



## Your 401(k) and Prudently Managing It

Today, an estimated 55 million American workers participate in 401(k) plans, with assets totaling \$4.6 trillion and a majority of employees are not entirely comfortable with managing their own accounts.

Despite the growing prevalence of 401(k)s in the U.S. workplace, employees apparently aren't entirely comfortable with the responsibility of managing their own retirement savings accounts. Among 401(k) plan participants surveyed in 2016 by the investment firm Charles Schwab, 56 percent said they are either "somewhat confident" or "not very confident" about making plan decisions on their own. That lack of confidence explains in part why survey participants named "saving enough for a comfortable retirement" as their top source of financial stress.

With a stronger grasp of how to manage a 401(k) comes relief from some of that financial stress. Here personal finance experts from the Financial Planning Association provide their keys to getting the most out of a 401(k) plan.

**Get familiar with the plan your employer offers.** "I think one of the first steps to better managing your 401(k) is getting a good understanding of how your company's 401(k) works," says Roger Ma, Certified Financial Planner™ (CFP™) of New York City. 401(k) plans can differ widely from employer to employer, in such areas as:

- Range and type of investment options offered, and the fees attached to those options.
- Whether the employer will match employee contributions and if so, the extent and timing of matching contributions.
- Schedule under which employees become vested.
- Professional support the employer and/or the 401(k) plan administrator offer to participants.

**Contribute early, consistently and to the maximum allowed by tax law, if possible.** "It's important to contribute, and to start contributing early, even if it's a small amount," says Jessica O'Donnell, CFP™ with Summit Financial Strategies from Massachusetts.

The annual contribution limit for employees who participate in a 401(k) is \$18,500 in 2018. That threshold is set by the IRS and may fluctuate from year to year. Under what's known as the "catch-up provision," employees age 50 and over can

contribute an additional \$6,000 above the maximum, to make up for any lost ground in their retirement savings.

**Automate.** Automating certain 401(k) functions not only reduces the time it takes to manage your plan, it also increases the likelihood you'll remain committed to saving.

**If an employer offers to match contributions, take advantage.** "A bare minimum goal is to receive the maximum employer match at all times," asserts Steve M. Burkett, CFP™ of Palisade Investments in Bothell, WA.

**Diversify.** Having a balanced mix of assets inside a 401(k), including stocks, bonds, cash and other types of assets, helps protect a person's retirement portfolio from volatility and may cushion the impact of a major stock market decline.

**Choose funds wisely.** Determining the right mix — the appropriate investment proportions within a diversified portfolio — depends on a person's circumstances, priorities and mindset (their risk profile).

**Pay close attention to fees.** Fees are a major factor to consider in evaluating specific funds. "It comes down to value," explains Donnelly. That means weighing the performance of the fund relative to the fees it charges to investors.

**Designate beneficiaries and keep them up-to-date.** Among a person's first responsibilities upon enrolling in a 401(k) is to name beneficiaries: the person or people to whom assets in the plan will transfer should the plan owner die.

**Revisit and rebalance 401(k) assets as necessary.** On an annual basis, be sure to take stock of any new investment choices offered by the 401(k) plan, says Donnelly.

**Consider a Roth 401(k).** A Roth 401(k) allows participants to contribute after-tax dollars, and withdraw them in retirement on a tax-free basis.

**Be a patient, not a panicked, investor.** Remember, you're in this for the long haul. Resist the urge to convert 401(k) investments to cash during a market downturn, suggests Donnelly, because that locks in losses when, with a little patience, those investments likely would regain their lost value.





## How to Win Your War Against Seasonal Allergies

Allergies occur when your immune system overreacts to a substance that is usually harmless to most people. The substances that cause this reaction are called allergens.

Allergic reactions to airborne allergens commonly found outdoors are called seasonal allergies, according to the National Institute of Allergy and Infectious Diseases (NIAID). Common outdoor allergens are tree, grass and weed pollen and mold spores. Symptoms of seasonal allergies are sneezing; itchy, runny nose; itchy, watery, red eyes; nasal congestion; and coughing. If you have seasonal allergies, NIAID says, the timing of your allergy attacks is a clue to what causes them:

- Late winter or early spring — Tree pollen: ash, beech, birch, cedar, cottonwood, box, elder, elm, hickory, maple and oak
- Late spring and summer — Grass pollen
- Late summer and autumn — Weeds: ragweed, cocklebur, lamb's quarters, plantain, pigweed, tumbleweed or Russian thistle and sagebrush
- July to late summer — Mold spores

If you have trouble pinning down the causes of your allergy problems, you may need to see an allergist. Once you know the cause, you'll know what to avoid and when to be careful.

Allergic reactions cannot be cured, but the following strategies from the NIAID can help you tame your symptoms.

### Limit Pollen Exposure

- When pollen and mold counts are high, stay indoors as much as possible and keep windows and doors closed. Never sleep near an open window.
- Use a central air conditioner and keep the filter clean.
- When riding in a car, keep the windows and vents closed. Set the air flow to re-circulate or use the air conditioner.
- Steer clear of open fields when you're outside. Let someone else mow your grass and weed your garden.
- Learn the safest times to be outside. Pollen counts are lowest for an hour or two after a hard rain. They're highest at 6 a.m. on days with sun and light wind.
- If you are outside for an extended period of time, wash your hair and change your clothes when you come indoors.

### Use Medication Properly

- Nonprescription antihistamines and decongestants can interact with other medicines you might be taking, talk to your health care provider before using them.
- Over-the-counter (OTC) antihistamines block the affect of histamine, a chemical made by the body in an allergic reaction. They help relieve sneezing, itching and runny nose. Although they can cause more drowsiness than prescription pills, they tend to work faster to relieve symptoms.
- Decongestants improve breathing by decreasing blood flow and are available as eye and nose drops and sprays, and as pills and liquids. The pill and liquid forms relieve symptoms such as stuffy nose and drainage. Nasalcrom (cromolyn sodium) is a common OTC anti-inflammatory nasal spray that treats runny nose and sneezing by blocking the release of histamine that cause inflammation. It should be used before the allergy season starts and continued.
- Prescription nasal corticosteroids sprays are effective but don't reach their full potential for several days. You should start taking them at the earliest sign of symptoms or before your season of allergies begins.

If your allergy is severe, your health care provider may have you build up your resistance with regular "allergy shots" that contain small doses of the pollens that bother you.

### Other Allergy Tips

- **A good workout opens up nasal passages and can make you feel better.** Exercise indoors so your deep breathing doesn't expose your nose to more pollen.
- **Avoid drinking alcohol.** It will make you feel more congested. Never mix alcohol and antihistamines, because that can cause drowsiness and a lack of alertness.
- **Don't smoke.** Smoking can cause an allergic reaction or make existing sensitivities worse.
- **Relax.** Stress can increase your sensitivity. medicines

