The Ultimate RETIREMENT PLANNING CHECKLIST

INCOME

- ❑ Calculate **Social Security income** and effects of taking early or delayed benefits. What percentage of your current salary will it replace?
- ❑ Do you have **pension income**? How much of your monthly income will be fixed through pensions and Social Security?
- ❑ How much of your monthly income will need to be **self-funded** by savings and investments? What **level of income** can your current portfolio support? (See calculations on the right.)

4% is the most common withdrawal rate used by financial advisors. ***It's possible to do better*** *when you focus on cash flow and optimize your retirement portfolio.* *[Click here to learn more.]*

Determine monthly Social Security income if taken at following ages:

Individual	With Spouse
62- __________	62- __________
FRA* - ________	FRA* - ________
70 - _________	70 - _________

(* Full Retirement Age)

(Check out www.ssa.gov for more info.)

Portfolio Needs:

Annual Income ÷ 4% = ______________

Estimate Annual Income:

Portfolio Value x 4% = _______________

EXPENSES

- ❑ **Eliminate debt**. Entering retirement without debt will relieve a significant burden in retirement.

Current Debt: Credit Card - ____________ Mortgage -____________ Other - ____________

- ❑ Determine how **where you live** will impact your annual cost of living expenses. Will you remain in the same home, downsize, or relocate?
- ❑ How will you spend your new **free time**? Staying busy in retirement will keep you sharp and feeling young, but can also affect your expenses. Budget for travel, hobbies, and charity.

INVESTMENTS

- ❑ **Consolidate accounts** with the same title and structure. Over time, it's easy to accumulate multiple IRAs, 401(k)s, etc., but consolidating like accounts will simplify your investing and planning.
- ❑ Do you plan to manage your own accounts or work with a **trusted advisor**? A DIY approach works for many, but seeking an investment education or consulting a financial advisor could potentially save you from making costly mistakes.
- ❑ Shift to **income-focused investments**. In retirement, your objectives will likely change, but what about your investments? Using income-producing investments with carefully calculated withdrawal strategies can create larger paychecks and lower taxes in retirement.

HEALTHCARE

- ❑ How much will your health insurance cost **prior to qualifying for Medicare** at age 65? This is one of the most underestimated costs for new retirees. A couple can easily pay $15,000-$20,000 per year for coverage. *Do not enter retirement without nailing down this cost.*
- ❑ Understand your options when it comes to **Medicare Supplement Insurance**. At age 65 your primary health insurance will become Medicare. For many, this is when retirement becomes a realistic possibility. Insurance costs won't completely go away, but may be reduced when you're only paying for supplemental policies instead of full-blown coverage.

Current health insurance premium: ____________

Projected Medicare Costs:

Part A*: ________ Supp.: ________

Part B : ________ Part D : ________

* For most Americans. Part A is premium-free.

Modern medicine will continue to extend lives, but it will also come at a higher and higher costs. As time passes, you should be prepared to spend more money on innovations and medications that both prolong and enrich your life.

- ❑ Stay healthy. It's possible that you will spend nearly 1/3rd of your life in retirement. The best way to manage healthcare costs and stay in control of your own life is to **exercise, stay active, and keep your mind sharp**.

EMERGENCIES

- ❑ Establish a designated **Emergency Fund**. A segregated account with 6-12 months worth of living expenses should be funded with cash. Only utilize this account for large, one-time expenses or disruptions in your other income sources. If tapped, replenish it over time back to your target.

Monthly Expenses x Time Period (6 or 12) = Emergency Fund Requirement

- ❑ **Plan for the unexpected**. Death of a spouse or divorce can send shockwaves through a solid financial plan. It is no fun to think about tragedies, but consider all possibilities when planning for the future.
- ❑ **Long-term healthcare** for you or your spouse is one of the largest potential expenses and most significant risks to a strong retirement plan. Annual expenses could potentially double when reputable, round-the-clock care for a loved one is needed. Consider insurance and determine what type of care you expect to receive in this type of scenario.

LEGACY

- ❑ Create or update your will. One of the greatest gifts you can leave behind is an **up-to-date will** with clear instructions. Remove the burden from your loved ones by keeping your estate plan current.
- ❑ Update the beneficiaries on all your retirement accounts. Most don't realize it, but a **beneficiary takes precedence over a will**. Failing to designate beneficiaries will make the tax man happy, but could cost the recipients of your estate a bundle in higher tax rates.

Primary Beneficiary: ________________ Contingent Beneficiaries: ______________

- ❑ Where will your money go after your death? **Do you hope to leave gifts** to your children, church, school, or charity? Plan now to incorporate your wishes into your investment strategies.