

WISELY ADVISED 10-POINT RETIREMENT CHECKLIST

Retirement is an exciting new phase of life. Many times, you're leaving behind a career and a lifestyle that you've spent the majority of your lifetime building. This transition can be challenging and a little bit nerve wracking - even if you're excited about what retirement holds for you! One of the most intimidating parts of retirement is that there are so many to do's to check off your list before you're fully "ready" to retire. A quick Google search shows hundreds of different opinions on how much you need saved, different financial moves to make and lifestyle considerations to discuss with your partner. It's impossible not to get overwhelmed.

That's why the Wisely Advised team has put together an easy-to-follow checklist so that you can hit the ground running and conquer your pre-retirement to do list. **Are you ready to retire? Let's dive in!**

By Tony Velasquez



1 Pay Off Your Mortgage

This is a controversial piece of advice, even among advisors. Many people don't deem it necessary to pay off any mortgage debt you carry during retirement, but the Wisely Advised team disagrees. Even if your mortgage payment is modest, and could easily fit into a retirement budget, the total debt has such a negative impact on your overall net worth that it isn't wise to retire with it hanging over your head.

Your retirement savings should be entirely dedicated to taking care of you financially during your retirement. And after that? Anything leftover should be available for you to use in estate planning and building the legacy you want to leave behind. Using your fortune to pay off a mortgage during retirement makes both of these goals difficult.

2 Define the Lifestyle You Want

The transition to retirement is about more than money - it's about mindset too. You need to take a step back before diving into retirement to decide how you'd like your new lifestyle to look. Most of us have an idea of how retirement should look - travel, spending time with family, lots of golf - but few of us have thought about what kind of lifestyle would make us happy during retirement.

Taking the time to consider how you'd prefer to spend your days can help you make the transition without feeling like you've lost a sense of purpose. This can also be a good time for you to consider how you'd like to spend your money in retirement. Do you want to travel? Are you considering selling your home to downsize or move closer to family? Are you interested in pursuing a new hobby, like golf and gardening? You have endless options available, and it's exciting to consider what this next phase of life will look like for you.

3 Set a Budget

Based on your newly defined retirement lifestyle, you can start to build a budget. Make sure to incorporate the rising cost of health expenses as you age, any current expenses you have and new costs that will crop up as you enjoy your life outside of the workforce.

When building a budget, it's important to be honest with yourself. How much are you going to realistically spend now that you have additional time on your hands? If you shortchange your budget now during the planning phase you may eat through your retirement savings faster than you anticipated - which is a bad situation for anyone to be in.

4 Work Backwards to Reach a Savings Goal

Now that you've defined the lifestyle you want and the budget that will be required to achieve that lifestyle, you can work backwards to reach your "number." There are many rules of thumb here that people follow, but at the end of the day no one-size-fits-all solution will perfectly cover all of your needs.

Instead, take into account how much you'll receive from Social Security, whether you'll collect income from a pension plan and your current savings. From there, estimate how much more money you'll need to last you for longer than you believe you'll live. It's always important to overestimate your lifespan so that you don't run out of money as you move through retirement.

5 Talk to an Estate Planning Attorney

Every retiree should have an estate plan in place if they don't already. Speaking with an estate planning attorney to dot your I's and cross your T's is key. An estate planning attorney can help you set up your will, power of attorney, beneficiaries designations, and more. Most importantly, your estate planning attorney can help you build a way of allocating your funds after you pass away so that they're being used in a way that continues to create a positive impact in the lives of those around you.

6 Check Your Insurance

Many retirees don't believe they need life insurance - and they're not always correct. Many retirees still need life insurance to help financially insulate their spouse and dependents in the event of their death.

You also need to check your medical insurance, to be aware of what coverage options you have if you don't qualify for Medicare yet. Health care is expensive - don't wait until it's too late to enroll in a plan. Many retirees who avoid this step are financially sunk as a result of unexpected medical costs.

7 Sign Up for Medicare

Most Americans are eligible to enroll in Medicare at 65 years old. To enroll in Part A and B, the traditional enrollment period is 7 months long - 3 months before your 65th birthday, the month of your 65th birthday and 3 months after. Depending on whether you're already enrolled in Social Security you may be automatically enrolled in Medicare. Additionally, you may fall into a Special Enrollment Period if, for some reason, you were still covered by a group health plan through your employer during this window.

If you don't sign up for Medicare during your allotted window, or the Special Enrollment Period, you may be subject to penalties. For this reason, even if you think you've been enrolled automatically it's important to check your status and explore Medicare Part C and D options, as well.

8 Enroll in Social Security

There are several different ways to apply for Social Security benefits - you can call, visit a local Social Security office or complete an application online. To apply, you need to gather several pieces of financial information including current health insurance, marriage or divorce certificates, employer details and banking information.

Keep in mind that the longer you wait to enroll in Social Security, the higher your monthly payout will be. Although it's required that you enroll in Medicare at age 65, this isn't true for Social Security - you can put off enrolling to earn a larger monthly payout. Whether or not this is the right decision for you is dependent on a number of factors and you should speak with a professional financial planner to learn more.

9 Check Your Asset Allocation

As you enter retirement, or as you near retirement-age, your risk tolerance should naturally decrease. You no longer have the capacity to make room in your investment portfolio for unnecessary risks because you'll need to access your wealth very soon. Checking your asset allocation to ensure you're not taking on too much risk is critical as you get ready to retire. There is nothing worse than nearing retirement and seeing your account values decrease significantly due to not having an asset allocation that reflects your retirement time horizon.

10 Get an Advisor

Retirement is emotionally and financially complex. A financial advisor can help you navigate these new waters by building a budget for pre-retirement to help you save and for after your retirement transition. Your advisor will also help guide you through investment options, and help you rebalance your portfolio and create a savings plan that helps you achieve your short and long term retirement goals.

At Wisely Advised, we specialize in partnering with clients to plan for a financially stable, emotionally fulfilling retirement. If you'd like help getting retirement ready, we'd love to talk to you.

**CONTACT US TODAY TO SET UP YOUR
OBLIGATION-FREE CONSULTATION.**

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