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Are You Considering All Your Retirement Options?

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The golden rule of retirement planning is to **save as much as you can, as early as you can**. Words to live by yes, but how can you be certain that you're considering all your retirement options? The following are considerations for helping you learn more about how to better maximize your retirement savings.

Actively participate in your company's 401(k) plan

One of the easiest ways to get a head start on building your retirement savings is by participating in your [401\(k\)](#) program at work. Sure, your contributions will reduce your take-home pay a bit, but because you're making them before taxes are calculated, your taxable income is reduced and you may have less to pay in federal income taxes.

Good to know tip! It's okay to start small. As your budget permits, gradually increase your contributions over time. To make saving even easier, check with your benefits coordinator to see whether your plan will allow you to establish an automatic increase in contributions each year. No room in your budget to save? You may be surprised at how little things like [forgoing pricey coffeehouse drinks](#) can free up extra cash to add to your 401(k).



Take full advantage of your employer's 401(k) match

A [recent survey](#) revealed that 16 percent of participants with 401(k) plans aren't maxing out their employer's match. Why is this so important? Because with this type of benefit, whatever you put into your 401(k) your employer will match – up to a specified dollar amount or percentage. Don't pass up this opportunity. If you do, you are essentially leaving a lot of "free" money

on the table. Just how much? Try using one of the many online 401(k) retirement [calculators](#).

Good to know tip! If your company offers a 401(k) plan, they may also offer a 401k match. If they do, find out just how much you'll need to contribute to receive the **full** company match.

Add a Roth IRA

A [Roth IRA](#) can be a good option for many different reasons. For example, maybe your company doesn't offer a 401k, or, you may not be eligible to participate because you work part-time or haven't worked at the company long enough. A Roth IRA provides yet another retirement vehicle in addition to your workplace retirement savings plan. Unlike a 401(k) plan, contributions are made with after-tax dollars. The money you earn grows tax free, and you pay no taxes on [qualified](#) distributions after you reach age 59^{1/2}.



Good to know tip! You can own both a traditional 401(k) and a Roth IRA and make contributions to each account in the same tax year. However, you cannot contribute more than the maximum contribution

allowed for each. For example, if you max out your 401(k) plan, you can still contribute the full amount to your Roth. You can learn more about IRA contribution limits on the [Internal Revenue Service](#).

Be an entrepreneur who saves

If you're [self-employed](#), you have options for retirement accounts that are designed specifically for you. Three such accounts are the Solo 401(k), the Simplified Employee Pension (SEP), and the [Simple IRA](#). All accounts allow small-business owners and sole proprietors to save for their retirement without a lot of administrative upkeep.

Good to know tip! The Solo 401(k), the SEP, and the Simple IRA provide several tax advantages to help you save money in the short term while benefiting your future financial security.

Consider life insurance and fixed annuity products

Many of the products offered by life insurance companies provide benefits that can be useful when preparing for retirement. Depending on your objectives you could seek out products that offer cash value accumulation, liquidity, living benefits, tax advantages, and a guaranteed income stream or death benefit. Some products even offer interest crediting linked to a stock market index while providing protection against down markets.

Good to know tip! Diversifying your asset allocation through life insurance and annuity products may provide a level of security in retirement but it is important to [evaluate](#) your individual situation to determine what is best for you.

The bottom line: Don't let opportunities for saving for retirement pass you by. A good place to start is by educating yourself on different types of retirement products, how they work, and how to maximize them for your benefit. Contact your Sagicor Life Insurance representative for information.

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