



PLANNING FOR RETIREMENT

Your Complete Retirement Checklist





WE ALL DREAM OF THE DAY WE GET TO RETIRE.



After committing 40+ years to the workforce, we'll certainly deserve it, right? No more stressing over work deadlines, or missing out on what you want to be doing because we have other business or professional obligations.

Retirement is our relaxing reward for all of the hard work we've put in during our lives, and for the lives of those around us.

A happy retirement means something different to everyone. And while that's perfectly normal, it's vital that you discover what a fulfilling retirement will look like for you.

The concept of planning for retirement can be daunting to some. After all, you are planning out what you will be doing for the rest of your life, and on top of that, ensuring you'll be able to afford it. I don't want this to intimidate you, I just want you to be aware of all the things you should consider so you don't find you've dropped the ball somewhere once you've actually retired.

This comprehensive retirement checklist will cover everything you need to know from deciding what you want to do with your newfound free time, to the logistics of budgeting your new lifestyle and choosing the best healthcare option for you and your spouse.

Whether you're 30 years old and just want to get a head start, or you're 50 years old and starting to look retirement in the eye, it's never too early to start planning for retirement. Use this checklist to make sure you're set up to have the most fulfilling retirement possible for you.

CONTENTS

| | |
|---|----|
| A Day in Retirement | 03 |
| Facing Your Fears | 05 |
| Budgeting for Your New Lifestyle | 09 |
| Calculating Your Current & Future Savings | 12 |
| Healthcare Coverage in Retirement | 13 |
| Healthcare Coverage in Retirement | 14 |
| Planning Your Estate | 15 |





1. WHAT DOES A DAY IN RETIREMENT LOOK LIKE?



Retirement sounds like a time to relax. You've been working for the majority of your life and you're finally getting your break.

Of course you can relax, and enjoy laid back days, but is that what you plan on doing for the rest of your life?

“THE PROBLEM WITH RETIREMENT IS THAT YOU NEVER GET A DAY OFF.”

- ABE LEMONS

Before you are officially retired, it's important to consider what you plan on doing day to day, and be sure to include your partner in your plans.

Married couples rarely discuss this, and often, their ideas of an ideal day in retirement are very different. The husband is ready to start a new venture, while his wife envisions herself sipping margaritas on the beach. Make sure your plans are compatible, and be ready to compromise.

Need some ideas? Start with what you're passionate about. If you love to travel, start exploring the world. Take up a new hobby like cooking or painting. Still aren't sure what to do? Consider the below options from [US News Money](#).



23 THINGS TO DO ONCE YOU'RE FREE TO DO WHATEVER YOU'D LIKE



1. TRAVEL THE WORLD



2. BUY A MOTORHOME



3. REMODEL YOUR HOME

4. MOVE TO THE COUNTRY



7. GET A PART-TIME JOB



10. GET INTO PUBLIC SERVICE



13. BABYSIT



16. READ



19. LEARN A NEW LANGUAGE

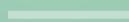


22. TAKE UP A NEW SPORT

5. MOVE TO THE CITY



8. TEACH



11. SPEND TIME WITH FRIENDS



14. BE A MENTOR



17. WRITE A BOOK



20. LEARN AN INSTRUMENT



23. WORK OUT

6. START A BUSINESS



9. VOLUNTEER



12. VISIT FAMILY



15. GO BACK TO SCHOOL



18. START A BLOG



21. START A NEW HOBBY



2. WHAT WORRIES YOU MOST ABOUT RETIREMENT?



What keeps you up at night when you think about retirement? There's a lot to be nervous about, and you're not alone if you are.

Here are some of the top worries of Americans:

- Outliving your savings
- Saving enough for the lifestyle you'd like
- Saving enough to cover your healthcare expenses
- Unexpected large expenses

But we don't want you to live in fear! Create a plan so you can have the peace of mind knowing you are setup for a successful retirement. So, I've addressed each of these fears here.

Are you worried about outliving your savings?

