

Planning Steps for Retirement

According to the US Census Bureau, between 2006 and 2030, the U.S. population of adults aged 65+ will nearly double from 37 million to 71.5 million people. Unfortunately, many Boomers haven't taken the necessary steps to transition into a relaxing, enjoyable retirement. While there are certainly more strategies to consider, here's a handy checklist of just a few major steps to help simplify your transition into retirement - whether it's just around the corner or decades from now.

Steps to Take	Discussed with Advisor (if appropriate)	Last Date Completed or Reviewed
<p>1. Select an advisor — A vital first step is to build a dynamic retirement plan with your advisor. Work with one who can help you continue to refocus your goals as needed throughout your working years and into retirement.</p> <p>If you haven't saved enough, an advisor can determine the best way to accelerate investments, take advantage of catch-up options, and build a safe plan as you transition into the next stage of your life.</p>	<input type="checkbox"/>	<hr style="width: 100px; margin: 0 auto;"/>
<p>2. Deal with Debt — Create a plan to eliminate debt as quickly as possible. Making this a priority can free up hundreds of dollars every month throughout retirement.</p> <p><i>The Wall Street Journal</i> reports student loan debt has become one of the biggest threats to retirement security, especially as more students default on loans. Poor pre-college planning, paying more than necessary for college, and failure to prepare for the job market has pushed the default rate to an all-time high. This exposes parents — and even grandparents — to unanticipated debt payments just as they prepare for retirement.</p> <p>Converting to one of the income-driven plans can help ease your monthly costs any time, but this can be particularly helpful in retirement. See Federal Student Loan Repayment Options for more details on each of these plans.</p>	<input type="checkbox"/>	<hr style="width: 100px; margin: 0 auto;"/>

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<p>3. Evaluate your retirement location — Planning where you will live can help stretch every dollar, reduce taxes, and make retirement an adventure. And with Zoom, Facetime, and other technologies, it’s easy to stay in touch with family — and your advisor — wherever you live.</p> <p>When considering a location, evaluate the latest retirement ranking lists to help you identify low-cost areas to retire. They will often compare the best places to retire based on the cost of living, tax rates, healthcare costs, availability of public transportation, insurance costs, and even weather conditions. Not only will weather impact your retirement activities, but it can significantly affect your expenses. See Bankrate’s Cost of Living Comparison Calculator to find cities to stretch retirement dollars further.</p>	<input type="checkbox"/>	<hr style="width: 100px; margin: 0 auto;"/>
<p>4. Consider the type of housing — Most retirees today are looking for carefree, affordable living. Rather than sustaining a large home for the kids and grandkids to visit, they are highly motivated to simplify their lives with smaller spaces. Whether it’s to a smaller home, an apartment, a podhome, or even one of the new tiny homes for retirees, the movement to downsize is definitely catching on.</p> <p>For older retirees or those who need more assistance, state-of-the-art “granny pods” are a viable alternative to assisted living facilities. This separate living option provides independence, yet close proximity for socializing, family activities, or help when it’s needed.</p>	<input type="checkbox"/>	<hr style="width: 100px; margin: 0 auto;"/>
<p>5. Estimate expenses — To plan whether you will have enough to cover your monthly costs, now is the time to calculate your estimated expenses in retirement. Explore the cost of rent or mortgage payments, debt payments, utilities, entertainment, travel, insurance, transportation, healthcare, taxes, etc. Your advisor can also help you plan for unexpected expenses.</p>	<input type="checkbox"/>	<hr style="width: 100px; margin: 0 auto;"/>

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<p>6. Plan a stream of income — The total savings may not always be as important as planning a steady stream of income to cover the expenses noted above. Determine if you want to continue to work past your official retirement date, if health issues or the economy will allow you to do so.</p> <p>Some opt to work to supplement their income, others because they enjoy it. This factor will dictate how much you will need to save. Talk with your advisor to develop a plan to maximize your income stream.</p>	<input type="checkbox"/>	<hr style="width: 50px; margin: 0 auto;"/>
<p>7. Rebalance investments — Another step is to consider <i>rebalancing</i> investments. While we don't want to get too conservative too soon, we also don't want to lose a big chunk of our retirement savings due to market swings right before we'll need to begin withdrawing savings.</p> <p>This is where <i>timing</i> plays an essential role in the entire planning process.</p>	<input type="checkbox"/>	<hr style="width: 50px; margin: 0 auto;"/>
<p>8. Social Security —Thousands of dollars could be at risk due to failing to plan <i>when and how</i> to take Social Security. Exploring your options as you get closer to retirement can help you take full advantage of your benefits.</p> <p>The amounts retirees collect can vary significantly depending on the age they begin collecting Social Security, so remember three important ages (which could be slightly different when you retire):</p> <ul style="list-style-type: none"> ▪ 62: Current <i>Eligibility Age</i>. ▪ 66: Current <i>Full Retirement Age</i> (FRA). Retirees receive up to 33% more by waiting until FRA. ▪ 70: By waiting until age 70, retirees can receive the highest benefits, which can be as much as 32% more than benefits at FRA. 	<input type="checkbox"/>	<hr style="width: 50px; margin: 0 auto;"/>
<p>9. Update survivor data — Another crucial step is to update survivor information. Also, discuss the guidelines in your state for transferring assets to survivors using a <i>TOD (Transfer on Death)</i> strategy.</p> <p>This is an important strategy to use throughout your career. Life events such as weddings, births, deaths, blended families, divorces, inheritances, etc., can significantly change family dynamics. Documents to update include insurance policies and retirement accounts.</p>	<input type="checkbox"/>	<hr style="width: 50px; margin: 0 auto;"/>

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<p>10. Consider a reverse mortgage — Now is the time to evaluate whether a reverse mortgage will be a good strategy to provide additional income in retirement. If so, building up as much equity as possible will be a key step during your working years.</p> <p>There are new safeguards to protect homeowners, but also financial traps to avoid. Rather than responding to one of the abundant, potentially misleading TV ads, talk to a knowledgeable advisor about your options.</p>	<input type="checkbox"/>	<hr style="width: 50px; margin: 0 auto;"/>
<p>11. Important documents — Discuss the need for a will, a living will, a living trust, or medical directive.</p>	<input type="checkbox"/>	<hr style="width: 50px; margin: 0 auto;"/>
<p>12. Long-term care — According to the Department of Health & Human Services, 70% of retirees will need some type of long-term care, so it's helpful to explore the best strategies and solutions to prepare for extended-care needs.</p> <p>For retirees, long-term care could possibly be the most expensive housing they will have...and there are huge differences depending on the state. See Genworth's Long-Term Care Costs by State.</p>	<input type="checkbox"/>	<hr style="width: 50px; margin: 0 auto;"/>
<p>13. Taxes — Explore strategies to reduce tax obligations. A little planning can save hundreds — if not thousands — of dollars throughout retirement. Now may be the best time to plan to minimize taxes.</p>	<input type="checkbox"/>	<hr style="width: 50px; margin: 0 auto;"/>

Your advisor should bring up other planning strategies, but this simple checklist will help you prepare...then relax and enjoy retirement.