

BUILDING BLOCKS FOR RETIREMENT

Retirement Planning Essentials

5 Retirement Investment Resolutions for 2018

One of the abiding New Year traditions is the resolution, of course. Here are five simple resolutions that every retirement investor should make.

- 1. If you are not already in the game, get in it now.** This is at the top of the list for a basic reason: If you are not deferring a portion of your salary to your employer's retirement plan, you certainly should be. In addition, any matching contribution you are eligible to receive is essentially "free money," something your employer is happy to give you ... and it is incumbent upon you to take it – not to mention the fact that long term tax- deferred saving of your own money is a good thing too!



- 2. If you are not getting the maximum matching funds from your employer, consider doing so.** This of course plays off of the first point. If you are not taking the fullest possible advantage of matching funds, take the steps to do so immediately

- 3. If you have not increased your savings rate by 1 to 2 percent of salary yet, do so now.** In other words, you should be increasing your savings rate each year. If you are currently putting 5 percent of your salary if possible, a retirement fund, make it 6 to 7 percent; if you are at the 6 percent level, increase it to 7 to 8 percent. Most of us receive salary increases at the end of the calendar year; now is the perfect time to redirect a portion of that increase directly into your retirement savings plan.

- 4. Consider rebalancing your portfolio now.** This is something that investors should consider at least once a year. Pentegra Online offers you the ability to reallocate your investments in an easy and intuitive way. The concept behind rebalance your portfolio is to sell some of your winners so you can add to the ones that "did not do so well."

- 5. Commit to doing all of the above every year—especially increasing your savings rate, and rebalancing your portfolio.** This is in a way a repetition of Points 3 and 4; the difference is that points 1 through 4 are things you should be doing now, while Point 5 is something you should do in perpetuity until you retire. Don't just do these now; do them again in 2019, '20, and so on, on an annual basis.

January is a time of year that has always symbolized fresh beginnings. Why not take five minutes or so at the start of each year (yes, even on January 1) to reflect upon the state of your retirement portfolio, whether you are maximizing the contributions to it – both your own and your employer's – and whether your allocations are where you would like them to be? Lastly, being on the same page with your spouse about retirement is another goal worth pursuing. Now may be as good a time as any to start the conversation.



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