AIG Retirement Services

Approaching retirement in a rough market?

Don’t panic — you have options

You can’t control the weather, road construction or the stock market. But you can control how you react to negative situations. Despite the ups and downs of market volatility, there are a few ways we can help you toward the retirement you envision.

Areas we’ll explore:

- Assessing your situation
- Social Security and income needs
- Current expenses
- Saving opportunities
- Retirement timeline

Adopt, adapt, improvise

No one knows when the market will stabilize. That doesn’t mean you can’t still retire. The key will be how you react to the volatility; making decisions without exploring the consequences could possibly make a bad situation worse. If your retirement portfolio has taken a hit, to get your plans back on track, you may have to make changes and face some tough choices, but you have options. First: assess where you are right now, not before the markets turned shaky.

Income outlook

One factor in your favor is Social Security benefits, which are not affected by the stock market. Depending on when you planned to begin claiming benefits, you may even be able to increase those benefits.

Your main goal approaching retirement should be to preserve the money you’ve built up. Once you retire, your goal morphs a little: turn that money into a stream of income that will last as long as you live. Social Security will play a part, and a company-sponsored pension could also help, but the rest is up to you. To bridge the rest of the gap, a fixed annuity with a lifetime guarantee may help.

Control spending

Cutting expenses may be the simplest route to reaching your goal. Doing so has a dual benefit:

- Cutting current expenses frees up money for retirement savings
- Keeping expenses lower reduces the amount needed during retirement

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Play catch up

People 50 and older have additional opportunities to bolster savings. IRS regulations allow catch-up contributions to IRAs, Roth IRAs, 403(b)s, 401(k)s and other tax-advantaged retirement accounts. Consider taking full advantage and contribute up to the maximum allowed.

Don't stop there. Saving in a taxable account has other advantages — namely more freedom. Taxable accounts have no income or contribution limits and no early withdrawal penalties.

Delay with pay

Finally, consider delaying retirement. Even a one- or two-year delay can significantly help. Like living expenses, this has a double benefit.

- Continue building your account with contributions (and hopefully matching employer contributions)
- Reduce the income-producing load on your savings

Help when you need it

The good news is that you don't have to go it alone. If you have questions, make an appointment with a licensed financial professional.

Your Future is Calling. Meet It with Confidence.

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VC 27448 (02/2020) J369807 EE