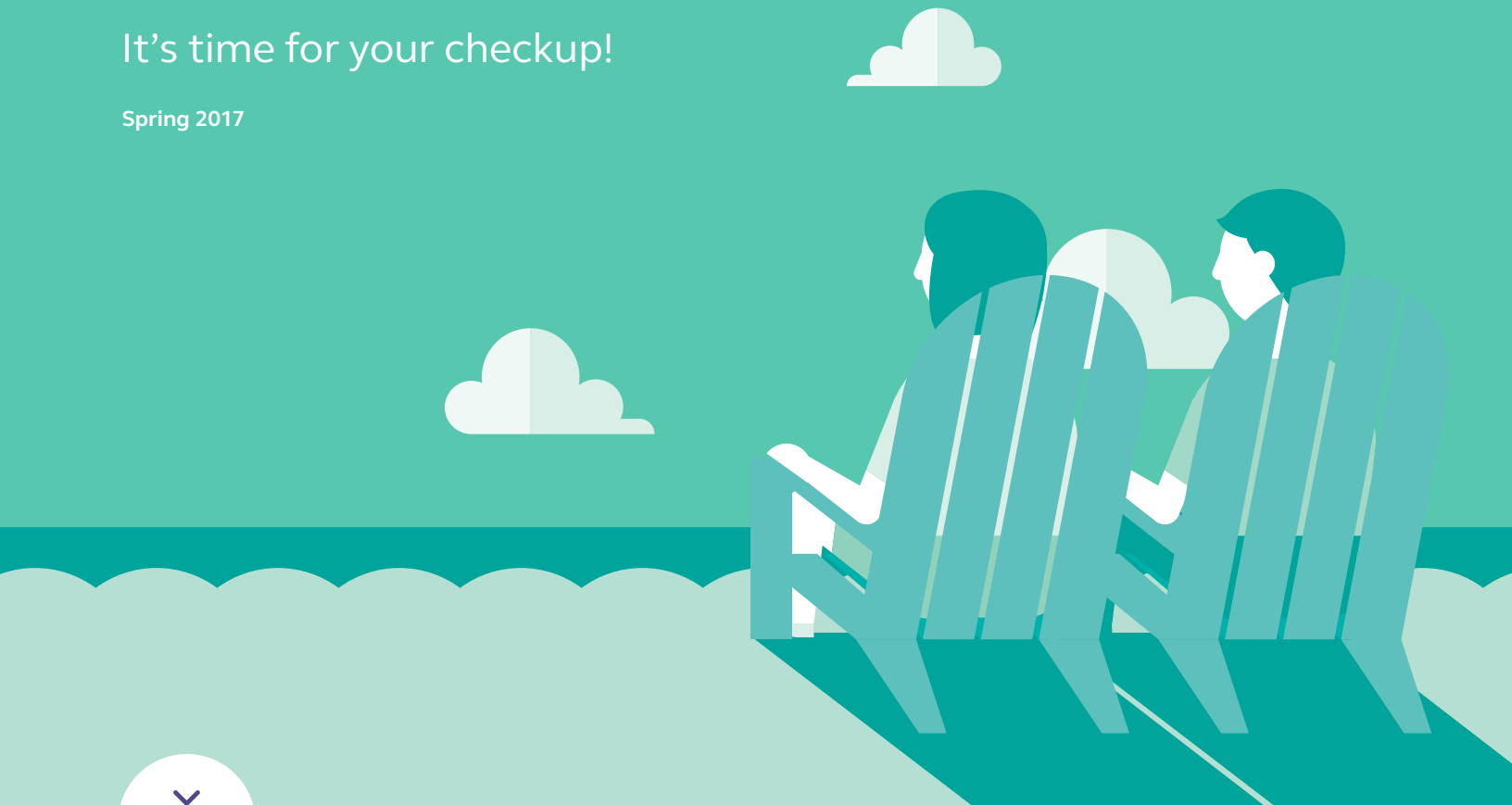


# Retirement Matters

It's time for your checkup!

Spring 2017



We're almost halfway through 2017. How did that happen?!

Time is flying, so take a few moments to check in on your plans for the future. **This issue of Retirement Matters can help you:**

**Fine-tune your retirement strategy**

**Protect yourself financially**

**Stay active (and sharp) as you age**

“Someday” will be here sooner than you think. Let's make sure you're on track.

# Is it time for a (retirement) tune-up?

Taking your car in for occasional tune-ups can help it run better and last longer. Since a car is a pretty big investment, that's a smart idea.

**Your retirement is a big investment, too. So it may pay to tune it up at least once a year. It doesn't take long and we can walk you through it.**

## Here are some things to review:

### > Will your savings last?

Social Security was created in 1935. Back then, the average life expectancy was just 65.<sup>1</sup> Today's retirees, on the other hand, could spend 20 to 30 years (or even more) in retirement. That means they typically need a lot more saved.

How can you see if you might have enough to last throughout retirement? Our quick and simple [Retirement Wellness Planner](#) on principal.com can help. Just enter some basic information, then see if you're on track for retirement (or if you need to make some tweaks to your plans).

You can also [log in](#) to your principal.com account for a more robust Retirement Wellness Planner, or talk to your financial professional.