You're not alone. According to a [survey conducted by the AICPA](#), 41% of CPA financial planners say that running out of money is their clients' top concern about retirement. And it's something that even concerns their high net worth clients! It's understandable for this to be a top concern. There's no "magic number" that you need to save in order to guarantee a great retirement, unfortunately, there's a lot of variables to consider. There's the question of how long you'll live, and believe it or not, there are actually life [expectancy calculators](#). But if you don't want to be reduced to averages, a great way to guesstimate your life expectancy is to consider how long your parents and family lived, and your current health condition. In addition, married males, on average, have a life expectancy

of age 85, while women are around 86 - for singles, it's a few years less. Once you have a general idea of how long you may live, you can more confidently gage how much money you'll need to save. A [retirement planning calculator](#) is a good way to find out. You'll simply need to multiply your annual cost of living by how many years you expect to live in retirement. But as a rule of thumb, I'd recommend saving more than you think you'll need. As they say, better safe than sorry.

"A retired husband is often a wife's full-time job." - Ella Harris



2. WHAT WORRIES YOU MOST ABOUT RETIREMENT? CONT.



Will I need to go back to work to make more money? Though more and more people of retirement age continue to work full or part-time jobs ([18.8% of Americans 65 or older as of May 2016](#)), the majority no longer work. That means their main source of income in retirement, if any, is investing. So having a financial advisor that can help you make your money work smarter and longer is in your best interest. Working part-time can be an excellent way to transition into retirement. It decreases the years you need to fully fund in retirement and leaves the retiree with access to their business relationships as well.

Healthcare coverage is another major concern for retirees. Healthcare is particularly important in retirement because the older we get, the more likely we are to need healthcare. Healthcare will make up a major expense for a retiree, and ensuring you're able to afford quality coverage can keep you up at night.

Remember, in retirement, you do have options when it comes to healthcare. If you're 65 or older, you are eligible for [Medicare](#), which can be used to [cover certain medical-expenses](#). Before choosing Medicare as your healthcare coverage, be sure you completely understand [what it does and does not cover](#) well before you're retired.

Other options include purchasing your own, individual healthcare coverage through your state. You can find your state exchange at [Healthcare.gov](#). Most states offer multiple plans at various price points, so you can shop around a little bit. A [retirement specialist](#) can also help you navigate your healthcare options as they can get a little overwhelming.

“The question isn't at what age I want to retire, it's at what income.”

- George Foreman



HEALTHY AGING

TAKING CARE OF YOURSELF NOW CAN HELP PREVENT GIANT MEDICAL BILLS LATER.
IMPLEMENT THESE 4 HABITS NOW FOR A MORE HEALTHY TOMORROW!



STAY ACTIVE

Do something you love. A daily walk, swim, or weekly golf or tennis match can do a lot to keep you physically and mentally young. Regular exercise can help prevent chronic conditions like heart disease, diabetes, and arthritis to name a few!



EAT WELL

Incorporating fresh fruits and vegetables, and whole grains will help to reduce your sodium intake and minimize the risk of cardiovascular disease and hypertension.



CHALLENGE YOUR BRAIN

You need to keep your body in shape, but your brain needs exercise too! Learn a new skill like an instrument or language, do a daily crossword puzzle, attend a workshop. Challenging your mind will slow cognitive decline

