Take Care of the Details

A maintenance checklist for your retirement savings plan

There's more to managing your employer-sponsored retirement savings plan than watching how your investments have performed. Here are some caretaking activities to carry out:

Keep up with contribution limits.

For 401(k), 403(b) and 457 plans, the maximum contribution for 2011 rose to $17,000, except for people age 50 and older, who can contribute up to $22,500.[1] Contact your plan administrator if you want to increase your contribution. Did you borrow from your retirement account or reduce your contributions in the past year? Try to get back on track as soon as you can.

Stay informed.

Read information provided by your plan to learn about any changes in investment offerings—particularly

new options that may help you refine your asset allocation. Also, explore any new features and services. Some plans offer an asset reallocation feature. Ask your plan representative about anything you don't understand.

Review your beneficiary forms.

In most cases, it's your plan beneficiary form and not your will that determines who inherits your retirement account savings.[2] Does the form on file listing your primary and secondary beneficiaries reflect your current intentions, which may have changed due to marriage, divorce, childbirth or adoption, or the death of a beneficiary? Rules for beneficiaries sometimes change, too. Consult with an estate planning advisor periodically.

[1] "401(k) Resource Guide — Plan Participants — Limitations on Elective Deferrals,"

Internal Revenue Service, 2011.

[2] "Choosing a Beneficiary for Your IRA or 401(k)," 360financialliteracy.org, 2009.