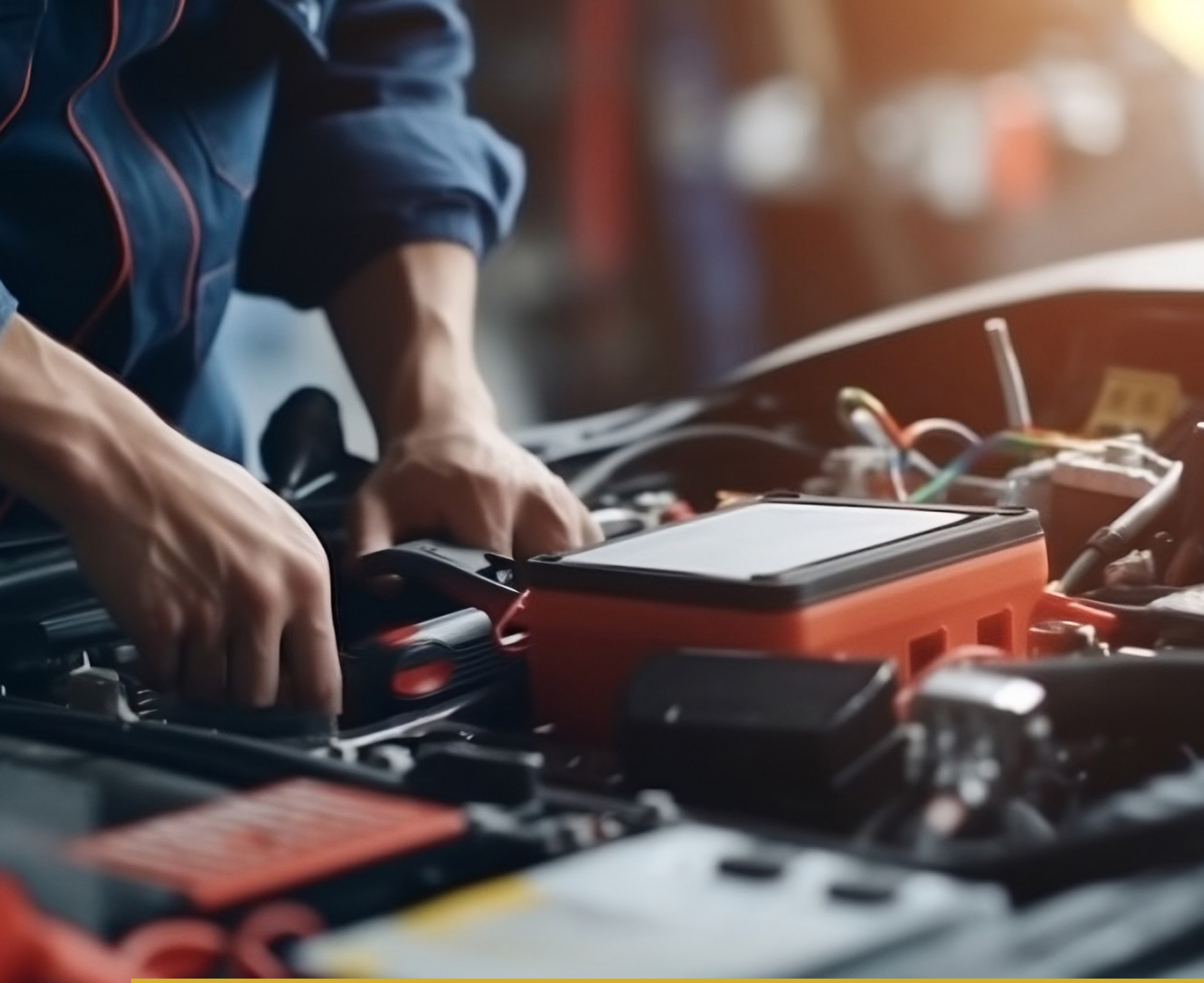

5 THINGS TO DO TO KEEP YOUR RETIREMENT PLAN'S MOTOR RUNNING SMOOTHLY

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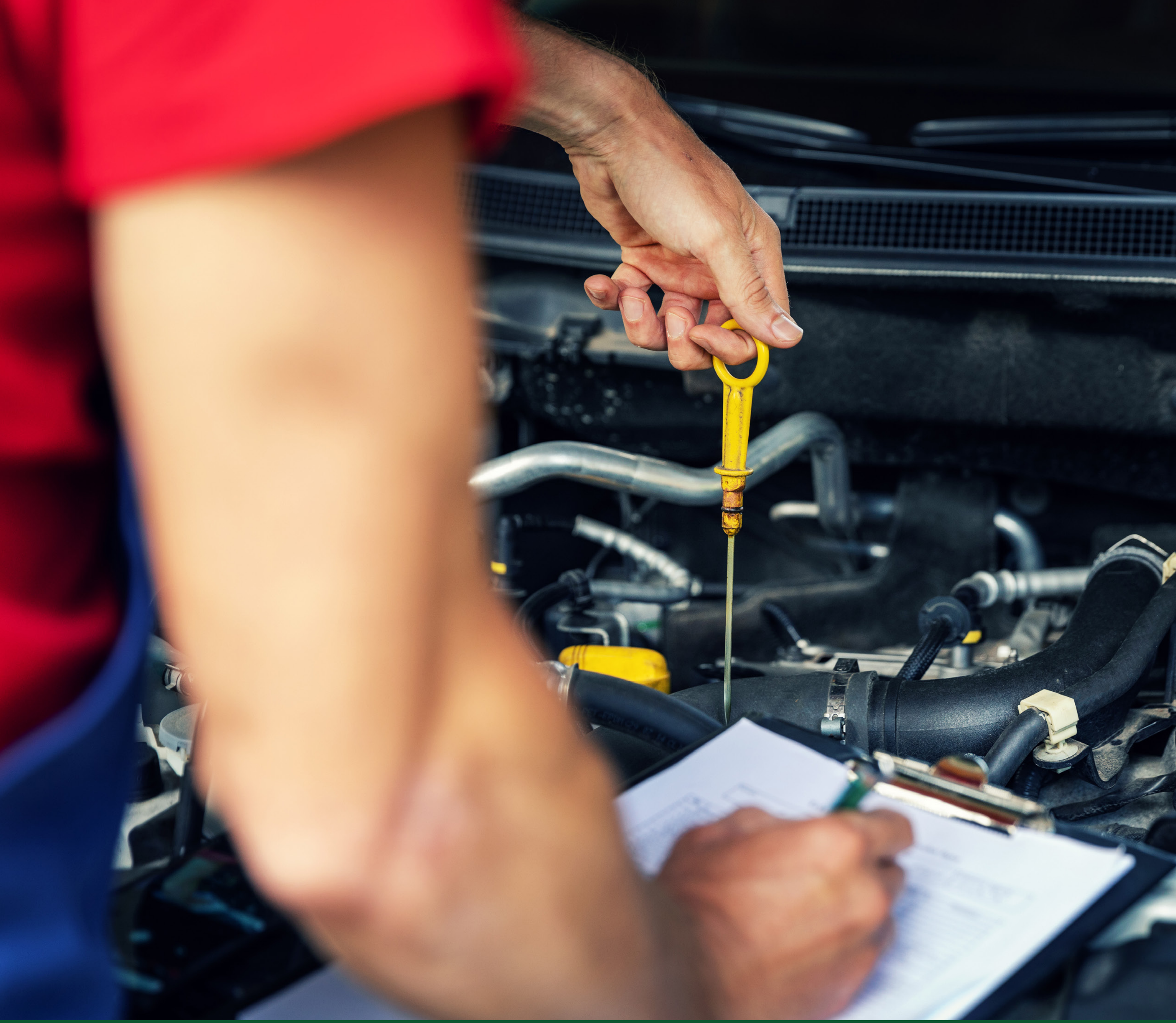

PERFORM THIS FIVE-POINT INSPECTION TO HELP KEEP YOUR RETIREMENT PLAN'S MOTOR RUNNING SMOOTHLY

Just like with a car, it's a good idea to perform some annual maintenance on your retirement plan. Here's a five-point inspection guide to help you continue to get good mileage out of your plan and ensure it stays reliable on your trip to retirement.

1. REVIEW YOUR RETIREMENT SAVING GOALS

It’s challenging to predict your retirement needs, particularly if you’re in your 20s or 30s. But financial planners generally recommend replacing about 75% of preretirement income. Even if your retirement is decades away, you may want to use a retirement calculator at least once a year to estimate whether you’re on track to reach your goals. Your financial advisor will likely have retirement calculators and other planning tools on their website.

2. CONSIDER INCREASING YOUR RETIREMENT PLAN CONTRIBUTION

While your ultimate goal may be to max out your retirement account contributions, don't stress if you aren't there yet. Focus first on making sure you contribute enough to receive your full employer match if your plan offers one — otherwise, you could be missing out on free money. Then, aim to increase your contribution by at least 1%–2% each year, working up to saving 10%–15% of your pretax income each year. Finally, you may want to review current retirement plan contribution limits ($19,500 in 2021, plus an additional $6,500 catch-up contribution if you're age 50 or older). While you might not have been able to contribute the maximum amount in the past, you may have more to save now.

3. REVIEW YOUR INVESTMENT PORTFOLIO

Over time, market changes can lead to shifts in your portfolio's asset allocation. For example, you may have started with a 75/25 stock-fund-to-bond-fund split, but changes in the market caused stocks to now account for 85% of your portfolio's value. That's why it's important to periodically check your asset allocation to see if it aligns with your current strategy. Keep in mind, you may also want to rebalance to a more aggressive or conservative allocation should your tolerance for risk change.

4. CONSOLIDATE YOUR ACCOUNTS

You may have a 401(k) from a past job that you no longer contribute to. Rolling over the funds from one or more other accounts into one retirement account can help make your financial life more manageable, keep your savings organized and potentially reduce your account management fee. Just make sure you follow transfer or rollover rules so you don't get hit with an unexpected penalty or tax bill.

5. REVIEW OR NAME YOUR BENEFICIARIES

When you first signed up for your retirement plan, you may have skipped this step. Or, you may want to make adjustments if your family status has changed. Make sure your designated beneficiaries align with your will, if you have one. Also, please note that when it comes to employer-sponsored retirement plans, the law requires written consent from your spouse if you decide to name anyone besides them as the beneficiary.