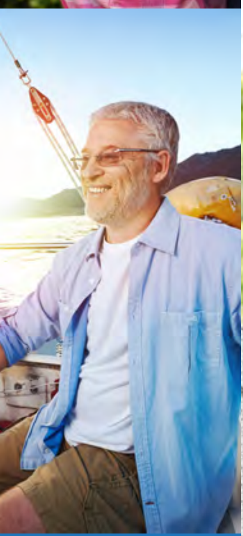
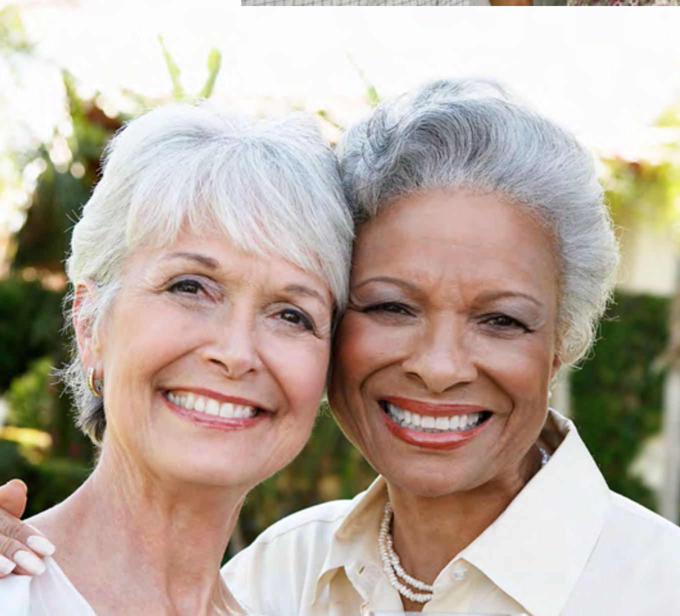
PREPARING FOR RETIREMENT





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Living in retirement can last decades as life expectancies continue to increase. You will need to plan for different stages of retirement. Strategically preparing for retirement is crucial for your future, but it can be an overwhelming process filled with questions and uncertainty. Where do you begin? What comes next? What should your priorities be? This Preparing for Retirement Guide will help you to prepare that plan for the future.

Think about your lifestyle

Continue to reinvent yourself

Whether through physical activity, staying socially connected, or by learning something new, engaging in physical and mental activities encourages your health and well-being as you age.

Retirement can mean continuing work

Find something you enjoy whether it is a part-time job, an encore career, or volunteering.

Think about your finances

Track and assess your budget and income

Remain flexible in your spending, budgeting and lifestyle. Your financial situation may change from year to year.

Take inventory of your assets

Evaluate where you currently stand financially. Consider your expenses compared to your income and budget. Be sure that your investment portfolio reflects your age and risk tolerance. Remember, generating retirement income from investment is not the same thing as growing your investments.

Be proactive in your tax planning

For IRAs and other retirement accounts, keep your Required Minimum Distributions (RMDs) in mind by planning ahead and understanding the rules and tax implications. Consider gifting money to your heirs if your financial situation allows.

Eliminate all debt

In an ideal world, we'd all enter retirement without any debt. Since your income in retirement is likely to decrease, any fixed payments will start to take up a larger share of your expenses. It is time to take a look at the debt column of your inventory. Add interest rates and terms in a new column beside your outstanding debts.

Consider a financial planner

An objective third-party review can be critical at this stage and may assist you in developing a sustainable withdrawal strategy.

Think about your health

Healthcare cost are always changing and increasing

Enroll in Medicare, including a drug plan, as soon as you are eligible, in order to avoid costly and long-term penalties.

Reassess your medical situation yearly

Take advantage of the annual Medicare open enrollment period to make changes.

Consider life insurance

When deciding if you need life insurance, it is better to sign up for a policy as soon as possible. You will save by purchasing at a younger age and in your best health.

Think about protecting your family

Put your plan in writing

No one likes to think about their passing, but as you near retirement, ensuring that you have a plan in writing will give you and your family the peace of mind of knowing your final wishes. Being prepared with an estate plan will ensure your family is not plagued with financial burden after you're gone, and that your estate is properly dispersed according to your desires.

Establish a power of attorney

In addition to creating a will, you'll also need to assign a power of attorney and healthcare proxy. You'll also need to establish guardians for living dependents and appoint beneficiaries on life insurance plans, retirement accounts, and shared assets.

Discuss your wishes with your family

Openly discuss your finances and final wishes to your family in the event you can no longer manage your own affairs. You can also craft a letter with any information that hasn't been accounted for, like desired funeral arrangements or dissemination of sentimentally family heirlooms.

Think about some pitfalls

Elder financial abuse is a growing problem

Take steps early to protect yourself. Consider confiding in relatives or a trusted friend regarding your financial situation.

Review and assess

Confirm that all beneficiary designations are in place and that you have a proper will, or other estate planning tool, to ensure your money goes where you want it to go.

On going monitoring

At least once a year, check your credit report to ensure accuracy. Dispute any false information.

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Retirement Assessment

Prioritize Your Retirement

Establish and prioritize your retirement goals and concerns. Rank your top goals and concerns 1 being the highest.

GOALS

- [ ] Retire early
- [ ] Create a steady stream of income
- [ ] Go to school
- [ ] Volunteer
- [ ] Make a major purchase
- [ ] Business transition and succession
- [ ] Leave a legacy
- [ ] Travel/hobbies
- [ ] Other ____________________

CONCERNS

- [ ] Taxes
- [ ] Inflation
- [ ] Market declines
- [ ] Lack of guaranteed income
- [ ] Supporting parent and/or adult children
- [ ] Risk tolerance
- [ ] Increasing medical costs
- [ ] Longevity
- [ ] Outliving assets
- [ ] Uncertain interest rates
- [ ] Other ____________________

Determine Your Estimated Retirement Expenses

Identifying your expenses is essential. Create an inventory of your expenses to estimate how much income you may need to maintain your lifestyle in retirement.

CATEGORY	INCOME SOURCE	ANNUAL AMOUNT
Housing	Mortgage/rent	$
	Utilities	$
	Home maintenance	$
	Property insurance	$
Necessities	Groceries	$
	Clothing	$
	Personal Items	$
Health Care	Insurance premiums	$
	Medical co-payments	$
	Prescriptions	$
	Long-term ins. premiums	$
Transportation	Car payments	$
	Insurance premiums	$
	Fuel/maintenance	$
Taxes	Property	$
	Income	$
Debt	Personal loans	$
Other	Credit cards	$
BASIC EXPENSE SUBTOTAL		$ 0
Entertainment	Travel/Vacations	$
	Recreation/hobbies	$
Other	Theater, dining out	$
DISCRETIONARY EXPENSE SUBTOTAL		$ 0
TOTAL ANNUAL RETIREMENT EXPENSES		$ 0

Calculate Your Retirement Income*

List how much retirement income you are expecting annually from non-investment sources.

INCOME SOURCE	ANNUAL AMOUNT
Social Security	$
Pension	$
Employment	$
Other	$
TOTAL NON-INVESTMENT RETIREMENT INCOME	$ 0

Many retirees may need to supplement Social Security and traditional employer pensions by using their investments. This could include receiving dividends or the proceeds from the sales of shares.

ANNUAL AMOUNT NEEDED FROM INVESTMENTS	$ 0

Subtract Total Non-Investment Retirement Income from Total Annual Retirement Expenses.

* Retirement income may be subject to federal, state or municipal taxes, which may lower the amount available to calculate into your retirement income.