### > Has it been a while since you rebalanced your investment elections?

Over time, each investment option performs differently. And your original mix of investment options can get out of whack — so you could end up with more (or less) risk than you want. Rebalancing once each year (or as you think is appropriate) resets your investments to the original mix you elected.

### > How do you feel about risk these days?

When you started saving for retirement, you may have felt pretty comfortable with risk. But you might feel differently now that you're closer to (or in) retirement. If that's the case, you may want a more conservative [mix of investment options](#).

### > Are you tired of managing lots of retirement accounts?

Having several different retirement accounts can be a hassle. Would combining all of them into one account help you simplify things, plus help you get a better feel for how all of your retirement investments are doing?



## Need a hand?

We're here to help. Just give us a call at 800.547.7754, or talk to your financial professional.

<sup>1</sup> Social Security Administration, <https://www.ssa.gov/history/hfaq.html>

The Retirement Wellness Planner information and Retirement Wellness Score are limited only to the inputs and other financial assumptions and are not intended to be a financial plan or investment advice from any company of the Principal Financial Group® or plan sponsor. This calculator only provides education, which may be helpful in making personal financial decisions. Responsibility for those decisions is assumed by the participant, not the plan sponsor and not by any member of Principal®. Individual results will vary. Participants should regularly review their savings progress and post-retirement needs.

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# Are you insured?

## Life changes. Your insurance should, too.

Different life stages can have a big impact on the kind (and amount) of insurance you need. Buying or selling a home, changing jobs, losing a spouse, becoming an empty nester, retiring — all of these life-changing events are cause for you to take a fresh look at your insurance coverage.



### Buying or selling a home

Maybe you've moved up to a more expensive home — or you've downsized. That probably means a change in house payments. So you may need more (or less) life and/or disability insurance.



### Changing jobs

A new job means new — and different — benefits. Take the time to understand your new employer's life and disability insurance benefits. If they aren't as comprehensive, or if you're making a lot more (or less) money, you may need to adjust the amount of insurance you carry outside of your job.



### Losing a spouse

Whether through death or divorce, the loss of a spouse is a major life change. It's also a really important time to look at your financial situation, including your insurance. If you still have children at home or in college, you may need to increase your insurance coverage in case anything should happen to you.



### Becoming an empty nester

Once the children are supporting themselves, you may not need as much life and disability insurance. However, if you have — or plan to incur — a fair amount of debt (maybe for a vacation home or a fun but expensive hobby), you might want to keep enough life and disability insurance to help cover those expenses if you pass away.



### Retiring

Even after you've retired, you may still need life and/or disability insurance.

If your spouse would lose a good chunk of his/her income when you pass away, for instance, life insurance can help fill the gap. And you'll want to make sure funeral and any other estate costs are covered.

Plus, your insurance may have a maximum monthly benefit limit; for high income earners, this could leave you short of the necessary coverage and is something you'll want to consider.



### Check your contributions and coverage

Are your disability insurance payments made pre-tax? Most employer-provided policies are set up this way. This means your benefit payments will be taxed — and your take-home amount may be less than you're expecting.

Similarly, if you usually get annual bonuses or other supplemental pay that is not included in your policy, you may end up receiving lower benefit payments than you need. It's a good idea to double-check that the payments you'll potentially receive will be sufficient.



### Check your beneficiaries

As you go through your insurance check up, take a look at the beneficiaries named on your life insurance. Keeping this updated will make things a whole lot easier on your heirs, and it will help you make sure your wishes are followed.

## Get professional help

Our online calculators can give you a good start with planning your insurance needs, but it's even better to talk to a financial professional. If you don't have one, we can help you find one. Call us at 800.547.7754.

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# Health check: How to stay mentally sharp

“He may be 85, but he’s still sharp as a tack.”

We’ve all heard this expression. But how does that happen? Is it just the luck of the (genetic) draw? Or is there something we can all do to stay mentally fit as we age?

Genetics definitely play a big role, accounting for up to 62 percent of person-to-person differences in cognitive ability among older people.<sup>2</sup> But multiple studies also show that exercise — physical and mental — can help a lot, too.

Critical areas of the brain increase in activity when people take part in challenging tasks — ones that go beyond a simple exercise or crossword puzzle.<sup>3</sup> It doesn’t matter

if the task is physical or mental. You just have to push yourself to (or even past) the point where you feel some frustration or discomfort in the moment.

Exactly how much work is “enough”? Here are some suggestions:

- ⚽ Learn another **language**  
.....
- 🎵 Start playing a **new instrument**  
.....
- ⬆️ **Exercise** longer and harder  
.....
- 🚴 Pick up a **new sport**

So enjoy your retirement. But if you want to stay mentally sharp as you age, don’t take it too easy on yourself.



Genetics account for up to 62 percent of person-to-person differences in cognitive ability among older people.<sup>2</sup>

<sup>2</sup> “Genetics and the aging brain,” Psychology Today, May 20, 2013, <https://www.psychologytoday.com/blog/media-spotlight/201305/genetics-and-the-aging-brain>

<sup>3</sup> “How to become a ‘superager,’” The New York Times, Dec. 31, 20106, [https://www.nytimes.com/2016/12/31/opinion/sunday/how-to-become-a-superager.html?\\_r=0](https://www.nytimes.com/2016/12/31/opinion/sunday/how-to-become-a-superager.html?_r=0)



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PT180-29 | t170412081s | 5/2017