Life is a series of decisions, and everyone has to live with the results of the decisions they make. One of the most serious decisions that we all face is how to prepare for retirement, but frequently we don't make the best choices to protect our futures. What are some of the most critical decisions you should make about retirement?

Start Saving Now

Starting as soon as possible makes saving for retirement much easier, because you can take full advantage of the power of compounding. A 25-year-old that saves $300 each month and earns an average annual return of 6 percent in a retirement plan will have over half a million dollars ($557,153) saved at age 65. If that same person waits until age 40 to start saving the same amount, he or she will only have $197,516 at age 65.

Wait to Take Social Security

People who are eligible can start claiming Social Security at age 62, but the payments increase each year to delay filing. According to the Wall Street Journal, each year you delay filing for Social Security up until age 70 adds 8 percent each year to your benefit amount. That's a significant return on your "investment" by delaying.

Delay Retirement as Long as Possible

A person who retires at age 65 may need enough money to fund 30 or more years of retirement. Waiting to retire means you can continue to accumulate funds, plus you're not tapping into your savings. Working two or three more years, or even working part-time, can make a big difference.

Opt for Retirement Plan Matching

Employer contributions to a retirement plan can significantly boost retirement savings. If our hypothetical 25-year-old (above) got a 50 percent employer match on that $300 monthly contribution to his or her retirement plan, he or she would have $835,724 by age 65. That's a difference of $278,571.

Don't Touch Your Retirement Plan until Retirement

It may be tempting to tap into these funds to finance short-term needs, but cashing out or even borrowing from a retirement plan can seriously impact retirement savings. Once those savings are gone, they can't be replaced. More importantly, you'll never get the time back – time that allowed your returns the potential to compound. And taxes and penalties can be severe, because early withdrawals may be subject to both taxes and a 10 percent penalty.

For more information on retirement tips, contact your plan advisor, Tom Padilla at 610-254-0451 or tpadilla@tp-advisory.com.