



# EBRI News

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## It's Time for Your Annual Retirement Benefits Checkup

WASHINGTON—With 2006 coming to a close, it's time for your annual benefits checkup.

The end of the year is a good time for workers—especially those nearing retirement—to take a close look at their retirement benefits, said Dallas Salisbury, president of the nonpartisan Employee Benefit Research Institute (EBRI) and an expert on retirement issues.

“Our annual Retirement Confidence Survey shows that only about 4 in 10 workers have attempted to calculate their retirement savings needs,” said Salisbury. “One place to begin is by making a complete inventory of the retirement benefits available through your employer and the government. And there is no better time than the end of the year, when you are gathering up other records, to do your own retirement benefits checkup.”

Salisbury offered 10 questions as the starting point for a retirement benefits checkup, adding that it is important for workers to get answers *before* they retire. The questions:

- **Employment-based benefits:** Have you checked with current and former employers to see what benefits you are qualified to receive in retirement? In some cases, you may qualify for retirement or other benefits at an employer you left several years ago. Remember, your previous employer may have a new name and headquarters because of mergers.
- **Retirement savings goal:** Have you estimated how much money you will need to save for a comfortable retirement? A helpful and free online calculator, the Ballpark E\$timate, is available at [www.choosetosave.org/ballpark/](http://www.choosetosave.org/ballpark/)
- **Social Security statement review:** Have you reviewed your latest Social Security statement for accuracy and contacted the Social Security Administration ([www.ssa.gov](http://www.ssa.gov)) with any corrections? Watch for your Social Security statement in the mail each year.
- **Eligible for a “traditional” pension?** If you are eligible for a traditional defined benefit pension, have you asked your employer for a written list of your payment options and how far in advance you need to apply? You can often review a summary of the plan on your employer's Web site.
- **Consolidating 401(k) accounts:** Have you accounted for all the 401(k) plans you may have had at various employers, and thought about consolidating them in your current employer's plan, if permitted, or transferring them into a rollover IRA?

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- **Tax consequences of 401(k) distributions:** Have you explored the options available to you and examined the tax consequences of each when it comes to deciding what to do with your 401(k) assets when you retire?
- **Health benefits:** Regarding health benefits, if you plan to retire before you qualify for Medicare, have you checked on the cost and coverage options available in the private market? Have you checked to see if you would qualify for extended health insurance under the so-called COBRA law, which allows many workers to extend their employment-based health insurance for up to 18 months after they leave a job?
- **Eligible for retiree health benefits?** Have you checked to see if you currently qualify for employer-provided health benefits in retirement (such as Medicare supplemental insurance) and how much they cost, compared with those available on the private market?
- **Other job-based benefits?** Have you checked to see if your employer provides any other benefits, such as long-term care insurance, that you can buy before you retire and maintain once you have left your job?
- **Beneficiary updates:** Have you specified or updated beneficiaries in cases where that is required? If you don't update your beneficiaries, your assets could be tied up in probate or go to a person you did not wish to benefit.

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