



Have You Checked Your Retirement Plan Lately?

It's generally a good idea to review your employer-sponsored retirement savings plan at least once each year, and when major life changes occur. If you haven't given your plan a thorough review within the past 12 months, now may be a good time to do so.

Since your last retirement plan review, have you experienced any major life changes?

For example, did you get married or divorced, buy or sell a house, have a baby, or send a child to college? Perhaps you or your spouse changed jobs, received a promotion, or left the workforce entirely. Has someone in your family experienced a change in health? Or, maybe, you inherited a sum of money that has had a material impact on your net worth. Any of these situations can affect both your current and future financial situations, and should be considered as you review your retirement savings needs.

In addition, your annual review is a good time to examine the beneficiary designations on your plan account to make sure they reflect your current wishes. This is particularly true if your marital situation has changed. With most employer-sponsored plans, your spouse is automatically your plan beneficiary, unless he or she waives that right in writing.

Say, for example, you remarried and you would like your children to remain as primary beneficiaries on your retirement plan. In that case, your spouse would need to waive his or her right to the assets in writing.



Reassess Your Retirement Income Needs

After you consider any life changes, you may want to take another look at your future and evaluate whether your anticipated retirement income needs have changed.

Have your dreams for retirement changed? And, if so, will those changes affect how much money you will need to live on? Maybe you've reconsidered plans to relocate or travel extensively, or you now plan to start a business or work part-time during retirement. Or, maybe your health, or your spouse's health, has changed, and you need to adjust your estimates for healthcare costs down the road.

All of these factors can affect your retirement income needs, which, in turn, affect how much you need to save and how you invest today. Double-check your total accumulation goal and determine whether you will need to adjust your savings or investment plan to strive for different amounts.

Reexamine Your Risk Tolerance

In any long-term investment plan, you can generally expect that there will be times of uncertainty that will cause you to question your investment decisions. Following periods of prolonged increases in the markets, it's not unusual to experience corrections or even bear markets.

When you hear media reports about stock market volatility, is your immediate reaction to consider selling some or all of the stock investments in your plan account? If that's the case, you might want to revisit your risk tolerance.

Risk tolerance refers to how well you can ride out fluctuations in the value of your investments while pursuing your long-term goals. An assessment of your risk tolerance considers, among other factors, your investment time horizon, your accumulation goal, and assets you may have outside of your plan.

If your time horizon is decades, or you have a lot of assets outside your plan, your investment risk tolerance might be higher than someone who is fewer than 10 years from retirement, or has little other savings.

There are many tools available to help you evaluate your risk tolerance. These are typically questionnaires that ask about your personal financial situation and your opinions on various investing scenarios. After answering the questions, you will likely be assigned a risk-tolerance ranking, such as conservative, moderate, or aggressive. In addition, suggested asset allocations are often provided for consideration.

Is Your Asset Allocation Still on Track?

Once you have assessed your current situation, in relation to life changes, retirement income needs, and your risk tolerance, a good next step is to revisit your asset allocation.

Is your investment mix still appropriate? Should you aim for a higher or lower percentage of



aggressive investments, such as stocks?

For example, if you've determined that you will probably need to accumulate more than you originally estimated, you can strive for this new goal by increasing your contribution dollars, striving for a higher return, or both.

To strive for a higher return, you might consider investing a larger portion of your money in stocks. Alternatively, if you determined that you do indeed have a hard time sleeping at night when the stock market is volatile, you may want to consider investing a larger portion of your portfolio in less-risky asset classes, such as bonds and cash.

Regaining Your Balance

On the other hand, maybe you've concluded through your review that your original asset allocation is still appropriate for your needs, but your portfolio has strayed off track due to market performance. In this case, there are two ways to "rebalance" your portfolio.

The quickest way is to sell investments in which you are overweight, and invest the proceeds in underweighted assets until you hit your target. For example, if your target allocation is 75 percent stocks, 20 percent bonds, and 5 percent cash, but your current allocation is 80 percent stocks, 15 percent bonds, and 5 percent cash, then you'd likely sell some stock investments and invest the proceeds in bonds.

Another way to rebalance is to direct new investments into the underweighted asset classes until the target is achieved. Using the example above, you would direct new contribution dollars into bond investments until you reach your 75/20/5 target allocation. Then, you would adjust your allocation for future contributions back to that original allocation. This process may take a little longer, helping you ease back to your original target, but the same result will be achieved.

Revisit Your Plan Rules and Features

Finally, an annual review would not be complete without a fresh look at your employer-sponsored plan documents. Check those documents to make sure you fully understand how your plan works, and to see if there are any additional plan features that can help you better pursue your retirement savings goal.

For example, if your plan offers a Roth account and you haven't investigated its potential benefits, you might consider whether directing a portion of your contributions into it might be a good idea. Roth accounts do not offer a tax benefit at the time you contribute, but qualified withdrawals are tax-free.

Also consider how much you're contributing in relation to plan maximums. Could you add a little more each pay period? If you increase your contribution by just a percentage point or two, you may not even notice the difference in your paycheck. But, over time, that small amount can potentially add up through the magic of compounding.

If you're 50 or older, you might also review the rules for catch-up contributions, which allow those



approaching retirement to contribute more than younger employees. (Special rules apply to 403(b) and 457(b) plans.)

A Little Maintenance Goes a Long Way

Although it's generally not a good idea to monitor your employer-sponsored retirement plan on a daily, or even monthly, basis, it's important to take a look at least once a year, to account for any changes in your life, your retirement income needs, or your risk tolerance, and make any necessary changes to your asset allocation. You'll also want to make sure you're taking full advantage of the opportunities offered with your plan, if they make sense for you. With a little annual maintenance, you can help keep your plan on track.

A qualified withdrawal from a Roth account is one that is made after a five-year holding period and you either die, become disabled, or reach age 59 1/2. Nonqualified withdrawals from Roth accounts are subject to regular income tax and a 10 percent tax penalty (to the extent the withdrawal represents earnings).

The classic definition of a correction is a decline of 10 percent or more in a stock index. A bear market is a downturn of 20 percent or more in several broad market indexes, typically over a period of several months or longer.

Asset allocation does not guarantee a profit or protect against a loss; it is a method used to help manage investment risk.

All investing involves risk, including the possible loss of principal, and there can be no assurance that any investment strategy will be successful.

Investments offering a higher potential rate of return also involve a higher level of risk.

Source: Broadridge Investor Communication Solutions, Inc.

Have questions? Need help? Call the CAPTRUST Advice Desk at 800.967.9948, or [schedule an appointment](#) with a retirement counselor today.

Legal Notice

This document is intended to be informational only. CAPTRUST does not render legal, accounting, or tax advice. Please consult the appropriate legal, accounting, or tax advisor if you require such advice. The opinions expressed in this report are subject to change without notice. This material has been prepared or is distributed solely for informational purposes and is not a solicitation or an offer to buy any security or instrument or to participate in any trading strategy. The information and statistics in this report are from sources believed to be reliable but are not warranted by CAPTRUST Financial Advisors to be accurate or complete. All publication rights reserved. None of the material in this



CAPTRUST

publication may be reproduced in any form without the express written permission of CAPTRUST: 919.870.6822.

© 2025 CAPTRUST Financial Advisors