

## Catching Up on Retirement Saving

*If you are starting at or near 50, consider these ideas.*

### **Do you fear you are saving for retirement too late?**

Plan to address that anxiety with some positive financial moves. If you have little saved for retirement at age 50 (or thereabouts), there is still much you can do to generate a fund for your future and to sustain your retirement prospects.

### **Contribute and play catch up.**

This year's standard contribution limit for an IRA (Roth or traditional) is \$5,500; common employer-sponsored retirement plans have a 2018 contribution limit of \$18,500. You should try, if at all possible, to meet those limits. In fact, starting in the year you turn 50, you have a chance to contribute even more: For you, the ceiling for annual IRA contributions is \$6,500; the limit on yearly contributions to workplace retirement plans, \$24,500.<sup>1</sup>

### **Look for low-fee options.**

Lower fees on your retirement savings accounts mean less of your invested assets going to management expenses. An account returning 6 percent per year over 25 years with an annual expense ratio of 0.5 percent could leave you with \$30,000 more in savings than an account under similar conditions and time frame charging a 2 percent annual fee.<sup>2</sup>

### **Focus on determining the retirement income you will need.**

If you are behind on saving, you may be tempted to place your money into extremely risky and speculative investments — anything to make up for lost time. That may not work out well. Rather than risk big losses you have little time to recover from, save reasonably and talk to a financial professional about income investing. What investments could potentially produce recurring income to supplement your Social Security payments?

### **Consider where you could retire cheaply.**

When your retirement savings are less than you would prefer, this implies a compromise. Not necessarily a compromise of your dreams, but of your lifestyle. There are many areas of the country and the world that may allow you to retire with less financial pressure.

### **Think about retiring later.**

Every additional year you work is one less year of retirement to fund. Each year you refrain from drawing down your retirement accounts, you give them another year of potential growth and compounding — and compounding becomes more significant as those accounts grow larger. Working longer also lets you claim Social Security later, and that means bigger monthly retirement benefits for you.

### **Most members of Generation X need to save more for their futures.**

The median retirement savings balance for a Gen Xer, according to research from Allianz, is about \$35,000. A recent survey from Comet Financial Intelligence found that 41 percent of Gen Xers had not yet begun to build their retirement funds; so, if you have not started or progressed much, you have company. Now is the time to plan your progress and follow through.<sup>3,4</sup>

[Contact us](#) for help in financial planning.

CEFCU Investment Services & Wealth Management is a marketing name used by CEFCU. Securities sold, advisory services offered through CUNA Brokerage Services, Inc. (CBSI), member FINRA/SIPC, a registered broker/dealer and investment advisor. CBSI is under contract with the financial institution to make securities available to members. Trust services available through Members Trust Company, a federal thrift regulated by the Office of the Comptroller of the Currency. Not NCUA/NCUSIF/FDIC insured, May Lose Value, No Financial Institution Guarantee. Not a deposit of any financial institution. FR-1631405.1-1016-1118

This material was prepared by MarketingPro, Inc., and does not necessarily represent the views of the presenting party, nor their affiliates. This information has been derived from sources believed to be accurate. Please note - investing involves risk, and past performance is no guarantee of future results. The publisher is not engaged in rendering legal, accounting or other professional services. If assistance is needed, the reader is advised to engage the services of a competent professional. This information should not be construed as investment, tax or legal advice and may not be relied on for the purpose of avoiding any Federal tax penalty. This is neither a solicitation nor recommendation to purchase or sell any investment or insurance product or service, and should not be relied upon as such. All indices are unmanaged and are not illustrative of any particular investment.

**Citations.**

- 1 - [irs.gov/newsroom/irs-announces-2018-pension-plan-limitations-401k-contribution-limit-increases-to-18500-for-2018](https://www.irs.gov/newsroom/irs-announces-2018-pension-plan-limitations-401k-contribution-limit-increases-to-18500-for-2018) [10/25/18]
- 2 - [businessinsider.com/401k-fees-devastate-retirement-2017-5](https://www.businessinsider.com/401k-fees-devastate-retirement-2017-5) [5/10/17]
- 3 - [fool.com/retirement/2018/02/07/heres-what-gen-xers-have-saved-for-retirement.aspx](https://www.fool.com/retirement/2018/02/07/heres-what-gen-xers-have-saved-for-retirement.aspx) [2/7/18]
- 4 - [entrepreneur.com/article/309746](https://www.entrepreneur.com/article/309746) [3/2/18]