

Your Employee Assistance Program is a support service that can help you take the first step toward change.

Investing for Retirement: All You Need To Know About Retirement Income Options

Putting away a few hundred dollars each month into a savings account or Savings Bond is a good start—but it likely won't get you where you need to go when it comes to investing for retirement. To be able to enjoy a healthy, happy retirement lifestyle, you'll need a plan—and the sooner you get started, the better.

Understanding Investments

Investing requires putting your money to work for you in some combination of growth and income. Naturally, growth and income are more uncertain than the interest rates paid on savings. That uncertainty, however, shouldn't discourage you from investing. Despite all the conflicting advice on investments, there is widespread agreement on a few key points:

- The sooner you start investing for retirement, the less you'll have to put away each payday to achieve the same retirement income.
- Don't let the future just happen. Educate yourself about investing, financial planning and retirement planning. You'll not only make better decisions, but it's likely you'll feel a greater sense of control and security simply because you're taking an active role in planning for your future.
- Analyze and understand your personal financial style. Learn about your risk tolerance—a mix of your comfort level with variability and risk in investing, combined with your age and length of time until retirement.
- Based on your personal style and risk tolerance, choose a mix of equity, fixed income and cash equivalent investments that meet your goals and feelings about risk. Then, stick to that mix over time.
- Contribute the same amount of money each payday so that your dollars buy more bonds or stock when prices are low, and fewer when prices are high.

Choosing the Best Retirement Options for You

Before you retire, allow for ample time to plan what you want to do with the money you've accumulated in your retirement fund.

Keep contributing to your 401K for as long as possible to get the tax-deferred growth. If you are looking for a more aggressive way to grow your retirement fun, here are some factors to consider:

- **Annuities** provide a guaranteed monthly income that doesn't require time or effort to manage. There are two types: life annuities, which continue payments for as long as you live, and fixed-term annuities, which make payments for a specific period. Remember that once you've signed an annuity contract, it's irrevocable.
- One approach you can take is to purchase enough annuity income for your basic living expenses, and then invest your remaining in a . Determining the best option depends on your needs and

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objectives. With careful planning and good advice from a professional, you'll be able to decide on the best fit for you.

Benefit Options for When Your Situation Changes

When you leave a company to change jobs, start your own business, or for other reasons, you'll be faced with important financial decisions.

Considering all of your retirement income options can be an overwhelming task. Fortunately, assistance is available. For further information on the options outlined in this article, consider hiring a financial advisor. He or she will be able to work with you to develop a plan that will ensure the most rewarding investments for your retirement.