LIFE HAPPENS

Stay On Track, Even On The Curves

Your employer's retirement plan offers a convenient way to save automatically for your future with every paycheck. It's nice that you don't have to give it much thought. However, there are times when you should review your savings plan. A wedding, a baby, a divorce, a loss of a partner—all can have an impact on how you save.

Keep Your Future In Sight

Family life changes can bring joy, and sometimes sadness and stress. Whatever changes come your way, it's important to keep your future a priority. Below are some tips to help you keep your retirement savings on track.

Getting Married

While it may be more exciting to plan the wedding, it is critical for you and your partner to discuss your finances together. Money can be a source of contention even for the happiest couples. You can potentially avoid conflict with these tips.

- **Create a budget**
  Spend some quality time on a budget for your combined incomes and expenses. Retirement saving should be a priority in your budget because it will impact your future together.
- **Save more**
  If both spouses are near the start of your careers, that's great for your future. You have more time to save. If you're further along, you may want to consider finding ways to save more.
- **Think ahead**
  Regardless of how long your honeymoon phase lasts, be sure to review your finances often and make changes when necessary.

Changing Your Savings Plan Can Impact Your Future

What If I:	In 25 Years
Stop contributing to my account	$223,248
Reduce my savings to $100 a month	$292,284
Continue saving $200 a month	$362,540
Increase my saving by $50 a month	$397,363

Source: © 2012 Standard & Poor's Time Value Calculator

Hypothetical calculations assume a 6% investment return for 25 years in no particular investment, reinvestment of all realized gains, dividends and interest, and do not account for fees, expenses or taxes. If all taxes, fees, and expenses were reflected, reported values would be lower.

What if?

Let's say you've been saving $200 a month in your retirement account and have $50,000 today. What could happen to your savings in 25 years if you change your monthly savings amount?

Having A Baby

From daycare to college, raising a child can be both rewarding and, well frankly, expensive. With your family's new immediate needs, you may be tempted to pull back on your savings. Don't. Retirement will be here before you know it. In the meantime, keep your perspective.

- **Remember your future**
  Your future security will actually benefit your children. By saving enough for your retirement now, you won't have to depend on them later. And, if you continue to save, you have more potential opportunities to grow your money.

- **Save for emergencies**
  Kids come with all kinds of unexpected expenses. Build an emergency fund to cover them. Save enough to cover at least six to 12 months of expenses.

- **Get creative for college**
  There's more than one way to pay for college - financial aid, grants and scholarships to name a few. There aren't as many choices for saving for retirement. Saving now is one of your few best bets for success.

74% OF PARENTS

of teens say they would use their retirement savings to fund college. That may not be a good idea because:

- The withdrawal may count as income, causing you to owe more taxes. Plus, it could limit your child's eligibility to get financial aid in the following year.

- Borrowing from your retirement account reduces your balance and you could miss accruing interest. Plus. you usually have to pay it back within 5 years, or immediately if you change employers.

Source: © 2012 Standard & Poor's Time Value Calculator

Going Single

Divorcing or losing a spouse can take a big toll, both emotionally and financially. Even if one partner managed the daily finances, it's important to understand your assets and debts. In the midst of the other decisions you need to make, be sure to understand how your retirement accounts are impacted.

- **Create an action plan**
  Even if the emotions haven't settled, it's important to plan for your new financial situation. That includes creating a new budget and considering how your retirement needs will change. In divorce, some of your savings may go to your espouse. As a widow or widower, you may need to manage benefit payments you receive.

- **Stay focused**
  Your income may have changed, but your long-term goals for security should stay intact. It could mean finding ways to set aside more for retirement. Be careful to follow your budget. The temptation to use credit cards can be greater when your income is reduced. Accumulating debt now could have a worse long-term effect on your financial future.

- **Deal with the details**
  You will have a lot of details to manage when a family change occurs. It's a good time to review the beneficiaries you've named for your retirement account too. Try to take care of the details as soon as possible so your wishes are followed.

The Bottom Line

Your family life may change, but one thing needs to stay the same. Stay committed to your retirement savings. Your future is counting on it.

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