***DIRECTNEWS***
**FALL 2018**

# 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 2018, you can contribute up to $18,500, 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 financial 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, if available under the terms of your plan.

# Retirement Countdown… Are All Systems Go?

You've been saving money for retirement throughout your working years. And now that you're close to retiring, it's time to begin thinking about spending it. Retirement is a big life change. Planning ahead can help make the transition easier.

**Not Rocket Science**
Your retirement income will have to cover your basic living expenses, such as housing costs, food, utilities, taxes, insurance, transportation, and so on. By the time you retire, you may have paid off your mortgage and any home equity loans. However, you'll still have to account for maintenance costs and property taxes in your budget. You'll also want to have enough money for the things you would like to do in retirement, which might include traveling, pursuing hobbies, or maybe even relocating, so include those costs in your planning. And remember that the cost of living generally rises over time, so don't forget to factor inflation into your projections.

**Income Trajectory**
Now that you've thought about your expenses, you need to think about where the money will come from to pay them. Start by listing all projected sources of your retirement income, such as pensions, retirement plans, investments, individual retirement accounts (IRAs), and Social Security. Then estimate how much you can expect from each one. If there's a shortfall, consider working longer or finding another way to increase your income.

**The Health Care Galaxy**
Health care costs can take a big chunk out of your retirement budget. So it's essential to plan adequately. Medicare provides basic coverage but at a cost to you. Unless your employer offers comprehensive retiree health insurance, you may want to consider purchasing a supplemental policy (known as a Medigap policy) to pay costs that Medicare doesn't cover.

**Your Flight Plan**
Your investments' performance can affect how long your assets last. But the rate at which you withdraw assets from your accounts can also have a big impact. Choosing a rate that's too high can quickly deplete your assets. Selecting a somewhat conservative withdrawal rate can help make your money last longer.

**Mission Control**
Smart tax management can help increase the amount of money that's available to you in retirement. Where you hold various types of assets and the order in which you withdraw them can affect the taxes you pay. Consider withdrawing money from taxable accounts first and leaving assets in tax-qualified retirement plans and IRAs for as long as possible.

**Splashdown**
Throughout your investing life, the mix of stocks, bonds, and cash you hold in your portfolio will have an impact on your investment returns. Although stock volatility is always an issue, investing too conservatively may keep you from earning returns that will help you reach your goals. Consider leaving a portion of your portfolio invested in stocks, even after retirement, to provide growth potential.

Your situation is unique, so be sure to consult a financial professional before taking action.