The Keys to Safeguarding Your Retirement Plan in Your 40s

RETIREMENT & PLANNING SOLUTIONS TEAM

REVIEW RETIREMENT GOAL (CUSTOMIZED FINANCIAL ANALYSIS[1])

Hopefully, you have been planning for some time now and are aware of the necessity of having an effective retirement plan. Meet with a Financial Advisor as soon as possible to review your retirement goals using our Customized Financial Analysis[1] tool. You and your Financial Advisor can determine if you have adequate cash reserves and if you are on track to meet any short and long term goals you've set for yourself. Now is a good time to consider opening an Individual Retirement Account (IRA) to supplement an employer-sponsored program, or in place of one if your employer doesn't offer a retirement plan.

BENEFICIARIES FOR YOU AND YOUR PARENTS

Protecting your family's financial security in the future is just as important as protecting your own. An easy way to start this is by evaluating the beneficiaries on your retirement accounts. It is also important to create and update your will, general and medical powers of attorney, and living will. Your designated beneficiaries will receive the funds in your retirement accounts regardless of how your assets are allocated in your will. Additionally, depending on the age and health of your parents, they may not be capable of completing this review process on their own. Take the time to assist them with their routine checks.

PAY OFF AS MUCH REMAINING HIGH-INTEREST DEBT AS YOU CAN

If you are still paying off long-term debt brought on by liabilities such as student loans, credit cards or medical bills, you should start prioritizing how you can reduce these loans. Some student loans may be tax-deductible depending on your tax bracket. These extra expenses could inhibit you from effectively saving not only for your retirement, but also for events such as your child's education and other major events that will occur in your life leading up to your retirement.

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MAX OUT. DON'T MISS OUT

Your 40s are a great time in your life to take advantage of your tax-advantaged retirement savings options: 401(k)s and IRAs. For your 401(k), you should be contributing at least as much as your employer will match. For your IRA, you may not see the immediate impact maximum contributions can make (as they might seem small); however, the potential long-term growth of your IRAs can have a large impact on your retirement income, thanks to tax-deferred compounding. Additionally, consider allocating a portion of any bonuses or tax refunds to your retirement savings.

SAVE FOR COLLEGE TUITION

Now that you have entered into your 40s, you are no longer living in young adulthood. If you had your own student loan debt, you know how burdensome loan payments can be while starting your professional career. Consider opening a 529 Plan for your child to reduce the amount he or she will have to pay out of pocket or borrow.

[1]The Customized Financial Analysis referenced is a tool that provides an additional resource in the evaluation of the potential risks and returns of investment choices. The projections or other information generated by the Customized Financial Analysis regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results.