



YOUR FINANCIAL FUTURE

Your Guide to Life Planning

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Strategies for Smart Retirement Planning

According to the Employee Benefit Research Institute, Americans on the verge of retirement face average retirement savings shortfalls ranging from \$19,000 to over \$62,000.¹ How can you avoid a similar fate?

Some factors that influence your retirement savings results, such as the types of investments available to you through your plan and the performance of the financial markets, can't always be controlled. But there are some factors you can influence that can help keep your portfolio on track.

Step 1: Stay invested. It's not easy to see your account value decrease after a decline in the stock market, particularly after a steep, sudden drop of 10% or more. But one of the dangers of cashing out is missing a potential market rebound. Trying to "time" the market is a strategy even the most seasoned financial professionals have difficulty mastering. It can also lead investors into the trap of "chasing gains"; that is, moving your money from one investment that's lagging into another one that's currently achieving better performance.

Step 2: Regularly monitor your investment mix. One of the benefits of a diversified portfolio is balance. If one type of investment is experiencing losses, another type may be earning gains. Over time, these gains and losses may cause your asset allocation to skew away from your target mix.² Or your tolerance for risk may evolve over time. Lifestyle changes can also necessitate a readjustment to your allocation. That's why it's important to monitor your mix and make adjustments when necessary.

Step 3: Increase your savings rate. Perhaps the most important way to help fund your future is to sock away as much as possible. Finding the extra money to invest can be tough -- you've got plenty of expenses to worry about today without the added anxiety of worrying about tomorrow. But every dollar you can spare can make a difference. Whether retirement is just around the corner or 30 to 40 years away, regularly setting money aside -- particularly in a tax-deferred vehicle such as a 401(k) or tax-exempt account like a Roth IRA -- can often be the smartest move you can make.

2016 Retirement Plan Account Limits

Maximum contribution limit for 401(k), 403(b), and 457 plan participants	\$18,000
Maximum additional "catch up" contributions for 401(k), 403(b), and 457 plan participants aged 50 and older	\$6,000
Maximum traditional IRA contribution	\$5,500
Maximum additional "catch up" contributions for traditional IRA account holders aged 50 and older	\$1,000
Maximum contribution limit for SIMPLE retirement accounts	\$12,500
Maximum contribution limit for Roth IRAs ³	\$5,500

¹Source: Employee Benefit Research Institute, Issue Brief 410, February 2015.

²Diversification and asset allocation do not ensure a profit or protect against a loss in a declining market.

³Full Roth IRA contributions may be made only by single taxpayers with modified adjusted gross incomes (MAGIs) of less than \$117,000 and married joint filers with MAGIs of under \$184,000. Phase-out limits for partial contributions also apply. If your MAGI is close to or over these limits, talk to your financial or tax professional before contributing to a Roth IRA.

The opinions voiced in this material are for general information only and are not intended to provide specific advice or recommendations for any individual. To determine which investment(s) may be appropriate for you, consult your financial advisor prior to investing. All performance referenced is historical and is no guarantee of future results. All indices are unmanaged and cannot be invested into directly.

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