



Retirement Planning Checklist

Getting your finances ready for retirement should be a fun exercise. After all, you're planning to have a relaxing time full of exciting activities. But sometimes the enormity of it and the plentitude of changing variables can make seem anything but enjoyable. This checklist is designed to help you focus on the positive aspects of planning your golden years. As you complete the tasks for your timeframe, look back over the previous period's suggestions to see if you need to re-do or update any of those steps.

If you are more than 20 years from retirement

- Complete a budget that will allow you to contribute as much to retirement as possible.
- Get all the matching retirement fund contributions you can from your employer and try to make maximum yearly allowed contributions.
- Consider putting your retirement contributions into a target date fund that will automatically adjust your allocations as you get closer to retirement.
- Consider opening an IRA or individual investment account if extra funds are available to put toward retirement.
- Reduce your unsecured debts since these tend to act as negative investments in your future.
- Build an emergency savings fund so you don't have to dip into retirement should problems arise.
- Use the online retirement calculators (like the ones at www.balancepro.net) to start projecting your saving goals. Remember to use high and low estimates of inflation so you are covered for different scenarios.

If you are more than 10 years from retirement

- If you own a home, strategize to have it paid off by retirement.
- As you move up the salary ladder, consider increasing contributions to your retirement plan(s).

- Check your retirement allocations and dial down the risk if necessary.
- Use a retirement calculator again to make sure you are still on target with your figures.
- Assess your non-retirement assets to determine if they could assist you in building a better nest egg for retirement.
- Put a concrete plan in place for eliminating all debts (except perhaps a vehicle payment) between now and retirement.
- If you are in a position to do so, consider buying property as a way of generating more positive cash flow in retirement.

When you are 5 years from retirement

- Write down your retirement goals. Do you want to visit all 50 states? Is there a special project you'd like to spend time on? This will help you not only have a rewarding retirement, but will get you thinking about what your golden years will look like.
- Talk with a fee-only financial planner to get an expert's opinion on your approach to preparing for retirement.
- Begin thinking about whether you will completely stop working in retirement, or if you will continue to work part-time. If you will work reduced hours, start to think about what job will allow you to do that.
- Do a projection for how much you will need for retirement on a month-to-month basis according to what you spend now.
- Analyze your social security benefits to see how they will contribute to your retirement income.
- From your human resources department, get an estimate of defined benefit plan income during retirement based on different anticipated retirement dates and decide which will work best for you.

Final preparations: 2 years from retirement

- Create a retirement planning file to organize your information if you haven't done so already.
- Contact the Social Security Administration to determine when you should apply for benefits based on the available options.
- As much as possible, calculate your retirement "paycheck" by combining all monthly sources of retirement income.
- Complete a retirement budget to see if your earlier projections for how much you will need on a month-to-month basis are accurate.
- Develop your withdrawal strategy from your different income sources. Try to be as conservative as possible with your withdrawals in the early years of retirement since the money may need to last a while.
- Begin making preparations for your retirement housing situation, such as a home downsizing.
- Contact your Human Resources department or employee assistance program to learn what free retirement preparation resources are available.

- Consult with a tax planner to learn how your taxes will be affected by retirement.
- Cancel your life insurance if you don't feel you need it anymore.
- Set up automatic deposit for as many of your retirement income sources as possible. This will make it much easier to manage than waiting on and handling several checks on a monthly basis.
- If you will be rolling over a retirement account into an IRA, allow at least two months for this to take effect.
- Review your auto and homeowner insurance policies for modification during the new life stage.
- Give notice to your employer.

Final preparations: 1 year from retirement

- Check your retirement budget and try it out for a month. If it doesn't work for you, consider how you can make changes.
- Think about your vehicle needs in retirement. Can you sell an extra car? Can you trade in a larger vehicle for a more fuel-efficient model?
- Use up any benefits that will expire, like medical, vision or dental. If you have money saved in a flexible spending account analyze your options for using it.
- Figure out your healthcare options for retirement, including Medicare eligibility or extending your work benefits through COBRA or another program.
- Update your will, estate planning, power of attorney and retirement account beneficiaries if need be.
- Consider long-term care insurance to cover you against the potential for needing extended assistance.