

Assignments

Financial Plan Assignment

If you have an employer-qualified plan, talk to your employer. Find out as much information as you can regarding your plan. What type of plan is it? Is it a defined-benefit plan or a defined-contribution plan, or does your employer offer both?

If your company offers a defined-benefit plan, what are the requirements for the plan? What factors are included in the payout formula (number of years working, average salary, percentage of salary, etc.)? How long must you be with the company to receive benefits? At what age can you begin receiving benefits? Based on today's earnings, how much will you receive each month during retirement?

If your company offers a defined-contribution plan, what type of plan is it? Does it have a company matching option (free money)? Are you getting your full company match each year? How much do you currently have in the plan? Where is that money allocated? Is the allocation consistent with your risk level and the fact that the funds are long term? Have you followed the principles of successful investing in terms of diversification, low costs, low risk, and other key factors? Are you rebalancing back to your target allocations in a timely manner? Become aware of this information because it is important to your retirement planning.