



Retirement Saving Checklist: 15 Things to Know that Can Lead to Success

(Sourced from: "[Retirement Saving Checklist: 15 Things to Know that Can Lead to Success](#)" by Marlene Y. Satter – Benefits Pro)



Whether employees are getting close to retirement or still have some years to go, they need to periodically check on how their [retirement savings](#) strategies are working and make sure they're following the best path to [preparing for retirement](#).

Using generally accepted best practices for retirement saving, plus help from a Kiplinger [report](#), along with [questions](#) from Morningstar, we created this list of checkpoints for employees.

With this list in hand, as well as a retirement [plan](#) and diligent saving, employees will be better equipped to stay on the straight and narrow as they save for retirement:

15. Don't Choose a Retirement Date Based Solely on Your Age

If you have it in your mind to retire by age 70, you might find ill health driving you out sooner. That could put you short on retirement savings—and you'll also need retirement assets for a longer period of time. Conversely, you may have wanted to retire by age 62, but find yourself needing to boost those retirement savings because of a spouse's ill health or a market downturn.

Besides, the earlier you retire the more income you'll need to sustain you until you're old enough to draw Social Security and take cash from your retirement account funds without incurring financial penalties. Consider your age carefully, and don't make snap judgments about how long your savings will last just based on a date on the calendar.

14. Don't Stick All Your Money in Stocks

That could be a sure way to the poorhouse, considering the volatility in the market. Diversify those retirement assets among not just stocks but bonds, cash or other assets that might not be so risky.

13. Don't Dither Over Annuities

If you think an annuity will help with your cash flow during retirement, don't make a snap decision about it. Do your research, seek advice from someone knowledgeable about the types, benefits and drawbacks of annuities (not your Uncle Charlie), see what sort of cash flow will be provided by annuities of various amounts and then make your decision.

12. Keep Track of all your Retirement Accounts and Potential Sources of Money During Retirement

If you forget about a retirement account at a former employer, or forget about having rolled one over early in your career, that money won't be there to help you when you need it. Track down all your accounts, make sure they have your current contact information and include them in your assessment of retirement assets. You might want to move or consolidate such accounts—or even do something else with the money.

11. Don't "Set it and Forget it"

While you should do exactly that with some things—such as automatic escalation of contributions—you really need to keep a close eye on what's going on with your retirement savings, as well as with your career and your private life. Not making allowances for changes in personal circumstances or job pay and responsibilities can result in a lower level of preparation than you need—and you'll regret that come retirement day.

10. Don't be Unrealistic About Rates of Return

Being overoptimistic over how much the assets in your plan will grow as you near retirement will not be helpful. Expecting more than the market can provide will land you in a hole at the worst possible time, so if you hear that the S&P 500 has averaged a [9.6 percent return since 1930](#), don't be fooled into expecting the particular assets in your plan to do the same. Those assets might do better—or they might not do well at all, and you need to keep on top of it to be sure your expectations are realistic.

9. Customize your Asset Allocation Based on your Personal Circumstances

When planning for retirement, one size definitely does not fit all. Just as you have to accommodate your individual situation when deciding on the level of contributions—perhaps you have a large family that precludes setting aside the maximum allowed, or, conversely, if you live alone and have few expenses, you

have more leeway to save more—you have to keep your situation in mind as you choose the investments in your retirement portfolio.

For instance, if you're young with a long time horizon till retirement, conventional wisdom says you can afford to take on more risk. But if you're not comfortable with that, or if you have other obligations that make that risk level too high, you'll need to work around that rather than blindly following advice that just doesn't work for you.

8. Do you Expect Other Sources of Income During Retirement, Such as a Pension?

Make sure you consider how large that alternate source of income might be, and don't forget to include it not just when arriving at an annual withdrawal rate from your retirement accounts, but also in deciding on the types of investments that can provide the growth you need to sustain you in years to come.

7. Does Longevity Run in Your Family?

If so, you should plan on a longer retirement and higher savings levels to accommodate not just living expenses but also health care expenses. A longer lifespan might also change how you look at asset allocations, since you'll need more money to see you through in comfort.

6. Are you Expecting to Need a Fairly High Level of Income in Retirement?

Factors that mean you'll need more money could be anything from a known health condition requiring regular care to raising a grandchild you hadn't expected to be responsible for. If there's a specific reason behind that higher income, you can separate out those expenses and calculate how much additional income per month you'll need to meet them.

Then review your retirement assets accordingly, and change whatever needs to be changed.

5. Have you Already Managed to Save a Sizeable Amount for Retirement?

If so, that takes away a little of the pressure for high performance from your retirement assets, but this is not something to just decide on and leave alone. Market fluctuations and changes in your personal circumstances can necessitate some changes in the investments you hold and the level of your savings.

Previous market meltdowns have decimated retirement savings, making it tough even for those who saved diligently to recover lost ground and still have a retirement. If you find yourself facing a similar situation, you might need to change the assets in your plan or boost your contributions, if possible.

4. Might you Need Some of Those Retirement Savings to Pay for Another Goal Before you Get to Retirement Age?

Anything from a child's college tuition to a home purchase to care for an elderly relative can interfere with the steady buildup of retirement assets. And as happened this year, natural disasters can make it necessary to draw on retirement savings just to survive and to rebuild after something like a hurricane, fire or earthquake.

While it's helpful to have the money available in such a case, you'll want to consider how and when you might be able to replenish the balance—or give some thought to what you'll do if that becomes impossible.

3. Do you Want to Leave a Financial Legacy for Family or Charity?

The more you want to leave, the more you'll need to plan for having both enough to live on and enough to be left over when you no longer need it. Reviewing the types of investments you have—and perhaps even the way your retirement accounts are structured (including making sure beneficiaries are up to date) so that the money goes where you want it to at the appropriate time.

2. If You're Still Working, is your Career Stable, with Little Likelihood of Income Disruption?

Following a retirement plan and consistently contributing is easier when income is steady and predictable. If that's not the case, you might want to make sure that the investments in your plan are up to coping with irregular contributions by providing consistent growth and do not bring their own volatility and unpredictability to your savings program.

1. Is Your Allocation Up to Date?

Regardless of whether you've chosen bonds, equities, or some other mix of assets within your retirement plan, make sure you revisit it at least each year—particularly if there's been a change in your circumstances that affects health, income or work. Anything that can potentially change the level of your retirement savings needs to be taken into account when you review your assets. The last thing you want is a volatile stock market robbing you of gains just when you start to draw on them and need stability.

While you're still working, keep your current age in mind, as well as your planned eventual retirement date, lest you need to switch some assets as you get closer to leaving your job behind. Make sure that the closer you get to retirement, the more you reduce the risk.