



# Celebrate your financial independence

Filed in [Wages and Benefits, Health and Retirement Benefits](#) • By: [Lisa M. Gomez](#) • July 16, 2024



July is the month we celebrate our nation's independence, but it can also be the month you celebrate your Financial Independence Day! Make this a time to review your current financial planning – including a financially secure retirement. Whether you're early in your career or have been working for many years, it is important to check your progress at least once a year so you can adjust your plan for reaching your retirement savings goal if needed. Here are some tips to help you get started:

- 1. Update your financial plan for life events.** Life events, such as marriage, separation, divorce, birth or adoption, may create new financial demands. Update your financial plan for potential income and expense changes – and make sure to continue saving for retirement. Also, check your beneficiary designations with your plan to make sure they are up to date.
- 2. Understand your retirement needs.** If you estimated your retirement needs in developing your financial plan, review that estimate in case changes in your life have impacted your savings goal. If you are one of the many people who have not estimated how much you need to save for retirement, this step is critical to your planning. A common rule of thumb is to save enough to provide 80% of your pre-retirement income to maintain your standard of living in retirement. Your actual needs may vary based on your lifestyle and health expectations. Use tools like our [Retirement Saving Worksheet](#) guide to estimate how much you need to save for a comfortable retirement.
- 3. Check your retirement plan investments.** Making good investment decisions can have a real impact on how much your retirement savings grow. Find out what investment options your plan offers and review the information including the fees and expenses for each investment option. Determine if you want to make any changes to your investments or the amount allocated to each investment. Learn more in our tips sheet [Maximize Your Retirement Savings](#).
- 4. Plan for financial emergencies.** A large medical bill, home repairs, losing a job, or a death in the family can derail retirement savings. Establish an emergency fund or get insurance coverage and find out whether there are options under your plan for emergency savings accounts.

5. **Review your financial plan regularly.** Financial planning is an ongoing process. Regularly review your financial plan to:
- Make adjustments.** By planning for retirement early, you have time to make adjustments if you're not on track to meet your goals. You can increase your savings, decrease your expenses or consider whether to retire later. If you're over age 50, take advantage of catch-up contributions (an additional amount you may be allowed to contribute to your 401(k) plan).
  - Plan for health care.** Health care is often a major expense in retirement, so be sure to update your financial plan if anticipated health care expenses are not already included. If retiring early, consider your options for health care coverage before Medicare kicks in (generally, at age 65).
  - Make your money last.** Make sure your financial plan includes a strategy to manage your retirement savings when you retire so they last. This includes how you handle plan distributions, consider taxes and invest this money. Learn how to avoid scams and routinely monitor your online retirement accounts to reduce cybersecurity risks.

Download these resources to get started:

- [Savings Fitness: A Guide to Your Money and Your Financial Future](#)
- [Interactive financial planning worksheets](#)
- [What You Should Know About Your Retirement Plan](#)
- [Taking the Mystery Out of Retirement Planning](#)
- [Retirement Toolkit](#)

Financial Independence Day is something we want everyone to celebrate – just like July 4. Whether you're 21 or 58, you can take steps toward a secure financial future. For more information on planning for retirement, your protections under the federal law governing your retirement plan or how the Employee Benefits Security Administration can help you, [visit our website](#). You can also [contact a benefits advisor with your questions by visiting \[askebsa.dol.gov\]\(https://askebsa.dol.gov\)](#) or calling 1-866-444-3272. Assistance is available in over 105 languages.

*Lisa M. Gomez is the Assistant Secretary for the Department's Employee Benefits Security Administration.*

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