

Retirement Saving Roadmap for Young Professionals

By: Hyatt and Weber

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The best retirement savings plan begins when you are young and just starting out. If you have the discipline to follow a few simple rules, by the time you reach retirement age, you should be able to do what you want, where you want to do it.

Here is a retirement saving roadmap for young professionals:

Start contribution to a retirement plan ASAP. If your company offers a retirement savings plan you can contribute to on day one, then start then. If you have to wait a few months, start as soon as you can. Contribute the maximum amount to earn the highest employer match – it's free money!

Put bonuses into savings. If you earn a bonus, stash a portion away in an IRA or Roth IRA.

Save your retirement money for retirement. It may be tempting to rob your retirement fund for that first house or to pay off student loans, but resist the temptation. The tax penalties and lost compound interest is not worth it.

Adjust your saving to your income. As your income rises, increase what you put away for retirement. A good goal is 15 percent of your income.

Review retirement account statements. You will receive a quarterly and year-end account statement from your 401(k) provider. Study it carefully and readjust if necessary.

No early withdrawals. If you get laid off or stop working for some reason, do everything you can to avoid having to use retirement funds for living expenses. You will face tax and early withdrawal penalties, and the money you need for retirement may not be there when you need it.

Make catch-up contributions after age 50. Once you turn 50, you are allowed to make "catch-up contributions" to your 401(k) and IRAs – in 2013, those over 50 can add another \$5,500 to 401(k)s and \$1,000 to IRAs in addition to annual maximum contribution limits.

An experienced [Annapolis estate planning attorney](#) can help you understand all your options for estate planning. Experienced Estate Planning Attorney Seth B. Zirkle can discuss all your options and create a plan with you. **Call Mr. Zirkle at Hyatt & Weber, P.A. today at 410-505-4553.**