans)

On occasion, your employer may make changes to the plan. If and when that happens, you'll receive a description of the changes, so be sure to promptly open and read any mail you get from your retirement plan. Then file it away with your SPD and your account statements.

Your findings

Now that you've blown the dust bunnies off your retirement plan and shined a light in the nooks and crannies of your account, don't lose your momentum. Open those statements when they come, review your investments' performance on a regular basis, and get the answers to any questions you may have about how your plan operates.

After all, it's your money and your future — so it's up to you to stay informed.

* An index of the stocks of 500 major U.S. corporations. You cannot invest directly in an index.

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