

Can You Contribute More?



Have you thought about your retirement plan contributions lately? If your contribution is automatically deducted from your paycheck, you might not think about it too often. But periodically revisiting the amount you're contributing can be a smart move.

Consider reviewing your contribution amount under the following circumstances.

You receive a raise or a bonus. Earmarking at least a portion of any raise or bonus you receive can be a painless way to increase your plan contribution. You've already been living without that money, so you probably won't miss the amount you contribute to your retirement savings.

Your job description changes. You get a big promotion — and so does your salary. It's a good time to consider contributing the maximum amount to your employer's 401(k) plan. For 2017, you can contribute up to \$18,000, with a \$6,000 catch-up contribution if you're age 50 or older. (Other plan limits may apply.)

Your financial situation might also improve due to a spouse joining the work force. The extra income might allow you to increase your plan contributions.

It's financial checkup time. Your annual financial review should include a look at your retirement accounts. If your finances have taken a turn for the better, you may be able to increase your contributions. Paying off your car or other loan might leave you with extra money each month that you could invest for retirement.

No matter what your current financial situation, make sure you're contributing at least as much as your employer will match to your retirement account.

