

Let's Talk...

Let's Talk ... About When to Adjust Your Contributions

Your retirement savings plan isn't a "set it and forget it" arrangement—it should evolve as your life changes. Knowing when to increase or decrease your contributions can help you stay on track, whether you're just starting out, mid-career, or preparing to retire. Making thoughtful adjustments at the right times can make a big difference in reaching your financial goals.

Here are some key moments to consider revisiting your contribution rate:

1. After a Raise or Bonus

When you get a raise or a bonus, it's tempting to spend that extra money right away. But before you celebrate with a big purchase, consider boosting your retirement savings instead. Even increasing your contribution by just 1-2% can add up significantly over time thanks to the power of compounding interest.

Halliburton's 401(k) plan offers the Automatic Increase Program that lets you set your contribution rate to increase by a percentage each year on a date you choose—helping your savings keep pace with your income growth. **Learn more about automating your contributions:** Check out ["Let's Talk ... About The Power of Automating Your Finances"](#).

2. After Paying Off Debt

Paying off debt is a major financial milestone. Once you're free from monthly payments on credit cards, student loans, or other debts, you gain more financial breathing room. This is a great time to redirect those funds toward your retirement savings by increasing your contribution rate.

Redirecting the money that once went to debt payments toward your retirement savings can accelerate your progress and improve your long-term financial security.

3. After Receiving a Windfall or Tax Refund

Unexpected money—like a tax refund, inheritance, or gift—can provide a valuable opportunity to increase contributions to your retirement account, even if temporarily. This can help you catch up if you're behind on your savings goals or give your balance a nice boost.

Schedule a complimentary one-on-one retirement planning assistance conversation with a Fidelity Workplace Planning Consultant for support with increasing your contributions to meet your savings goals. Call [\(800\) 603-4015](tel:8006034015) or [make an appointment here](#).

4. During Major Life Changes

Major life events, such as changing jobs, buying a home, getting married, or having children often come with new financial responsibilities and priorities. These changes can impact your ability to save or your retirement timeline.

It's important to regularly review your financial situation during these transitions and adjust your contributions accordingly. For example, a new job might come with a higher salary but also higher expenses, or a new child might bring more immediate costs but also a greater need to plan for the future. These are also good opportunities to review your beneficiary designations.

5. As You Get Closer to Retirement

As retirement approaches, it's a good idea to revisit your savings strategy. Many people choose to increase their contributions in the final years before retirement to maximize their nest egg.

The key is to stay flexible and make changes that reflect your current goals and circumstances.

Take Advantage of Catch-Up Contributions

Remember, if you are age 50 or older, you can make an additional catch-up contribution of \$8,000. If you are 60 through 63, you can make a super catch-up contribution of \$11,250.

Tips for Adjusting Your Contributions

- **Set Regular Review Dates:** Review your contributions as part of your ongoing financial check-ups. To learn more about checking up on your finances, read "[Let's Talk...About About a Retirement Planning Check-Up: Are You on Track?](#)" Life changes, income fluctuations, and market conditions can all affect your plan.
- **Be Realistic and Intentional:** If your income increases, consider raising your contribution rate. If expenses rise unexpectedly, adjust your savings plan to maintain balance without added stress.
- **Use Available Tools:** Take advantage of resources like Fidelity's [Financial Wellness Dashboard](#) or consult with a financial advisor to help guide your decisions.

By staying proactive and adaptable with your contributions, you can confidently navigate life's changes and keep your retirement savings on track for long-term success.

Sources:

[Western & Southern Financial Group: When to Increase 401\(k\) Contributions: 3 Key Things to Consider](#)

Fidelity: Just 1% More Can Make A Big Difference

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