9 Tips to Help You Achieve a Financially Successful Retirement

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With the right savings and investing strategy, a successful retirement may be within reach. Here are some ideas to help you stay on track in achieving the retirement lifestyle you want:

1. SAVE EARLY AND EARNESTLY

The single most important thing you can do is save at least 15% of your annual income every year.

- **Contribute to your employer's 401(k), 403(b) or 457 retirement plan.** This is the best way to save the most. And with employer matching contributions, growth is even faster.
- **Establish an Individual Retirement Account (IRA).** This enables you to save on a tax-deferred[1] basis — which is important, even if you aren't eligible to deduct your contributions. If you qualify for a Roth IRA, qualified distributions[2] are exempt from federal taxes.
- **If you have access to a Roth 401(k) or qualify for a Roth IRA**, building both tax-deferred and tax-free sources of income — or being "income-tax diversified" — can give you greater flexibility and potentially lower your income taxes in retirement.
- **A SEP, SIMPLE or Individual 401(k) plan** is a way for small business owners to save.
- **Don't forget about taxable investment accounts** to round out your savings.
- **Do the math to see whether your savings add up to 15%** of your gross annual income before taxes.

Being 50 or older may allow you to contribute extra money to your IRA, 401(k), 403(b) and most 457 plans to boost savings.

2. DON'T OVERSPEND

The less you spend, the more you can save and invest for growth. Know how you are spending your income and periodically review to make sure you know where you stand.

3. BUILD AN EMERGENCY FUND

Having a six-to-nine-month cash reserve equaling your total living expenses means not having to tap retirement savings and disrupting long-term goals if something unexpected happens.

4. CATCH UP

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5. UNDERSTAND SOCIAL SECURITY AND PENSION BENEFITS

Knowing your Social Security and pension payouts will clarify how much retirement income you need from your investments. And when you file for benefits can make a big difference.

6. INVEST MORE OF WHAT YOU SAVE

It may feel "safe" to keep your money in cash or CDs. However, a well-diversified investment portfolio may provide higher returns over the long term that can help you keep up with inflation.

7. MAKE SAVING AUTOMATIC

One way to do this is by "paying yourself first" — have a certain dollar amount taken out automatically from each paycheck and deposited into your retirement plan.

8. PLAN FOR RETIREMENT HEALTHCARE COSTS

Better lifestyles and healthcare mean most of us will live into our 80s, 90s and possibly beyond. But healthcare inflation and those extra years likely will add up to higher medical costs later in life.

9. REVIEW YOUR GOALS ANNUALLY

Smart investing for the long term takes time, thought and patience. Whether you invest independently, or work with an Advisor, review your changing needs and goals annually and refine your portfolio as needed, in order to stay on the path to the retirement you want.

[1]Tax-deferred growth means the individual delays paying Federal income tax on earnings until money is withdrawn from the retirement plan.

[2]A "qualified distribution" is any payment or distribution from your Roth IRA that meets the following requirements: 1) It is made after the 5-year period beginning with the first taxable year for which a contribution was made to a Roth IRA set up for your benefit, and 2) The payment or distribution is: a) Made on or after the date you reach age 59½, b) Made because you are disabled (as described in IRS Publication 590-B), c) Made to a beneficiary or to your estate after your death, or d) One that meets the requirements listed for first home purchase (as described in IRS Publication 590-B) up to a $10,000 lifetime limit.