

## **A Retirement Checklist**

**My Comments:** Some of us just go with the flow and hope for the best.

Others are more inclined to properly set the stage to increase their chances of success. If you're one of the latter, here is a really good checklist to have at hand as you think about and get ready for retirement.

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Clients often ask financial planners, "Will I be OK in retirement?" Before looking at a client's assets and expenses to answer that question, we ask follow ups such as, "What do you want your retirement to look like?" Each individual's perspectives on retirement are unique. Some people want to remain in their current house and community. Others wish to downsize and stay in the area close to family and friends. There is yet another group that wants to leave expensive Northeast states and move south or west.

Thus, it's key to expand on a client's retirement goals earlier rather than later.

The checklist below illustrates different items to think about as retirement approaches, from ten years before to right after retirement begins. The earlier one starts planning for retirement, the more prepared one should be not only financially, but also emotionally.

### **5 to 10 Years Before Targeted Retirement**

- Brainstorm retirement goals and dreams of what your retirement will look like.
- Think about where you want to live and whether you want to downsize.
- Revisit goals and timeframe annually.
- Obtain annual credit report.
- Pay down mortgages and other debt to strive to become debt-free by retirement age.
- Revisit progress toward achievement of retirement goal and adjust retirement contributions and/or spending as appropriate.
- Review estate planning needs and update documents, titling and beneficiaries as needed.
- Consider long-term care insurance.

## **1 to 5 Years Before Targeted Retirement**

- Attend pre-retirement workshops and/or consider a personal life coach to help prepare for the transition.
- Get comprehensive medical, dental and vision exams while still covered by employer insurance plans.
- Consider Social Security claiming strategies.
- Request estimate of pension or retiree medical benefits.
- Get educated about Medicare options.
- Revisit estimated budget for income and expenses anticipated in retirement.

## **6 to 12 Months Before Targeted Retirement**

### **For income tax planning:**

- Speak with your accountant about your expected new income bracket and how to plan for it.
- Discuss possible Roth IRA conversion or other tax planning strategies.
- Know if you are eligible for any outside retirement plan contributions.
- 401(k) plan:
  - Plan to max out contributions for the current year.
  - Confirm all funds in 401(k) accounts are vested.
  - Confirm whether funds are pre-tax only or pre-tax and after-tax.
- Coordinate with wealth manager to keep 401(k) funds in plan or roll to an outside IRA.
- If rolling to an outside IRA, open new account and obtain account number and custodian address/wire instructions for future deposit.
- If retiring between ages 55 and 59.5, you may want to wait to roll over due to options to take penalty-free withdrawals from your 401(k) in year of retirement or take 72t distributions for at least five years.

### **Pension benefits:**

- Obtain all pension benefits available through current employer.
- Determine whether or not a lump-sum pension option is available and whether it is preferable for you.
- Other qualified and non-qualified retirement benefits.
- Obtain information on all additional plans offered by the company and information on vesting, tax, and transfer of these accounts.
- Social Security Benefits:
  - Login to [www.ssa.gov](http://www.ssa.gov), create an account and obtain a current benefits statement.

- Be sure to complete this step for spouse.
- If divorced, contact Social Security directly at (800) 772-1213 and obtain information on taking benefits as an ex-spouse.
- Coordinate Social Security Analyzer tool with benefits statements to determine your claiming strategy.

## **2 to 3 Months Before Retirement**

- Paid time off: If you have any accumulated sick days, vacation time or other PTO days, determine if/how you will be paid for these days.
- Advise your supervisor and HR representative in writing of desired retirement date.
- Hopefully you'll agree on a specific date (e.g., first week in January depending on payroll and other items).
- Consider a date which you will be eligible for year-end bonus or other benefits, including 401(k) matches, profit sharing, or stock options.
- Request retirement package of paperwork from HR.
- Depending on the size of your company, HR will generally provide its own packet of paperwork and forms that need to be completed.
- Determine date for exit interview with HR/supervisor.
- Make final decision on all insurance, including medical, dental, vision and life insurance (timing will depend on company policies).

## **One Month Before Retirement**

- Obtain via online or phone all the paperwork to roll your 401(k) (or other retirement accounts) out of the plan into an outside account, if that's the choice you've made.
- Complete paperwork and contact HR to see if plan administrator signature is required.
- Paperwork will be sent in following retirement date.

## **One Week Before Retirement**

- Confirm that HR retirement package has been completed and all relevant documents are signed.
- Clean-up desk/emails, etc.
- Remove any personal/private information from work email and computer.

## **Post Retirement**

- Complete the 401(k)-rollover paperwork, which you should submit following retirement date

There are many decisions to consider as one prepares for retirement, from healthcare options to account logistics. Understanding what should be done and when well in advance of your retirement date can be key to reducing stress in the months and weeks before you stop working. Employers will have deadlines on paperwork submission, some of which are your last day of work or thirty days after. Knowing these deadlines and seeking information in advance is essential. Use all available resources, such as your company's human resources department and your professional advisors, to help make the transition as smooth as possible.