

Participant Corner

Behind on Your Retirement Savings? What steps should you take to try and catch up?

The Month in Brief

You could say that Wall Street breathed a collective sigh of relief in February. Investors were encouraged by new developments in U.S.-China trade negotiations and by the minutes from the Federal Reserve's most recent policy meeting. On Main Street, consumer confidence improved, while consumer spending kept pace. Home sales declined once more, but so did mortgage rates. Optimism about the potential of the markets seemed to outweigh pessimism about possible economic deceleration. The S&P 500 gained 2.97% for the month.¹

% CHANGE	Y-T-D	1-MO Change	2018
DJIA	11.10	3.67	-5.63
NASDAQ	13.52	3.44	-3.88
S&P 500	11.08	2.97	-6.24
REAL YIELD	12/31 RATE	5 YRS AGO	10 YRS AGO
10 YR TIPS	2.73	2.63	2.87

Sources: barchart.com, bigcharts.com, treasury.gov – 2/28/19^{1,18,19}
 Indices are unmanaged, do not incur fees or expenses, and cannot be invested into directly. These returns do not include dividends. 10-year TIPS real yield = projected return at maturity given expected inflation.

Monthly Quote:

“Always **listen** to experts. They'll tell you what can't be done and why. **Then do it.**”
 ROBERT HEINLEIN

Monthly Tip:

If you have a parent or relative who has given you legal power of attorney over their finances, be transparent about those finances with your siblings. This candor may prevent family squabbles.

Monthly Riddle:

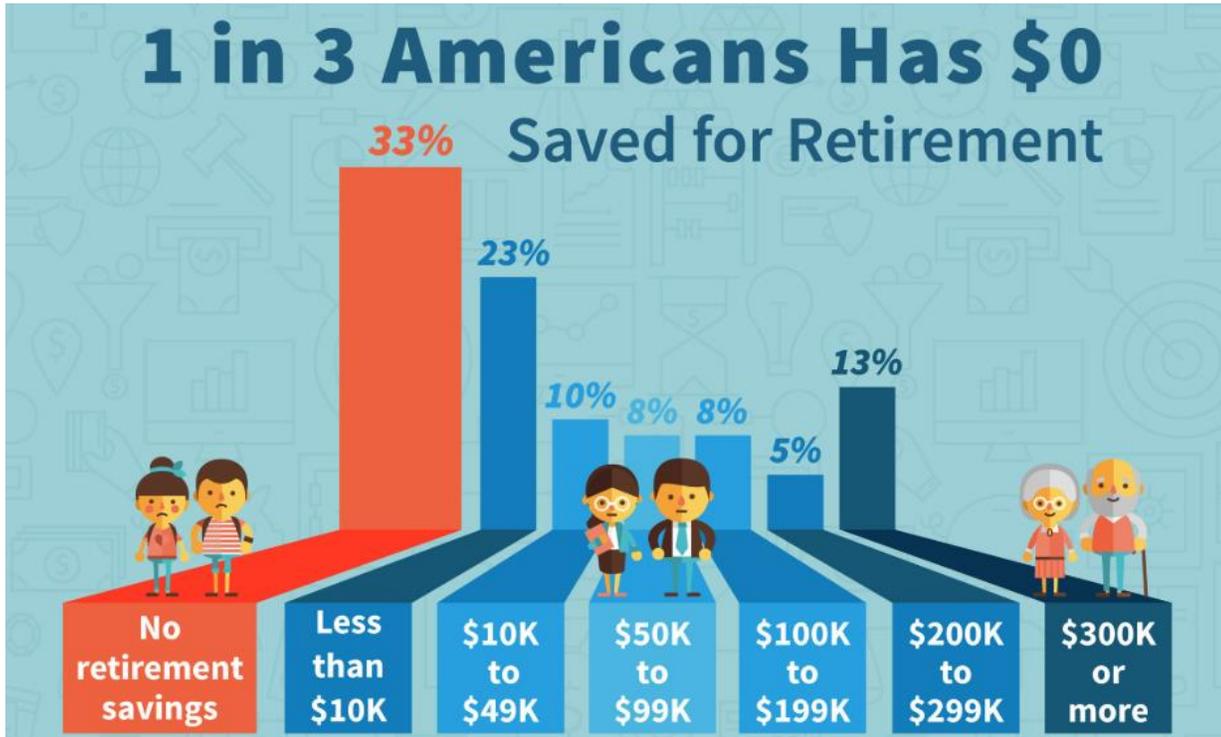
What has four legs, bears weight without complaint, and never makes a peep when food is brought its way?

Last Month's Riddle:

Many things can make one, it can be of any shape or size, it is created for various reasons, and it can shrink or grow with time. What is it?

Last Month's Answer:

A hole in the ground.



Behind on Your Retirement Savings?

What steps could you take to try and catch up?

If life has not allowed you to build substantial retirement savings, what possible steps could you take in an effort to improve your retirement prospects?

You could play catch-up. If you are 50 or older, see if you can make the catch-up contributions the Internal Revenue Service allows for IRAs and other retirement accounts. For example, this year, a worker age 50 or older can direct up to \$25,000 into a 401(k) account compared with \$19,000 for someone younger.¹

You could contribute enough to “get the match.” If your employer matches your workplace retirement account contributions to some degree, you should make every effort to put in enough dollars to prompt that matching contribution, which amounts to additional money coming your way.

