Understanding

A retirement plan checkup

No matter where you are in your financial journey, it's important to regularly review your retirement account and make sure you're on track toward your goals. Life changes, market fluctuations and evolving retirement objectives can all impact your strategy over time. Taking a few minutes to assess your savings, investments and overall progress can help you make informed decisions and keep your retirement plan working for you.

Check the big picture

Grab your latest statement and check your balance. Are you saving enough? You can do a quick check by estimating how much income you think you'll need for a year of retirement. Then, subtract amounts you anticipate receiving from other sources (Social Security, payments from a pension plan, etc.). That will give you a rough estimate of the savings you'll need to cover one year of retirement. To project the total savings you'll need, you'll have to consider the number of years you expect retirement to last, inflation and other factors.

Consider your contributions

If it looks like you should be saving more, increase the amount you're contributing to the plan. If you're age 50 or older and the plan allows, you can make additional "catch-up" contributions. Please see the IRS website for annual limits.

Look at your investment lineup

If there's been a major life change (birth, death, marriage, divorce, etc.) since your last checkup, you may need to change your asset allocation – the percentages of your portfolio that are invested in the different asset types. Your asset allocation should always fit your risk tolerance and investing time frame.

Even if your targeted asset allocation is the same, investment performance can change your portfolio's actual allocation over time. When that happens, you may be exposed to more or less risk than you intended. If the percentages in your account have drifted, it might be time to rebalance.

Consolidate your accounts

If you have more than one retirement account – an account from a past employer or one or more individual retirement accounts (IRAs) – think about consolidating. Managing your retirement assets will be simpler if they're all in one account.*

If you have questions about your workplace retirement plan, please contact your Human Resources department or your retirement plan provider's customer service center.

*Employees/plan participants contemplating plan-to-current plan rollovers or transfers should consider the features, benefits, fees and expenses associated with the plan(s) versus those associated with their current plan prior to initiating the rollover or transfer.