



Five Tips to Building Retirement Security

National Retirement Planning Week is April 7-11, 2014

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In today's current economic conditions, the concept of retirement may mean different things to different people. For some, it may be many years down the road and for others, right around the corner. For most, due to current challenges of rising health care costs, changes in employee benefits and uncertainty with Social Security and Medicare, a financially secure retirement is complex and daunting. But, with planning and diligence, retirement security is not only possible, it's attainable.

This week, April 7-11, is National Retirement Planning Week (NRPW) and an excellent opportunity to get back on track and help you achieve your retirement goals. Oklahomans are encouraged to use this time to develop, review and/or revise their retirement plans. If you're not sure where to begin, here are five tips to help get you started:

1. Review your finances, develop a budget and uncover savings.

Understanding your current financial state is the first step toward planning for a financially secure retirement. A thorough review of your finances will show you what assets you have and list all of your financial commitments. Once you have a grasp on your current state, you can develop a household budget. The goal of budgeting is to ensure that you are not outspending your income. Tracking your expenses in a budget is often enlightening and revealing of additional ways to save.

2. Add savings to your retirement accounts.

A great way to jumpstart your retirement plan is to make regular contributions to your retirement savings accounts. Employer-provided retirement savings plans, such as a 401(k)-style plan, are excellent ways to save for retirement. These plans are often tax-deferred accounts and allow you to build more quickly. Many employers also offer a contribution match. Setting up auto-contributions will help you avoid the urge to spend the money before saving.

3. Determine a target retirement age.

What is your target retirement age? As simple as this step is, determining a target retirement age will give you a goal to work toward and help you monitor progress. After deciding your goal retirement age, answer some other important questions such as, what

age do you intend to start collecting Social Security benefits? Collecting Social Security before your full retirement age can permanently reduce the size of your benefit, while delaying benefits can boost your Social Security income. Setting your sights on a retirement age will help develop a holistic retirement plan, one that can include a strategy for maximizing Social Security benefits.

4. Calculate your income needs in retirement.

Calculating your income needs in retirement is important and there are many online tools to help. The Insured Retirement Institute, which leads the National Retirement Planning Coalition, offers a suite of retirement planning calculators available on irionline.org and RetireOnYourTerms.org. The Ballpark Estimate by the American Savings and Educational Council, another coalition member, is another popular tool that can help you quickly identify how much savings you may need for a comfortable retirement. You can always consider consulting a financial advisor who will have specialized expertise in helping prepare for retirement.

5. Monitor your progress and update your plan as necessary.

Achieving a financially secure retirement requires monitoring your progress and adjusting your plan to meet changing conditions. That includes repeating the above-mentioned tips: consistently reviewing your finances, updating your budget, adding to your savings and making adjustments as your plans. Keep an eye on your retirement plan and your diligence will be rewarded with a financially secure retirement.

For more information on NRPW, visit <http://myirionline.org/> or for insurance questions, visit the Oklahoma Insurance Department online at <http://www.ok.gov/oid/>.