



## RETIREMENT INSIGHTS

Insights for Plan Participants

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### Your HFS Team

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### Six Retirement Planning Tips for Those Over Age 50

Entering your 50s and behind in your retirement planning goals? Don't fret. You've still got time to get your financial plan back on track.

There are many steps that older investors can take to better prepare themselves financially for retirement. Here are six tips that may help you make the most of your final working years.

1. **Catch up.** If you have access to a 401(k) or other workplace-sponsored plan, make the \$6,000 catch-up contribution that is available to participants aged 50 and older. Note that you are first required to contribute the annual employee maximum, \$18,000 for 2015, before making the catch-up contribution.
2. **Fund an IRA.** Investors aged 50 and older can contribute \$6,500 annually (the \$5,500 annual contribution plus an additional catch-up contribution of \$1,000). An investor in his or her 50s who contributes the maximum amounts to both a 401(k) and an IRA could accelerate retirement savings by more than \$30,000 a year.
3. **Consider dividends.** If you do not have access to a workplace-sponsored retirement plan, or you already contribute the maximum to your qualified retirement accounts, consider stocks that offer dividend reinvestment.<sup>1</sup> Reinvesting your dividends can help to grow your account balance over time.
4. **Make little cuts.** Consider how you can trim expenses while continuing to enjoy life. Some suggestions for quick savings: eliminate or reduce premium cable channels that you do not watch, memberships that you do not use regularly, and frequent splurges on dining out or coffee runs. An extra \$100 a month saved today could make a big difference down the road.
5. **Review strategies for postponing retirement.** You may be able to learn new skills that could increase your marketability to potential employers. Even a part-time job could reduce your need to deplete retirement assets.
6. **Don't give up.** Many preretirees falsely believe that there is nothing they can do to build retirement assets and, as a result, do nothing. Remember that you control how much you invest and, in many areas, how much you spend. Make a plan -- and stick with it.

<sup>1</sup>Investing in stocks involves risk, including loss of principal.

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