



Retirement Solutions

# PARTICIPANT INSIGHTS

Volume 10, Issue 1 • [www.ullico-urs.com](http://www.ullico-urs.com) • (888) 292-6861 • April 2016

## What Market Volatility?

By Rynne Tilley

The beginning of 2016 has been rough for many investors – and if you have felt queasy when you look at your 401(k) balance, then you are not alone. But if you can keep the following tips in mind, you should find yourself saying, “What market volatility?”

**Remember: you’re in it for the long haul.** While it’s nice to be able to check your balance on a daily basis, that daily activity—or even weekly or monthly—is pretty insignificant compared to the big picture. If you are saving and investing for retirement, then you most likely have years to go before you need to access those funds, so don’t panic based on the short-term results. Look at the historic, long-term growth of the markets and remember that downturns happen and are just a regular part of the market patterns.

**Review Your Asset Allocation.** We are all human, and we make decisions based on our emotions, especially financial ones. If your account is broadly diversified and allocated appropriately to different types of stocks and bonds for you and your time horizon, you might just be able to breathe a sigh of relief! Because as one fund might be having a rough time, you may still be capturing the

positives offered by what may be doing well in your portfolio. The key is to diversify strategically for your personal situation.

**Volatility Can be an Advantage.** While seeing your account balance take a dip can make you nervous, it can actually be good news! When the stock market is down, it means stock prices are lower so stocks are “on sale!” If you contribute to your 401(k) plan, you typically invest about the same amount of money each pay period. When the markets are down, that amount buys more shares than when stocks were priced higher. If the market returns to its original levels (or better) before you retire, you could end up with a bigger nest egg than you would have had if you had panicked and stopped making contributions in the downturn. Again, it is all about a solid plan and sticking to it—including your contribution amount.

**Consult with a Financial Advisor.** At the end of the day, it can be really helpful to bounce questions and concerns off of someone who has investing and financial expertise, and who can help you make clear, unemotional, strategic decisions about your account. Call your financial advisor or feel free to call Ullico Retirement Solutions (URS). We are available to help with questions about market volatility or any other concerns as you save for retirement.

## That Favorite Time of Year

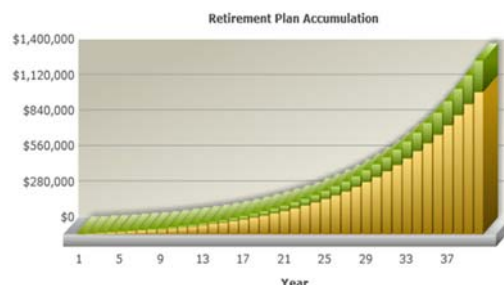
By Amy Crews, QKA

It’s everyone’s favorite time of year...tax time! Okay, that’s probably not true for most of us, but let’s face it - tax time comes around each year whether we like it or not. Unless you filed an extension, hopefully by the time you are reading this article, tax time will be behind you!

Since taxes are fresh in our minds, now is a good time to evaluate your tax situation for the current year and make any potential changes that may help you next year. Keep in mind we are not tax professionals, but following are some tips that might help!

Did you have to pay taxes this year? If so, increasing your pre-tax 401(k) contributions may help decrease your taxable income for 2016. Of course the outcome depends greatly on variables in your personal tax situation, but it’s worth exploring if you are trying to reduce your taxable income. Just make sure you don’t exceed the IRS limits for the calendar year, which are \$18,000 for individuals under age 50, and \$24,000 for those turning age 50 or older at any time during 2016. Plan limitations may also apply.

Or, were you one of the fortunate ones who received a tax refund? If so, now is a perfect time to increase your 401(k) contribution! Of course, you can’t *directly* deposit your tax refund into your 401(k) account for tax reasons, but you could choose to use your tax refund to pay for some of your living expenses while you increase your 401(k) contribution out of your paycheck at the same time. Small changes can make a big impact in your retirement nest egg down the line. Take a look below at what an increase of just 2% in your 401(k) contributions can do over time! For an annual salary of \$30,000 paid twice per month, 2% pre-tax feels like about \$18.75 per pay period, assuming 25% tax withholding. Factor in a 3% annual pay increase and an 8% average return, and that extra amount each pay period could result in another \$250,000 in your retirement account after 40 years!



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Solutions was born  
from a *simple* idea:

***“We believe that organized labor deserves a trusted partner, and labor should provide for the needs of labor.”***

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