

ENRICHING INVESTORS

Is the Retirement Plan Your Company Offers Enough?

Understanding How Much You'll Need to Retire

Participating in a company-sponsored retirement plan is a smart move when planning for your retirement, but simply signing up is not enough to ensure that you will be able to retire comfortably when the time comes.

Selecting the Best Options

Most company-sponsored retirement plans give employees the option of selecting from a group of funds to have their money invested in. The number of funds available varies by company but can be overwhelming. Keep in mind that just because a particular investment option is included doesn't mean that it is right for you.

The advisors at River Wealth can help you make sense of which selections will match your retirement plan goals the best. Simply provide us the list of investment options that your employer's plan offers, and we review them to assess their performance, risk level and associated fees. Our recommendations will take into account any other investments that we manage for you, as well as how the selections fit with your total investment portfolio.

Setting Your Contribution Rate

Once you've selected the best funds offered with your 401(k), you'll need to determine how much you will be contributing from each paycheck.

You'll need to factor in your current financial needs to cover your mortgage,

car loans, credit cards and other household expenditures, which may limit the amount you set aside with each pay.

Be sure that you contribute enough to qualify for the full employer match that is offered, which usually ranges from 3 to 6 percent. In order to reach their retirement goals, most people need to be contributing at least 10 percent. Remember, whatever you choose to contribute will be tax deferred, which can make a difference come tax time. Our advisors can help you calculate the contribution rate that makes the most sense for your situation.

Additional Retirement Savings

For many investors, their company-sponsored retirement plans alone will not be enough to meet all of their post-employment needs. You may need to supplement retirement savings with an individual IRA account. For people who are aged 50 and older, the federal tax code provides "catch-up" savings opportunities, so people can increase their contributions to IRAs or 401(k)s. Taking advantage of catch-up contributions can deliver a significant boost to your retirement savings.

It's important to sit down with an experienced financial advisor to find out how much your company's plan will cover and what additional investments you might need to maintain your lifestyle when you retire. River Wealth Advisors can walk you through the details and help make sure you're on track for retirement.



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