You could try to retire later. More years contributing to retirement accounts means additional inflows into those accounts as well as the possibility of additional growth and compounding for those invested assets. Working longer also implies that you claim Social Security later, and claiming later results in a larger monthly benefit. Working one or two more years also leaves you with a year or two less of retirement to fund.²

Or, you might try to work a little during your retirement. It is true, your Social Security benefits could be docked as a result – but the tradeoff might be worthwhile.

If you are a Social Security recipient and younger than Social Security's Full Retirement Age (FRA) in 2019, Social Security will withhold \$1 in benefits for every \$2 you earn over \$17,640. This is called the Social Security earnings test. (If you were born during 1943-59, your FRA is between 66-67; if you were born in 1960 or later, it is 67.)³

Social Security attempts to balance this penalty out, however, by boosting your benefit as you reach your FRA. For that matter, you can work and earn as much as you want at your FRA and beyond, with no reduction to your benefits.³

If you retire at 62 and make \$25,000 a year through a part-time job you hold during the first five years of your retirement, you are putting a dent in any Social Security income you receive until you reach your FRA, but that \$25,000 yearly income can represent \$25,000 you do not have to withdraw annually from your retirement savings. You could also invest some of that income.³

Growth investing may still be important when you retire. One of the biggest fears that retirees face is the erosion of purchasing power. To help manage this fear, your investment portfolio should reflect your risk tolerance, time horizon, and goals.

Speak with your adult children about your financial situation. If you desperately need to boost your retirement savings, the last thing you want to do is get corralled into providing your kids with a financial lifeline. You may have 15 years or less until retirement; they may have 40 or 45.

Take one crucial step before you make any of these choices. Schedule a consultation well before you retire to try and determine the level of income you may need to live comfortably. Any such consultation should include a Social Security analysis. When you retire, having adequate income becomes just as important as having adequate savings.

Disclosures:

In addition to the options listed here, there may be other options available. You should also consider your other options before rolling over retirement savings. Consider the differences in investment options, services, fees and expenses, withdrawal options, required minimum distributions, other plan features, and tax treatment. This material is not intended to replace the advice of a qualified attorney, tax advisor, investment professional or insurance agent. This is a hypothetical illustration and does not represent an actual investment. There is no guarantee similar results can be achieved. If fees had been reflected, the return would have been less.

This material is not intended to replace the advice of a qualified attorney, tax advisor, investment professional or insurance agent. Securities offered through Kestra Investment Services, LLC (Kestra IS), member FINRA/SIPC. Investment Advisory Services offered through Kestra Advisory Services, LLC, (Kestra AS) an affiliate of Kestra IS. Kestra IS and Kestra AS are not affiliated with Capstone Retirement Group, LLC. This material was prepared by MarketingLibrary.Net Inc., and does not necessarily represent the views of the presenting party, nor their affiliates. All information is believed to be from reliable sources; however we make no representation as to its completeness or accuracy. Please note - investing involves risk, and past performance is no guarantee of future results. The publisher is not engaged in rendering legal, accounting or other professional services. If assistance is needed, the reader is advised to engage the services of a competent professional. This information should not be construed as investment, tax or legal advice and may not be relied on for the purpose of avoiding any Federal tax penalty. This is neither a solicitation nor recommendation to purchase or sell any investment or insurance product or service, and should not be relied upon as such. All indices are unmanaged and are not illustrative of any particular investment.

Citations Economic Section:

- 1 - markets.wsj.com/us [2/28/19]
- 18 - markets.wsj.com/us [12/31/18]
- 19 - treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=yieldAll [2/28/19]

Citations Article:

- 1 - bankrate.com/retirement/irs-raises-retirement-plan-contribution-limits-2019/ [11/1/18]
- 2 - thetreet.com/retirement/social-security/maximum-social-security-benefit-14786537 [11/20/18]
- 3 - fool.com/retirement/2019/01/09/2019-social-security-earnings-test-limits.aspx [1/9/19]

About Capstone Retirement Group

Capstone Retirement Group is a professional retirement plan consulting firm. We partner with plan fiduciaries to identify and implement the optimal retirement plan for their organization.

7777 Leesburg Pike, Suite 301N
Falls Church, VA 22043
Tel: 703.291.8200
Fax: 202.747.5267
Email: twall@capstoneRG.com

Securities offered through Kestra Investment Services, LLC (Kestra IS), member FINRA/SIPC. Investment Advisory Services offered through Kestra Advisory Services, LLC, (Kestra AS) and affiliate of Kestra IS. Kestra IS and Kestra AS are not affiliated with Capstone Retirement Group, LLC. This e-mail message and all attachments transmitted with it may contain legally privileged and/or confidential information intended solely for the use of the addressee(s). If the reader of this message is not the intended recipient, you are hereby notified that any reading, dissemination, distribution, copying, forwarding or other use of this message or its attachments is strictly prohibited. If you have received this message in error, please notify the sender immediately and delete this message and all copies.