Check-in on the road to retirement

No matter where you are in your retirement journey, there are important financial factors to consider – especially with the recently passed SECURE 2.0 Act of 2022. This checklist can help you prepare for the future with tips on retirement savings plans, inflation and more. Be sure to print it out for future reference and conversations with your advisor.

SAVING FOR RETIREMENT

1. Make the most of employer-sponsored retirement plans

- ☐ **Contribute to your retirement plan** as soon as you are eligible.
- ☐ **Try to max out any employer match** so you don't leave money on the table[1].
- ☐ **Contribute the maximum** allowed to qualified plans when possible.

2. Save more towards all your goals using additional tax-advantaged accounts

- ☐ **Consider saving more** in traditional and Roth IRAs (including spousal IRA contributions if eligible).
- ☐ **Consider Health Savings Account contributions** (if eligible): Save money on many out-of-pocket medical expenses.
- ☐ **Save for future educational expenses** with 529 College Savings Plans.

3. Benefit from catch-up contributions if you'll be age 50 or older any time this year

- ☐ **Age 50:** Begin catch-up contributions to IRAs and qualified retirement plans and review annually since the amount will now be indexed for inflation.

4. Finalize any important legal documents you may need

- ☐ **Review and update your beneficiaries.**
- ☐ **Sign Trusted Contact Person form:** Choose a person your advisor can call when they have questions or concerns about your whereabouts or health status.
- ☐ **Establish a living will/healthcare directive:** State your wishes for end-of-life medical care in case you become unable to communicate your decisions.
- ☐ **Designate a healthcare proxy:** Designate someone you can trust to make medical decisions in the event you are unable to express your treatment preferences.
- ☐ **Establish a Durable Power of Attorney:** Designate someone to act on your behalf in the event of diminishing capacity.

5. Begin estimating your future lifestyle costs

☐ **Consider all expenses:** Talk to your advisor about estimating out-of-pocket healthcare expenses and setting priorities for living expenses.

NEARING RETIREMENT

6. Identify and plan for your income sources during retirement

☐ **Take into account** your investments, business, Social Security and pension/annuity income.

☐ **Determine withdrawal rate:** Decide on an appropriate withdrawal rate from your retirement plans.

7. Understand the risks, both external and personal, that can impact your plan

☐ **Take measured steps** against healthcare costs, longevity risk, sequence of return risk and inflation risk.

8. Assess your legacy and wealth transfer goals

☐ **Create a will and trust:** Decide how you want your property to be distributed as you consider legacy planning and wealth transfer.

9. Be prepared for healthcare costs in retirement

☐ **Understand the costs and need for long-term care:** Ask your advisor about ways to plan for this risk.

☐ **Understand Medicare coverage:** Medicare won't cover all expenses, so plan for out-of-pocket expenses like premiums, deductibles, co-pays, supplemental insurance for non-covered expenses like dental and vision care.

☐ **Age 65:** You become eligible for Medicare. If you retire before 65, you'll need to plan for a gap in coverage until you are eligible.

☐ **Annual Election period after 65:** Between October 15th and December 7th, you must re-enroll in Medicare every year, so it's a good time to review your coverage needs. There is a penalty enforced for life if you miss a year.

10. Determine your Social Security withdrawal strategy

- ☐ **Review Social Security options:** Consider the withdrawal rate for your retirement accounts in conjunction with a review of your Social Security options with your advisor. Be sure to consider the impact your claiming decision may have on survivor or spousal benefits if you are married.
- ☐ **Age 62:** You may begin receiving reduced Social Security benefits on your own record, a spouse's record or an ex-spouse's record.[2]
- ☐ **Full Retirement Age (FRA):** The full benefit age is 66 for people born in 1943-1954, for people born between 1955-1959 FRA is 66 + 2 months per year after 1954 until 1960 and it is 67 for those born in 1960 or later.
- ☐ **Age 70:** You have maximized your delayed retirement credits and should begin receiving benefits.

IN RETIREMENT

11. Understand new Required Minimum Distribution (RMD) rules

- ☐ **Age 70 ½:** Eligible IRA owners can make qualified charitable distributions paid directly to a qualified charity (up to $100,000 and a one time option for $50,000 to charities through various charitable split interest trusts).
- ☐ **Age 73:**[3] You must begin taking required minimum distributions from IRAs, 401 (k)s and 403(b)s.

12. Continue to stay on top of your financial life

- ☐ **Regularly review** your expenses and income needs, withdrawal strategy, beneficiaries, healthcare proxy, will and trust to ensure your plan meets your current needs.

* This information should be considered only as general information and should not be used to determine how or when to claim Social Security benefits or enroll in Medicare coverage. If you have questions regarding your particular situation, please contact your legal or tax advisor. Information is as of February 2023 and may change in the future. Congress has made changes to the law in the past and can do so at anytime. Additionally, the Social Security Administration (www.ssa.gov) and Medicare websites (www.medicare.gov) contain additional information and publications. The Medicare website allows you to search for and compare healthcare plans, Medigap policies, drug plans, hospitals, nursing homes, home health agencies and doctors in your area.

1 You can start taking distributions from 401(k) plans without a 10% early-withdrawal additional tax if you separated from service at age 55. If you roll over to an IRA, withdrawal provisions differ. Penalty still applies if you roll over to an IRA and start withdrawing before age 59½.

2 Your checks will be reduced 25-35% if you begin claiming at 62 depending on your full retirement age.

3 Effective 1/1/2023, in accordance with new legislation, the required beginning date for RMDs is age 73. You may defer your first RMD until April 1st in the year after you turn age 73, but then you'd be required to take two distributions in that year. Failure to take all or part of an RMD results in a 50% additional tax applicable to the amount of the RMD not withdrawn. Consult your tax advisor for more information on your personal circumstances.