

Pre-retirement to do list



Retirement getting closer? Then you've probably done a lot of planning for your future. But before you take that major step into the world of the retired, make sure that everything is in place to ensure your financial security through the years ahead.

✓ The red and the black

Before you retire, you should have an accurate picture of your net worth. Figuring it out isn't difficult. Simply list all your assets, including personal investments; savings, checking and money market accounts; life insurance policies; retirement plan assets; IRAs; and your home. Then list your liabilities, such as personal loans, credit card debt, your mortgage and any other money you owe. By subtracting your liabilities from your assets, you'll know your approximate net worth.

✓ Your retirement "budget"

You want to be certain that your money lasts throughout your retirement, so estimating your cash flow is essential. Start by listing the expenses you expect to have after you retire. Then draw up a multi-year plan for tapping your retirement income — not only how much money to withdraw each year but also which assets to tap first. It may be a good idea to withdraw money from taxable accounts initially, leaving other assets to continue growing tax-deferred.

✓ A look at taxes

Your tax situation may change after you retire. You may find that you're in a lower tax bracket because your income has decreased. You may have to make quarterly estimated tax payments. And remember that changes to your portfolio could have tax consequences, so plan carefully.

✓ Healthcare review

Once you turn 65, you'll be eligible for benefits under Medicare, but you still may want to carry supplemental insurance to pick up costs that aren't covered. If you won't have coverage through your former employer, you may want to start looking at supplemental policies before your retirement day arrives.

✓ Social Security review

Continuing to work means continuing to receive a paycheck. Beyond that, it could have a positive effect on your future retirement income if it means you can afford to delay collecting Social Security. For every year past full retirement age that you delay, up to age 70, your benefit amount will increase by 8%. If you're married, delaying can also increase spousal benefits. Keep in mind that if you're already collecting Social Security benefits but haven't reached your full retirement age, your benefit amount will be reduced once your earnings exceed the applicable annual limit.



USI Consulting Group will help keep you on track to reach your retirement goals. If you have questions about your workplace retirement plan, please call our customer service center at 866.305.8846 or email us at directsolutionsparticipantquestions@usi.com (reference your plan's name and 3-digit code in the subject line).

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