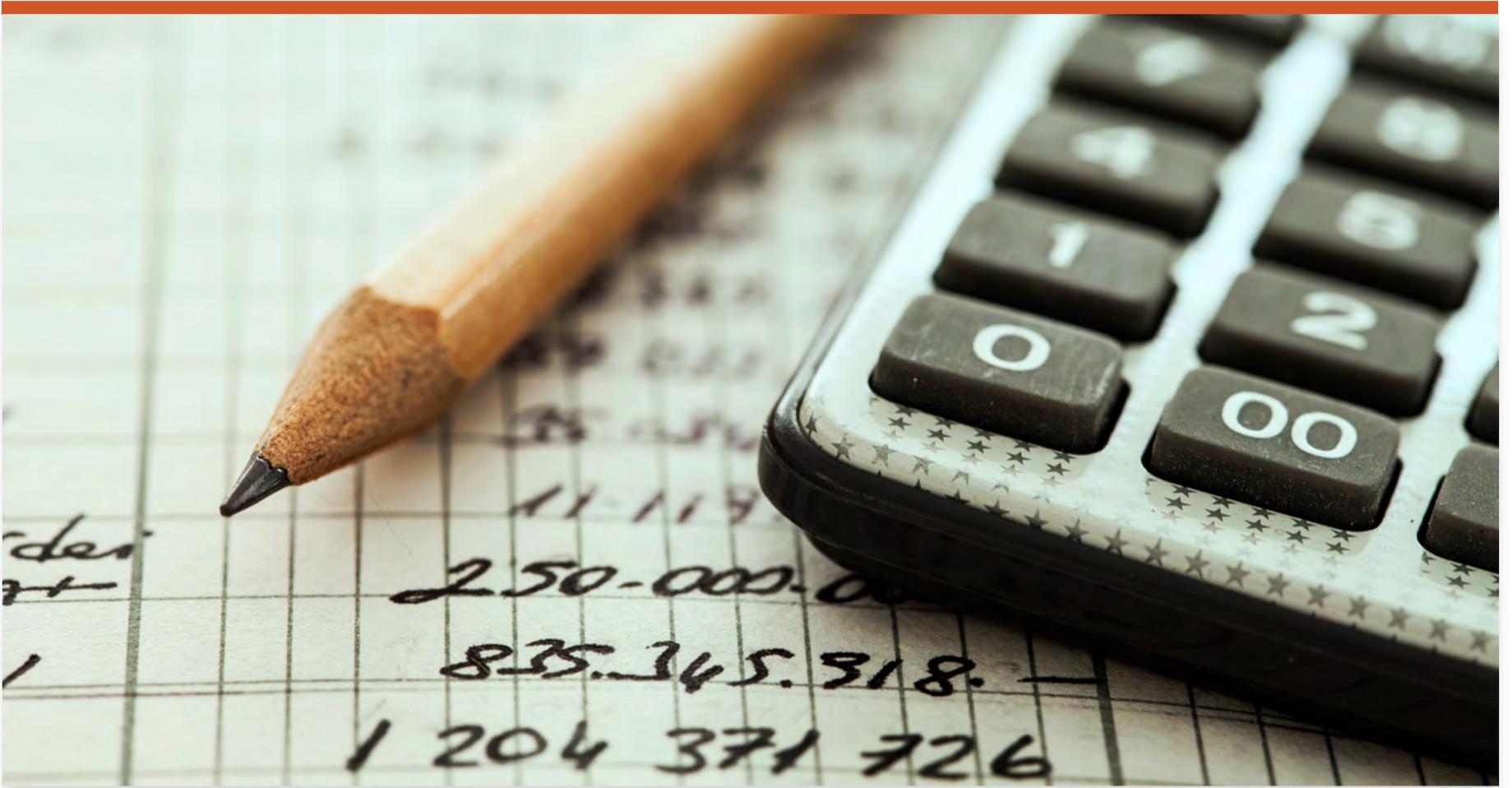


REDUCE YOUR STRESS

No matter what stage you're in in life, you should always be trying to reduce your stress. Too much stress can lead to memory loss and fatigue. And it's even possible for stress to lead to or complicate other serious conditions.



HOW CAN YOU PREDICT THINGS YOU CAN'T PREDICT?



You may be worrying about major expenses you'll incur while you don't have an income. There are some things you can predict, like will your children be attending college when you're retired? Or perhaps you'll have a wedding to pay for? While other unexpected expenses like a natural disaster, car accident or other unfortunate event is harder to plan for. So as imagined, making sure you've saved enough money for these potentially high ticket items on top of having enough to carry you through the rest of your life can be a real source of stress! Unfortunately, life happens and we're presented with situations that we didn't account for when we meticulously set up our retirement plan. My best advice? It may be cliché, but expect the unexpected. Most budgets don't prompt you to set aside money for the new car you didn't know you were going to need. Be proactive, and consider that life happens. [Some retirement experts](#) suggest setting aside 10% of your savings for those "unknowns". And it doesn't necessarily need to be day one of retirement. You can save a little each year to protect yourself from those potentially devastating surprise expenses.

