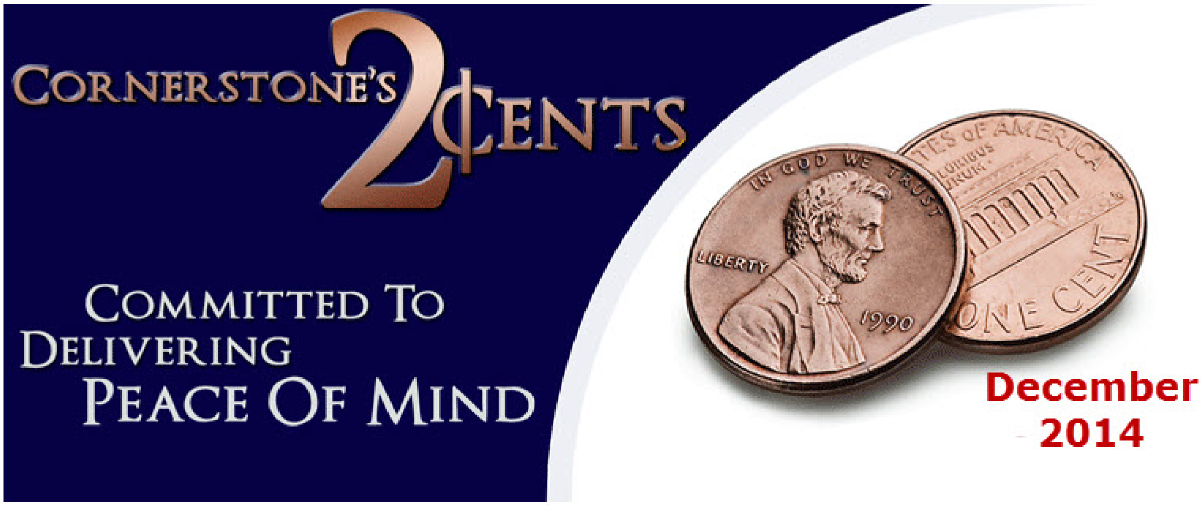


*Dear Clients:*

*Many of us make New Year's resolutions each year in one form or another, but how often do we think about resolutions that affect our financial futures, especially when we think about retirement? The article below outlines retirement-related resolutions for 2015 that will enhance your ability to transition into retirement more comfortably, whether you are ready for retirement now or sometime in the distant future.*

*If you would like to refer back to any previous newsletters we have published, you can find them on our website. Please be sure to visit* [www.ccadvisors.com](http://www.ccadvisors.com)*.*

*- Cornerstone Capital Advisors*

# 10 Retirement Resolutions for 2015

The new year offers an opportunity to review your retirement finances and make changes that will boost your chances of a secure retirement. Consider these retirement-related new year's resolutions for 2015.

Bump up your savings rate. Try to save at least 1 percent more next year. If you get a raise, redirect part of it to a retirement or investment account. A portion of year-end bonuses, tax refunds or other windfalls can also be used to jump-start your retirement savings . "The earlier you start, the lower your savings rate can be," says Alicia Munnell, director of the Center for Retirement Research at Boston College and co-author of "Falling Short: The Coming Retirement Crisis and What to Do About It."

Claim retirement saving tax breaks. Investors can defer paying income tax on up to $18,000 contributed to a 401(k) and $5,500 deposited in an individual retirement account in 2015. For savers ages 50 and older, these limits jump to $24,000 in a 401(k) and $6,500 in an IRA. Alternatively, you could contribute the same amounts to a Roth 401(k) or Roth IRA and prepay the tax now at your current rate, and then withdraw the money tax-free in retirement. Low and moderate income households may also be able to claim the saver's credit on their 401(k) and IRA contributions.

Get your employer to chip in. The fastest way to grow your 401(k) balance is to take advantage of employer contributions to your account. Make sure you save enough to get as much of your employer match as you can. Also, pay attention to your company's vesting schedule, which determines if you get to keep your employer contributions if you leave the company.

Rebalance. Your investments likely shifted in value over the course of the year, and are no longer in line with your target asset allocation. "A lot of people's equity portion of their asset allocation is probably high right now compared to what their goal is," says Carrie Schwab-Pomerantz, a certified financial planner and co-author of "The Charles Schwab Guide to Finances After Fifty: Answers to Your Most Important Money Questions." "You might need to shift from equity to bonds to get back to the asset allocation that is part of your plan."

Scrutinize your investment fees. Take a look at how much you are paying in fees and expenses on your investments. Consider switching to similar lower cost funds when they are available.

Project your retirement income. Get an idea of how much you have saved for retirement, and compare it to where you need to be to cover all your bills. "Take stock of what you have and review your balance sheet," Schwab-Pomerantz says. "Calculate how much money you have accumulated, your assets, your debt and your liabilities, and see what ultimately you have to go toward retirement." This exercise can be reassuring if you are on track and motivate you to make changes if your projected retirement income won't be enough.

Find painless ways to cut expenses. If you are spending too much, the new year is a good time to identify areas to make cuts. "A great way to do that is to itemize your monthly expenses, categorize them as essential and nonessential and make saving an essential line item," Schwab-Pomerantz says. "Look at 2014, study the buckets of money where you spent and look for areas where you can cut back, so you can increase the saving line item."

Familiarize yourself with Social Security. Create an online account at socialsecurity.gov/myaccount to take a look at how much you have paid into Social Security and get a personalized estimate of how much you will receive in retirement. Then explore potential ways you could increase your monthly payments, perhaps by delaying benefits or coordinating payments with a spouse. "If you take your Social Security benefit at 70 instead of 62, the monthly benefit is higher," Munnell says. "That's one of the key benefits of prolonging your work life or at least deferring when you claim: You get a much higher monthly amount that is inflation-indexed and goes on for as long as you live."

Decide if you will work in retirement. Working part time in retirement can improve your cash flow, give your retirement accounts more time to grow and allow you to delay claiming Social Security in order to get a bigger benefit. "Earning even a slim income in retirement can make a huge financial difference," says Chris Farrell, author of "Unretirement: How Baby Boomers are Changing the Way We Think About Work, Community, and the Good Life." "The key retirement-planning question is: How can I earn an income after my initial career and, I would add, do something I enjoy, something I feel good about at the same time?"

Plan how you will spend your time. Retirement can become lonely and boring if you don't have a plan for how you will fill your days. The transition into retirement can be easier if you set up volunteer positions, hobbies or social groups before you retire. "Consider doing new things like volunteering, signing up for a class, joining an a cappella group or mastering the smartphone," says Jane Pauley, author of "Your Life Calling: Reimagining the Rest of Your Life." "It expands your network of relationships, which can lead to unexpected opportunities."