

THE EARLY YEARS: 20'S - 30'S

Your Checklist for Retirement

- 1. **Start budgeting to become debt-free.** Pay down your debt. Even after you become debt free a budget will help keep you debt free and on track to financial success. Remember you will need to rethink, revisit and revise your budget over time.
- 2. **Figure out your financial needs.** Before you can figure out what you want to do, you need to know how much income you will need to generate to maintain your standard of living. Track and monitor your progress. Set goals and milestones to make sure you're getting where you need to go.
- 3. **Take advantage of time on your side.** The earlier you start contributing the more beneficial it will be to your retirement. Take advantage of any employer contributions you may receive.
- 4. **Determine your risk tolerance.** Before selecting your investments understand your risk tolerance to facilitate your asset allocation. It is a good rule of thumb to re-evaluate your risk tolerance each year to measure if any changes to your retirement plan allocation are necessary.
- 5. **Create an emergency fund.** Depending on the amount of your monthly expenses, make sure you have 3-6 months worth of expenses in your emergency fund.
- 6. **Look at the big picture.** Besides contributing to your retirement, you may need to consider starting a college savings fund, an estate plan, growing your net worth, or continuing your budget.
- 7. **Take it with you.** If you leave a job, don't forget to take your retirement plan along. Many people will simply pay the tax penalties on their old retirement plan and pocket the cash or, more likely, spend it. If you do that as a younger worker, you are really sacrificing a large amount of money down the road. You can avoid the fees by rolling into an IRA or possibly a new employer's plan, where the money can continue to grow, penalty free.

UBT
Union Bank & Trust
RETIREMENT PLAN SERVICES