

■ Saving as You Near Retirement

If you're over the age of 40, you likely feel the pressure of retirement looming.

It's never too late to start saving or to adjust your savings strategy—the important thing is that you recognize how important retirement savings are and make the choice to save for the lifestyle you want. To ensure that you save enough today to live comfortably tomorrow, consider the following:

Take advantage of catch-up contributions.

Those who are 50 or older are allowed to make catch-up contributions up to \$6,000 for 401(k)s or \$1,000 for IRAs in 2017. These contributions are added to the 2017 defined contribution limits of \$18,000 for 401(k)s and \$5,500 for IRAs, for contribution totals of \$24,000 for 401(k)s and \$6,500 for IRAs.

Maximize your contributions.

During the final years that you will save for retirement, consider putting aside a minimum of 15 percent of your gross annual salary specifically for retirement, assuming you have been putting 10 to 15 percent aside in your 20s and 30s. If not, you should consider increasing

your current contribution even more, to at least 20 percent.

Reconsider your asset allocation.

Though a portfolio should become more conservative as you age, if you are considering retiring later and have a longer time horizon, you may be able to take on more risk. The most important thing is to make sure that your asset allocation still works for you, whether that means protecting the savings you already have or expanding your growth potential if you need it.

automatic as well by setting up monthly transfers from your checking account.

Reduce debt.

Carrying debt into retirement can really put a damper on your retirement income. Be diligent about paying off any outstanding large debts, such as mortgages, student loans and high-interest credit cards.

Consider working longer.

Barring any serious illness or disability, don't rule out working past retirement age if you are able and could use the extra income. It is likely you will need to work up to five years longer than you

Even if you start small, by cutting out smaller expenses and funneling this money into your retirement fund, even a little savings is better than nothing.

Make saving automatic.

Find out whether your employer offers an automatic contribution escalation, in which they automatically increase your contributions by about 1 percent per year. If you don't already do so, you can consider making your contributions to an IRA

originally intended due to the fluctuating economy and constant inflation in the cost of living, so plan accordingly.

Be realistic about your retirement lifestyle.

Depending on where you are in your retirement savings, you may have to change your

Premier Investments of Iowa, Inc.
3193633811
www.premierinvestmentsofiowa.com
3600 1st Ave NE, Cedar Rapids, IA 52402
Cedar Rapids, IA 52402

This article was written by Advicent Solutions, an entity unrelated to Premier Investments of Iowa, Inc. The information contained in this article is not intended to be tax, investment, or legal advice, and it may not be relied on for the purpose of avoiding any tax penalties. Premier Investments of Iowa, Inc. does not provide tax or legal advice. You are encouraged to consult with your tax advisor or attorney regarding specific tax issues. © 2013-2015 Advicent Solutions. All rights reserved.

expectations for retirement. Consider downsizing your home, moving to a less expensive area or simply lowering your cost of living before retirement.

Maximize your Social Security benefits.

Choosing the right Social Security strategy can make a big difference in the benefits you'll receive. Especially if you have a spouse, you'll have many different options for how and when to take these benefits. Make a plan for when each of you will choose to take your benefits and talk with your financial advisor about how to make sure you're receiving your maximum benefit.

Review insurance options.

Go over your insurance coverage and evaluate whether you still need the policies you are holding on to or if you may need to consider additional policies, such as long-term care insurance. Making these decisions now can help defray potentially expensive health care costs during retirement.

Consider partial retirement.

Many people choose to "ease in" to retirement by switching from working full time to working part time, rather than quitting their job altogether. This can help smooth the financial as well as the emotional transition of retirement, which many people struggle with.

Save on the side.

Even if you already contribute to an employer-based plan such as a 401(k), consider opening an independent retirement account as well. If you receive a bonus or a raise

later in life, you can funnel this extra cash into your IRA and further boost your retirement savings.

Avoid early withdrawals.

Early withdrawals will not only deplete your savings, but they'll also be subject to a 10 percent early withdrawal tax. Tapping in to your retirement savings before you retire should always be a last resort, so consider other sources of income or even forgoing large purchases rather than taking early withdrawals.

Review your income plan.

Many people don't have a clear idea of how much it will take for them to have the retirement they want. You should periodically review your income plan for retirement and ask yourself: Do you know how long your savings will last? Do you know what you need to have the lifestyle you desire? Have you set an age at which you'll retire? If you're still unsure of the answers, meeting with your financial advisor can help you to adjust your income plan.

Something is better than nothing.

Even if you start small, by cutting out smaller expenses and funneling this money into your retirement fund, even a little savings is better than nothing. Don't give up if you're behind on your retirement savings—even starting to save at age 50 is better than facing an empty fund at retirement age.

Saving for retirement is a crucial financial goal during every stage of your life, but it's especially important to stay strong with saving as you

get closer to retirement. Meet with your financial advisor at Premier Investments of Iowa, Inc. to talk about which savings strategies will work best for you.



Securities offered through Registered Representatives of Cambridge Investment Research, Inc., a Broker/Dealer, member FINRA/SIPC. Advisory services offered through Cambridge Investment Research Advisors, Inc., a Registered Investment Advisor. Cambridge and Premier Investments of Iowa are not affiliated.