

BUILDING BLOCKS FOR RETIREMENT

Retirement Planning Essentials

Improving Your Retirement Plan's Long-Term Results

The total amount you'll have in your retirement account by the time you retire will depend on the choices you make and the future of the investment markets. While you can't control what the markets will do, you can help improve your retirement account's long-term results. Consider the strategies described below.



Save as Much as Possible

The more you contribute and the earlier you start, the more you'll have in your account at retirement time, all else being equal. Years of compounded growth can result in a lot more money in your account than you actually put in. Also, you won't be paying taxes on your contributions or on account earnings until you withdraw money from your account.

Take Some Risk

Invest a significant portion of your retirement money in higher risk investments, such as stocks. You will need to stay ahead of inflation to have real growth in your retirement account. The price you will pay for the "safety" of low-risk investments, such as money market portfolios, will be potentially lower returns that may not keep up with inflation.

Keep Track of Your Investment

It's important to track your investment results periodically. You need to find out how well your account is doing and whether your returns are high enough to meet your retirement goals. Also, if you experience any major life changes, you may want to reassess your investment strategy. You may need to make changes in your portfolio mix at some point; however, don't react to every short-term swing of the investment markets. If you have several years before retirement, you probably will be better off waiting out temporary periods of declining prices.

Don't Give in to Temptation

It may be very tempting to spend some of your retirement plan money before retirement if your plan permits, especially if you experience a hardship. If at all possible, leave the money in your account and don't give in to temptation. You usually will have to pay a 10% tax



penalty plus regular income tax on the withdrawal. But more importantly, you can't retire on money that you have already spent. If you change jobs, make sure you roll the money over into an individual retirement account or your new employer's plan.



Keep the Faith

If you contribute as much as possible, invest in higher risk investments, make changes only when necessary, and leave the money in your account until retirement, you will be on track toward a more secure retirement. And, any sacrifices that you have to make now will be worth it when you are enjoying your well-deserved retirement.

This material is provided solely for informational purposes and does not constitute investment, tax, legal or accounting advice on the matters addressed. Neither Pentegra Services, Inc., its subsidiaries, nor any of their respective employees intend that this material should be relied on as investment advice, which should be sought from a professional advisor. Performance information shown reflects past performance and does not indicate or guarantee future investment results. Current and future results may be lower or higher than those shown. ©2018 Pentegra Retirement Services



701 Westchester Ave, Suite 320E, White Plains, New York, 10604