

RETIREMENT PLANNING CHECKLIST

PLAN TO PAY OFF YOUR DEBT

- Will you retire before you pay off your mortgage, cars, or credit cards? Make sure you understand the costs of retiring with debt, and have a strategy to pay it off.

PREPARE A BUDGET FOR YOUR EXPENSES IN RETIREMENT

- In retirement, you'll likely spend less on payroll taxes, income taxes, and your work wardrobe and more on hobbies or travel.
- Remember to plan for medical costs. This includes medical insurance, which you may now receive through your employer.

SAVE AS MUCH AS YOU CAN IN YOUR RETIREMENT ACCOUNTS

- Save 12% to 15% of your pay each year for retirement.
- Think about opening an IRA, and decide which type (traditional or Roth), then make it a priority to save the maximum you're allowed.

DETERMINE THE AGE AT WHICH YOU WILL RETIRE

- When calculating your expected expenses, make sure you know your expected retirement income (from pensions, investments, Social Security and other sources). Is your likely income greater than your expenses?

DEVELOP AN APPROPRIATE ASSET ALLOCATION STRATEGY FOR YOUR INVESTMENTS

- Make sure to allocate across the main asset classes, like stocks, bonds and cash, while also considering the amount of time you have to invest before your retirement.

GET ADVICE ON HOW TO TAKE PAYOUTS FROM YOUR PENSION PLAN

- 401(k)s and other defined contribution plans have become more popular than traditional plans, known as defined benefit plans, where you pay a set amount every month. Which option is right for you?

PLAN TO WITHDRAW FROM YOUR RETIREMENT ACCOUNTS

- Make sure to consider how you are going to make your savings last for your entire retirement, how to make withdrawals tax efficiently and whether or not you need to take out required minimum distributions (RMDs) from your 401(k) or IRA.

SIGN UP FOR MEDICARE AND MEDIGAP

- You have a seven-month sign up window for Medicare starting at age 64 and 9 months. If you miss it, you may have to pay higher premiums for life. If you still have medical insurance provided by an employer, including your spouse's employer, you can delay without having to pay higher premiums later. You'll want to enrol in Medigap, too.

Important Ages

- **59 ½** - IRA Distributions without early withdrawal penalty
- **60** - Social Security for Widow/Widower
- **62** - Social Security reduced benefits
- **65** - Medicare sign up
- **66-70** - Social Security Full Retirement Age
- **70 ½** - Required Minimum Distributions



FILE FOR YOUR SOCIAL SECURITY RETIREMENT BENEFITS

- You qualify for your full Social Security benefits at age 66-67, the age at which you've reached Social Security full retirement age (FRA) but you are eligible to receive reduced benefits at age 62.
- Your FRA depends on the year you were born:

Year of Birth	Full Retirement Age
1943-1954	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 or later	67

BALANCE YOUR INCOME NEEDS WITH YOUR ESTATE PLANNING GOALS

- Leaving an inheritance to your children may affect the retirement preparation choices you make. Money left in an IRA could bring larger tax consequences for your children than money in taxable accounts would.
- Taking money out of your IRA before your taxable accounts will reduce the tax burden on your children; ask about planning with a Stretch IRA.

EASE YOUR WAY INTO YOUR NEW LIFESTYLE

- When setting off on this new phase of life, you may feel like it's time to leave all the remainders of your old lifestyle behind. Instead of taking a giant leap, like selling your house and moving to a new part of the country, instead take a small step and rent for the first winter. Renting might help decide if you're ready to leave your old neighborhood behind.

ENJOY THE RIDE

- Make sure to check in with your advisor to make sure that your strategy is working as expected and make any adjustments you may need.

KEY POINTS:

- Try to eliminate credit card debt before you retire.
- Medicare coverage can begin as early as the first day of the month in which you turn 65.
- It is important to review your retirement plan every few years. This will help to catch small problems before they become big ones.

The Musuneggi Financial Group, LLC.

Manor Oak Two, Suite 520, 1910 Cochran Road, Pittsburgh, PA 15220

Phone 412-341-2888 - Web: www.mfgplanners.com

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