

Retirement planning tips



Retirement today looks very different than it did just one generation ago. Experts say you will need about 80%¹ of your pre-retirement income during your retirement years. It's never too late to start saving for your retirement.

Here are some quick tips to help you prepare for your retirement years.

1. **Start contributing to a retirement plan as soon as possible.** Don't waste valuable time just thinking about it. Take action.
2. **Determine your lifestyle at retirement,** so you know how much you will need to live comfortably. If you're not sure yet, don't panic. The important thing is to plan to have enough money to live modestly when you stop working.
3. **Calculate your Social Security payment at retirement.** If you're young and you don't have enough invested in Social Security right now to know your future payout, don't worry, you have time to learn this. If you're older, check with the Social Security Administration to determine your projected monthly payment.
4. **Choose an investment option.** Depending on where you work, you can invest in your company's 401(k), 403(b) or other retirement plan. You can also open an IRA or possibly Roth IRA and invest on your own to supplement your employer's plan.
5. **Know your investment limits.** Depending on your age, income and marital status, you may be able to invest up to \$18,000 or \$24,000 in a 401(k) and \$5,500 or \$6,500 in an IRA. Remember, these are the upper limits you're allowed; any amount under that is suitable, depending on what you can afford and what you qualify for.
6. **Calculate how much to invest each month.** While you need to pay your bills, try setting aside a reasonable amount of money and "pay yourself first" each month to ensure you are stockpiling something for the day you stop working. Remember, investing something is better than not investing anything.
7. **Decide on specific investments.** There are thousands of investment products to choose from, but don't let that deter you. If you feel overwhelmed, let a professional guide you. Get a sense of how much risk you are willing to take, then choose an investment that feels comfortable.
8. **Seek help from professionals.** If you don't have the time or knowledge to get started or research all the possible options, seek the help of a registered financial representative. After all, it's his or her full time job.
9. **Revisit and readjust your plan each year.** Ensure that you review your retirement plan each year and make any necessary changes. If you got a raise, increase your contribution. If you bought a new car or a house, maybe you need to decrease your contribution for a short while. If you're nearing retirement age, you may want to shift some assets from stocks to bonds which are less impacted by market fluctuations.

¹ 80 percent rule for retirement. Fedweek.com August 21, 2017.

All investing involves risk, including the risk that you may lose money.

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