

Retirement Planning Considerations and Checklist

- 1** Set a target date for vocational freedom! You don't have to retire on this date if you are enjoying your work, or the compensation is hard to walk away from in that moment. But having a goal is the first step towards preparing for this transition.
- 2** Visualize your retirement
 - What will you do on the first day? Month? Year?
 - Where will you live?
 - How old will you be?
 - Who will be there with you?
 - Who is your support system?
- 3** Review your current spending and future spending goals
 - What are you currently spending each year?
 - Add in non-recurring "lumpy" expenses
 - Home maintenance and repairs
 - New cars
 - Large trips
 - A boat
 - Weddings/Celebrations
 - What expenses might go away in the future?
 - Education costs
 - Childcare and other kid-related expenses
 - Mortgage
 - What ongoing expenses might change or be added in the future?
 - Retirement healthcare
 - Retirement travel
- 4** Factor in the cost of inflation on all your expenses, and higher costs of inflation for retirement medical expenses
- 5** Consider how any planned relocation might impact your costs and taxes in retirement
 - Research state and local taxes and other cost of living differences
 - Visit your desired retirement location at different times of year
- 6** Consider costs of retirement living arrangements
 - Will your house need modifications to allow you to age in place?
 - If you expect to "downsize" research the actual cost of homes that fit your planned retirement lifestyle
 - Will you want to rent or own your home?
 - Will you have roommates or a tenant to help offset your costs?

- 7** Plan for the potential cost of long-term care
 - Research the cost of long-term care insurance
 - Consider if your savings can fully cover these potential costs, or if insurance is affordable
- 8** Determine how much you need to save each year to support your desired spending levels in retirement
 - Consider whether you should be saving in tax-free Roth or tax-deferred accounts
 - Maximize any employer matching contributions
 - Set up automatic savings to meet your goals
- 9** Review the investment risk in your portfolio, and decide how often to rebalance
 - Consider time horizon and risk level for each account individually, and your portfolio as a whole
- 10** Use a Monte Carlo Simulation to test your plan's probability of success
- 11** Establish an emergency reserve to protect 3-6 months of cash needs
- 12** Make a plan for any debt
 - Decide if you will carry a mortgage in retirement or plan to pay off the balance
 - Consider refinancing before you retire if rates have declined from your existing mortgage rate
 - Consider opening a HELOC while you are still working
- 13** Consider setting up a charitable giving fund while you are still working to maximize tax deductions while in higher tax brackets
- 14** Use up any accrued benefits at work that won't payout (i.e., PTO that would otherwise be forfeited upon retirement)
- 15** Update contact information with your employer plans before you retire (i.e., retirement/pension plans) and find out who to contact with future address or phone number changes
- 16** Consider whether a Health Savings Account is right for you (especially if you are planning to retire prior to age 65)
- 17** 3 years prior to retirement – start tracking expenses closely to make sure your spending assumptions are accurate

- 18** Review income sources – pension, part-time or passive income, deferred compensation, expected SS income, etc.
- Determine if your income sources will have a cost-of-living adjustment each year
 - Determine what happens with each income source upon your death or disability
- 19** Do you have a pension from an employer (current or former)?
- Explore the pros and cons of taking a lump sum versus an annuity
 - If taking an annuity, carefully compare the options for survivor benefits
- 20** Deferred Compensation - review any distribution elections for deferred compensation plans at least one year before retirement
- Determine if you need to make any adjustments based on expected future tax brackets and cash needs
- 21** Reconsider any life insurance coverage needs
- 22** Determine your retirement withdrawal strategy 2-3 years prior to retirement
- Fill tax brackets when you have low income to minimize lifetime taxes
 - Protect the first 3 years of cash needs in safe investments (i.e., cash or short-term bonds)
- 23** Take care of any health/dental needs before you retire if you have better insurance coverage while you are working
- Spend any funds in your employer's flexible spending accounts
- 24** Determine how you want to spend your time in retirement and develop a social network outside of work. What is your post-retirement purpose?
- Create and prioritize your bucket-list
 - Consider whether you want to pursue a bonus career
 - Consider any additional out-of-pocket costs associated with volunteering or continuing education goals
 - Do a practice run!
- 25** Update your email
- If you use work email for personal correspondence – set up a personal email address and share with your contacts
 - Switch any personal account logins that use the work email to your home email
 - Provide your personal contact information to your select work contacts
- 26** Consider how far in advance you will announce your retirement date to your employer
- Update your LinkedIn profile or other professional sites
 - Update your phone and email out-of-office messages at work to announce your departure

- 27** After retirement – determine if you should rollover employer 401k or 403b plans to your IRA
- Rollover any after-tax 401k dollars to a Roth (if the IRS still allows)
- 28** Update your estate plan if it hasn't been updated in recent years
- Include a list of contact information for key contacts (CPA, Estate Planning attorney, Financial Advisor, Insurance Agents) and list of assets/liabilities/insurance policies
 - Set-up a password keeper and be sure your personal representative has access
 - Review any social media account settings for successor designations
 - Periodically review your beneficiary elections on any retirement plans or life insurance policies
- 29** Determine when you should apply for Social Security (SS)
- Review the earnings history on your SS account for accuracy
 - Consider break-even age and benefit of delaying benefits up to age 70
 - Consider how your decision may affect any future survivor's benefit
 - Apply for benefits up to 4 months prior to target start date
- 30** Age 64 – start researching which Medicare plan will be best for you
- Work with a health insurance broker to help make sense of all the choices
- 31** 3 months before age 65 – sign up for Medicare (if you are still working, plan to sign up for part A at a minimum)
- 32** Plan a retirement celebration and enjoy this new phase of your life!