“Before you speak, listen. Before you write, think. Before you spend, earn. Before you invest, investigate. Before you criticize, wait. Before you pray, forgive. Before you quit, try. Before you retire, save. Before you die, give.”

- William A. Ward.



3. UNDERSTANDING YOUR NEW EXPENSES

RETIREMENT IS A LIFESTYLE CHANGE, AND WITH THAT CAN COME DRASTIC CHANGES IN SPENDING HABITS.

SINCE YOU'RE NO LONGER OCCUPIED FROM THE HOURS OF 9AM - 5PM, YOU HAVE A LOT MORE TIME. WHICH CAN MEAN A LOT MORE OPPORTUNITY TO SPEND, SPEND, SPEND.

How will you be spending your money?



MEDICAL/DENTAL INSURANCE

A 65-year-old couple that retired in 2016 can expect to pay an estimated [\\$260,000 in healthcare costs](#) over the course of retirement.



NEWFOUND HOBBIES

In a [survey conducted by MarketWatch](#), retirees said they spent an average of \$2,200 on hobbies per year.



ENTERTAINMENT

[According to the Bureau of Labor Statistics](#), the average retired household spends \$205 per month on entertainment.



TRAVEL

This is entirely subjective, although we strongly encourage our clients to travel as soon as possible if they're healthy! Are you and your spouse travel bugs? If so, then it's best to set aside money to satiate your wanderlust. If you and your spouse aren't avid travelers, then you can allocate this money elsewhere in your budget.



IN WHAT NEW WAYS MIGHT YOU BE SAVING MONEY?

A lot of people find the concept of retirement a little daunting because you'll just be chipping away at your savings for the rest of your life. But what many don't consider is that there are a few expenses they can actually save on in retirement!

Term life and disability insurances - Do not hang on to all of your old insurance policies because they can cost you. Since you're likely no longer going to be working, you won't need these insurances in the event someone passes or is no longer able to work. This won't save you much, but it is one way to cut costs.



Housing (potentially) - By the time you're retired, you've likely already paid off your home, so that's no longer a concern. And in many cases, retirees downsize to a smaller home to save money. If you plan on downsizing, that's a great way to give more life to your retirement savings.



Commuting - You no longer have your morning commute sitting in traffic and wasting gas and mileage. Or if you live in the city, you don't need to pay for your monthly public transportation pass. Either way, you're saving here!



Saving - Prior to retirement you spent years paying for Social Security, but now you're on the receiving end! Plus, you're no longer setting aside your money for retirement, so you're actually saving money by no longer saving money!





IN WHAT WAYS WILL YOU BE SPENDING MORE MONEY?

Even though there will be ways to cut costs in retirement, there are still increases that will cut into your retirement nest egg.

Travel - If you've dreamed about the day you can go on a world tour once you're done working, be aware that that will cost you. If traveling isn't something you plan on doing, you can save here!



Entertainment - You're not sitting at a desk from 9 to 5 anymore, so that leaves you with time to fill. And the costs of entertaining yourself can add up. Movie tickets, lunches out, golfing... Not always cheap. Do your best to avoid expensive hobbies to keep these costs lower.



Health Insurance - We'll get to this in more depth a little later, but since your employer is no longer contributing to your health insurance premiums, the cost falls completely on your shoulders.



You'll want to be prepared for these changes. Fortunately there are tools to help you anticipate your new monthly budget. Try filling out this [retirement budget worksheet](#) to figure out how much you'll be spending, so you aren't caught off guard in your first month of retirement.

PRO TIP: The year before you retire, I recommend developing a retirement budget and living off of that. Track your budget to get a better understanding of your cash flow, and comfortable with a set budget.



4. IDENTIFYING CURRENT ASSETS AND INCOME STREAMS

One thing you'll definitely want to have a good grasp on is your current financial situation, but you already know that.

How Much Do Your Current Assets Add Up To?

