

Life Events Planning Checklist

Retirement Readiness

Are you ready for retirement? Here is what you need in order to ensure you are prepared.

- Build an Emergency Fund
 - You should already have at least three months of living expenses in savings if you are a couple with 2 incomes, single income households should have at least six months. Before retirement I believe you should double whichever level you were at before.
 - Remember, base the amount of this fund on your *expenses*, not your income.
- Eliminate all Debt
 - Paying down debts with the smallest balance.
 - Paying debts with the highest effective interest rates – factor in the tax deductibility of mortgage interest.
- Take Inventory of your Assets and spending
 - Keep in mind that you won't be getting a paycheck once you retire.
 - Evaluate your budget–get real about needs vs. wants.
- Determine your Retirement Needs
 - Before you can retire, you must decide how you want to retire.
Consider:
 - Where you want to live
 - Whether you'll have a job (this may sound crazy, but some people like to work in retirement)
 - What your expenses will really be
 - How will family dynamics change

- How will daily activities change
- Try to be realistic in terms of retirement length.
 - This can be difficult to predict, but you can always refine your estimate down the line.
 - This calculator can give some insight : <https://www.amp.com>
- Monthly \$\$ Need – Soc. Security & Pension = \$\$ needed from assets
\$\$ available from assets = Invested Assets x safe withdrawal rate
 - Safe withdrawal rate depends on your risk tolerance and how much of your monthly \$\$ need in retirement is truly needs and how much is wants.
- Square Away Health Insurance
 - Healthcare is one of the biggest expenses you'll face in retirement.
 - According to the Bureau of Labor Statistics' Consumer Expenditure Survey, healthcare costs account for an average of 11% – 15% of retirement spending, depending on the retiree's age.
 - In addition to factoring these expenses into your budget, you'll also want to consider where you'll be getting health insurance coverage.
 - If you retire at or after the age of 65, you can largely rely on Medicare for your retirement needs. You can get an overview of Medicare's coverage and costs at the official <http://www.medicare.gov> site. Pay special attention to anything you need that isn't covered. Some people like to have a supplemental insurance plan.
 - See my [Medicare Planning Checklist](#)
 - Things get trickier – and more expensive – if you plan to retire early. If you don't receive health insurance from your former employer or through your spouse's employer and don't yet qualify for Medicare, you'll have to get health insurance on your own. Whatever your situation, just make sure your insurance doesn't lapse when you need it most. Know the terms and conditions of your coverage as well as how

much you can expect to pay in premiums, deductibles, co-pays and out-of-pocket costs.

- Determine if you need LTC (Long Term Care) insurance or if you can self-insure.
- Plan your Estate
 - This will ensure your family is not plagued with financial burden after you're gone and that your money is dispersed according to your desires.
 - Assign a power of attorney and healthcare proxy to make decisions on your behalf should you become incapacitated.
 - Establish guardians for living dependents and appoint beneficiaries on life insurance plans, retirement accounts and shared assets.
 - Consider taxes here too, as you don't want your estate bequeathed to the IRS.
- Optimize Retirement Investments
 - One of the worst mistakes American workers make is designing their investment portfolio around their retirement date.
 - This leaves little earnings potential for their post-retirement life. It's never a bad thing to have more income!
 - Consider how retirement investments could supplement your retirement account earnings.
 - Keep in mind that your risk tolerance may change as you age and stop earning a paycheck.
- Optimize other income sources
 - Review your Social Security strategy
 - Review your pension strategy if you have one

- Learn how to Withdraw Funds
 - If you have an employer-sponsored plan, consider rolling the money over into an IRA account.
 - Consolidating into an IRA is probably the better option if you're over 59 1/2. At this time, you can take money out of your retirement accounts without incurring an early withdrawal penalty.
 - By 70 1/2, the law requires you to take required minimum distributions (RMDs).
 - You should make your decision based on what's both tax-efficient and what you and your family feel most comfortable with.
 - This can be very complex, so make sure you meet with your independent fiduciary financial advisor.
- Say Goodbye to your Coworkers 😊
 - Once you have checked off each of the above items and have successfully reached your retirement goals, you are officially ready to retire!

While this check list can serve as a guide, speaking to an independent fiduciary financial planner is the best way to get your financial life in order. Reach out to us today!

All the Best !

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