

2021 PLANNER



RETIREMENT PLANNER

Compliments of Divas, Diamonds, and Dollars Sisters and Sistahs Podcasts

CONSIDERATIONS FOR PRE- AND POST RETIREMENT

Involuntary Early Retirement

Leisure Time –

Hobby, Travel, Caring for Family: How much per month do you want to spend? Plan out trips. Look into outside resources to help care for family. These too must be part of your budget.

Unforeseen Medical Expenses –

We have no control over rising insurance costs but you can manage the extent of your level of activity and make sure you get all your wellness checks.

Uncertainty of Social Security Benefits

Estate Planning

When it comes to retirement planning, your family and loved ones are also part of the bigger picture. Your retirement savings may help finance the education of your children or grandchildren and could also play an integral role in keeping sentimental assets within the family. Failure to plan means that you may be forced to liquidate assets to cover for expenses, should the worst happen. You also risk becoming a financial burden, and with this in mind, pre-retirement is your best bet.

Pre-Retirement Checklist

FIRST – Having a plan 5 – 10 years out will help you prepare and make adjustments as life events unfold. Attend a Retirement Seminar.

SECOND – Start tracking your spending. This means have a budget and stick to it.

THIRD – Pay down debt AND put as much in emergency savings. Rule of thumb is 6 - 12 months. Biggest considerations are your mortgage and car payments. There is consumer debt and there is investment debt.

- Look at current net income vs. net retirement income
 - o Are you single?
 - o Married?
 - o Head of household (dependent children)?

THREE TYPES OF INSURANCE

- Health Insurance – Know what the rules are for keeping employer sponsored health insurance premium prior to retirement.
- Life Insurance – Investigate various plans based on cost, life expectancy, family needs
- Long-term care insurance – It's better to get a premium at a younger age. It will generally be cheaper based on different levels of coverage.

MEDICARE – You are required to sign up for Medicare at age 65.

- Determine amount of your income and the impact on premiums. Your premium will be based on your income. That is a bump up to your budget.

PENSION – Take advantage of any pension plan offered by your employer. If none from your employer, open up an account with a researched financial planner.

SURVIVOR BENEFITS – Consider coverage for your family. Deductions are made to your retirement pension or annuity.

SOCIAL SECURITY – Go to www.ssa.gov for more informed decisions.

- Save in advance because we don't know what changes the SSA has to make and you may have to cover what Social Security will no longer provide.
- The age you plan to withdraw social security depends on choices/factors:
 - If you plan to work full or part-time, there is an earnings test.
 - How long you will live? There is a calculator on SSA site.

TAXES – You should be strategic about your tax bracket and how it will affect cash flow. Think about this what time of year you retire and be sure to take out federal and state taxes if you live in a state that taxes you. You have a decision to make on pension contributions and deferred taxes: ROTH or Traditional IRA.

ESTATE PLANNING STRATEGY – Work with financial planner to cover insurance, all of your assets, income diversity, wealth distribution to beneficiaries. Inflation fluctuations are a part of this planning strategy. [More to discuss in a Podcast coming soon.](#)