Start by identifying any and all retirement accounts, pensions, savings accounts and annuities. This will tell you how much money you currently have saved for retirement, and give you an idea of how much you could have by the time you're ready for retirement.

| | |
|---------------------------------|--|
| CHECKING ACCOUNT BALANCE(S) + | |
| SAVINGS ACCOUNT BALANCE(S) + | |
| PENSIONS + | |
| ANNUITIES + | |
| BONDS + | |
| TOTAL VALUE OF STOCK HOLDINGS + | |
| 401K HOLDINGS + | |
| IRAS + | |
| DEBTS - | |
| TOTAL | |

Once you have all of this information, input it into a [retirement savings calculator](#). They're great tools to figure out where you currently are in terms of finances, and they can help you determine exactly how much you need to save to reach your retirement goals.

One thing to note, don't count the equity in your current home unless you're planning on tapping into it through the sale of your current home or some other means. You want to give yourself the most accurate numbers when figuring out your financial situation.



5. THE HIGH COST OF HEALTHCARE COVERAGE



One thing many people forget to take into account when planning for retirement is that healthcare costs and coverage change - quite dramatically in most cases.

Healthcare is typically the greatest expense for a retiree. On average, you can expect to spend about [\\$260,000 per person](#) on healthcare during retirement. And that doesn't even include costs associated with long term care such as [home health aide](#), which can cost upwards of \$3800 per month. You can also expect to pay more for healthcare if you have a history of longevity in your family.

If you're planning on retiring early, be sure you factor in higher healthcare costs into your retirement plan. Or, at the very least, ensure you have coverage until you're eligible for Medicare at 65.

Worried about this astronomical expense? Where you live can play a huge factor in the cost of your retirement healthcare. Check out the [25 best cities to live in](#) in terms of retirement

“Don't play too much golf. Two rounds a day are plenty.” - Harry Vardon



6. SECURE YOUR SOCIAL SECURITY STRATEGY



Social Security is a complex asset that is constantly changing. But it's vital that you understand it and have a strategy for when you retire.

As of April 2016, the File & Suspend and Restricted Application strategies were closed.

Under File & Suspend, couples of retirement age could file to claim Social Security, and then immediately suspend or opt out of receiving their monthly payment. Why would they do this? Because this allowed their benefits to continue to grow by approximately 8% a year until they decided they'd like to start receiving again and also allowed the spouse to collect spousal benefits.

My Recommendation: Your best bet is to treat Social Security as an annuity, or a life long income stream, and delay utilizing it as long as possible.

Currently, if you take Social Security at age 62, you can look at your "break even" age as being 78, or rather that if you take Social Security at age 62, and pass away at age 78 or earlier, you're not missing any money. If you expect to live longer than 78 and you elect to take Social Security at 62, you'll be missing money every month past age 78. However, this is where things can get a little tricky. If you've smoked and lived a relatively unhealthy lifestyle for most of your life, and your parents don't have a history of longevity, you typically want to take Social Security at age 62 or 63, as you may not live long enough to justify waiting.

So if you expect to live longer than age 78, you're best off delaying taking any Social Security up to the age of 70. There's no point in delaying further, as your benefit does not earn Delayed Retirement Credits past this age. This is particularly important for high income earners with younger spouses. Why? Because the average lifespan for married couples is 85, but when you're single, [it's much lower](#).

Want to know how much Social Security you'll get? You can figure out your earnings [here](#).



7. YOUR ESTATE PLANNING CHECKLIST



The final thing you'll want to look into before you retire is planning your estate. After all, don't you want to be the one who decides where all of your assets and wealth go after you pass? Don't make the mistake of not planning and letting the state control your estate.

6 Overview Steps for Planning Your Estate

1. Writing a Will
2. Defining Healthcare Directives
3. Making a Financial Power of Attorney
4. Protecting Your Children's Property (if you have minors)
5. Filing Beneficiary Forms
6. Setting Aside Funeral Expenses

Now this list isn't all encompassing because everyone's estate is different. Depending on your financial situation you may have other considerations, like trusts, or business plans. But this list applies to most everyone.

To form the best plan for your estate, and ensure you didn't leave anything out, you'll want to consult a Trusted Estate Planning Attorney, and your [financial planner](#).

If you don't have an attorney, often times your financial planner can refer you to someone. These two contacts are essential to your retirement planning network and can help you navigate through the nitty gritty of estate planning so you can retire with peace of mind knowing all of your assets are in order.