Take your contributions to the limit in 2023!

Increasing the amount you contribute to your employer-sponsored retirement account is a great way to build up the income source you'll rely on when you're ready to retire. But keep in mind that the IRS caps the amount you can contribute each year.

For 2023, the annual limit is $22,500, up from $20,500 in 2022. And if you're 50 or older, you can contribute an additional $7,500, for a total of $30,000.

Even if you can't contribute enough to reach the annual limit, a small increase in your contribution amount could make a big difference in your future retirement finances. Also, remember that contributing to your account gives you a tax-advantaged way to save, along with the power of compounded growth potential — which helps you keep more money in your account working to build up your future retirement income. You can learn more about contribution limits at irs.gov.

Make 2023 the year you take your retirement saving to the limit! Log in to your account today to increase your contributions.

Your 2023 retirement readiness checklist

What are your resolutions for 2023? Joining a gym? Eating healthier? Spending less time with your phone and more with living, breathing people? As you make your list, don't forget to add a few resolutions to improve your overall financial health and retirement readiness. And the good news is that you can stick to those resolutions even if you don't have a lot of willpower. Need some suggestions? Here are a few ideas to get you started:

- **Check your asset allocation** — Having the right mix of investment risk and return potential is an important part of building retirement readiness. Verify that your retirement portfolio has the right combination of asset classes to match your risk tolerance and planned retirement date.[1]

- **Adjust your contribution amount** — Are you contributing enough to build the retirement income source you'll need in the future? If you're ready to contribute more to your nest egg with each paycheck, log in to your account and update your contribution amount.

- **Verify your beneficiary information** — It only takes a few minutes to designate a beneficiary, but it can save a lot of time and hassle for the people you care about. Confirm that the beneficiary information for your account is up-to-date and accurate.

- **Rebalance if you need to** — Due to market performance, the balances of certain asset classes in your portfolio may change to the point that they're out of sync with your preferred asset allocation. You may need to move money from one type of asset in your portfolio to another to get back in balance. Talk to a local plan representative for help with rebalancing your portfolio.[1]

- **Secure your account** — With a few simple safeguards, you can help protect your retirement account and personal information. Make your account password more complex. Sign up for multifactor authentication. Keep your antivirus software up to date. And be aware of the various phishing and other scams designed to steal your personal information. You can find more tips from Empower on safe online practices here.

Here's more good news. If you need a little help getting started on these or other retirement-related resolutions, your local retirement plan representative is ready to help. Schedule a call or meeting and make 2023 the year you embark on a new financial health regimen.

1 Asset allocation and/or rebalancing do not ensure a profit or protect against loss.

Protecting your future:
The Empower Security Guarantee

A retirement account is one of the biggest financial assets for many people. You can spend decades of hard work saving and investing to create the retirement income you'll need for a bright future. Unfortunately, though, the assets in a retirement account are also an attractive target for cybercriminals. And according to one study, more than half of all consumers have experienced cybercrime. So, maintaining strong cybersecurity is an important part of your overall financial health.[1]

The good news is that, when it comes to safeguarding your retirement account, you're not alone. With the Empower Security Guarantee, Empower will restore losses to your account that occur as a result of unauthorized transactions through no fault of your own. Any account you have with Empower is automatically eligible for this protection. But account security is a shared responsibility. For the guarantee to apply, you must follow the practices summarized below to protect yourself and your email, computer and other devices:

1. Register your Empower account, then keep your contact information current.
2. Protect your personal and financial information.
3. Review your accounts and respond to security alerts.
4. Increase login protection and keep device updates current.
5. Look out for suspicious emails, texts and phone calls.
6. Check back periodically with Empower for updated information, as Empower proactively monitors evolving cybersecurity threats.

You can find additional information on these practices here — along with more detail on the Empower Security Guarantee.

In the past several years, we've all gotten used to shopping and banking online. In fact, it's hard to remember how we did things before the advent of the Internet and mobile phones. But it's also important to stay vigilant. By following the practices that help you comply with the Empower Security Guarantee, you're taking steps to make sure that your retirement savings will be there when you're ready to turn your dreams for the future into reality.

1 us.norton.com/blog/emerging-threats/cybersecurity-statistics#.

Make a smooth transition into retirement

After years of dreaming and saving, the date of your retirement finally arrives. What are your plans? Will you travel? Will you spend more time with friends and family? Or do you just want to start sleeping in every morning and let each new day take its course? As you consider your next steps, you may want to keep in mind a few things that will ease your transition — at least from the perspective of your retirement finances. For example:

- **Make a spend-down plan** — Your retirement income will probably come from various sources — such as retirement accounts, IRAs personal savings and investment accounts, part-time income, Social Security benefits, and pension benefits. The mix is different for everyone. To help minimize your tax burden in retirement, you may want to draw different amounts from different sources at various times. This is sometimes called a "spend-down plan."
- **Reexamine your expenses** — Your spending won't come to a stop in retirement, but it will probably change. The average retired household cuts its spending by 1.5% to 1.6% per year throughout retirement. But keep in mind that while some expenses may decline, others may increase.[1] For example, one study has found that 65-year-old couples will spend an average of $315,000 on healthcare and medical expenses in retirement.[2]
- **Keep managing risk** — Is the mix of risk and return potential in your portfolio appropriate for your age, risk tolerance, and overall financial picture? As a rule of thumb, people shift to more conservative investments as they get older to protect the assets they'll rely on for retirement income. Another factor to consider is how long you'll depend on your nest egg for income. After all, your retirement may last decades. Talk to your local retirement plan counselor about whether your post-retirement portfolio is in line with your risk tolerance, income goals, and retirement timeline.

Retirement planning doesn't end with retirement. You'll still have to manage the shift from accumulating retirement savings to using those savings for retirement income. With a little planning and regular adjustments, you can make the most of the nest egg you worked so hard to build during your working years.

Questions on how you can make a smooth transition to your retirement years? Schedule some time with your local retirement plan counselor.

1 smartasset.com/retirement/retirement-spending#:~:text=Research%20shows%20that%20average%20retired,of%20wealth%20and%20physical%20health.
2 cnbc.com/2022/05/16/americans-can-expect-to-pay-a-lot-more-for-medical-care-in-retirement.html.

Is it time to repay your Coronavirus-related retirement withdrawal?

Did you take a Coronavirus-related withdrawal (also known as a "distribution") from your retirement plan under the terms of the Coronavirus Aid, Relief, and Economic Security (CARES) Act? Remember, the IRS allows you to complete the repayment of those distributions within three years after the date that the distribution was received.[1] That means that repayments for distributions received in 2020 are due in 2023.

Keep in mind that the sooner you pay back CARES-related distributions, the more time your retirement savings will have to potentially grow. You're also able to reinvest those assets to help build up your future retirement income.

If you repay the withdrawal, it may reduce your tax obligation for the withdrawal amount. However, the way you account for this when you file your taxes will vary depending on your tax election, the amount repaid and the timing of your repayments. Please work with your tax professional to ensure that you file appropriately and account for these repayments.

1 irs.gov/newsroom/coronavirus-related-relief-for-retirement-plans-and-iras-questions-and-answers.