



**EXTRAMILE**

# Retirement Planning Checklist

Ensure a smooth transition into retirement with our handy checklist



# What You Should Do Five Years Before You Retire



- Estimate your monthly retirement income. This often includes a pension and Social Security.



- Estimate your retirement expenses. For a rough estimate of your future expenses in retirement, a general rule of thumb is to multiply your current income by 70-90%.



- Inventory your assets. You can do this by adding up the savings you expect to have by the time you reach retirement. This can include your 401(k), IRAs or personal savings. Once you've added them, you can divide the total by the number of years you expect to live in retirement. This determines the savings you will have to draw upon each year. From there you can add together your annual income and the savings you'll withdraw each year. You can compare this value to your annual expenses.



- Make sure you're on track financially. If your calculations show you're off track, you can make adjustments. For instance, you may want to reduce your expenses in retirement or save more over the next five years.



- Talk to a financial advisor who specializes in retirement planning to help you sort through your options.



- Build a cash reserve. In retirement, a one- to two-year cash reserve is recommended to cover short-term and emergency expenses.

# What You Should Do Three Years Before You Retire



- Create a budget. Creating a detailed budget well in advance of retirement will give you a realistic picture of your future expenses.



- Recheck your pension and Social Security benefits. The future income you calculated at year five may change during your working years. To keep tabs, get an update on your pension and from Social Security annually.



- Reevaluate your financial projections. Look at your future expenses in light of your projected retirement income and savings. Make sure you're still on track.



- Get essential information in order. In case of an emergency, you can help your family attend to your affairs by gathering essential documents. For instance, this may include a list of passwords for your online accounts.



- Confirm your beneficiary choices for your various accounts. This can include your life insurance policy, retirement accounts and pension.



- Evaluate long-term care insurance. Long-term care can be expensive, and it's generally not covered by Medicare. Luckily, long-term care insurance can help out. This coverage can be especially important if you have a history of health issues in your family.



- Review your employer's retirement benefits. Make sure you understand all benefits your employer offers to retirees, such as retiree health insurance.

# What You Should Do Two Years Before You Retire



- Refresh your financial projections. Get the latest estimates of your pension and Social Security benefit amounts. From there, take a fresh look at your retirement budget and savings.



- Think about your purpose in retirement. People often have clear expectations about life in retirement, only to find that it comes with unexpected challenges. Having an idea of your purpose early can help you avoid losing your sense of purpose later.



- Explore your housing options. In light of retirement, you may wish to sell your home or relocate to a warmer area.



- Test out your retirement budget. Give your budget a trial run for three to six months. If you can't make ends meet, tweak your plan or expectations.



# What You Should Do One Year Before You Retire



- Make a final decision about when to claim your Social Security benefits. Once you've decided on your retirement date, Social Security can provide the actual amount of your benefit checks.



- Develop a retirement withdrawal strategy. Once you retire, you'll need a withdrawal strategy that stretches your savings over the long haul, while minimizing the taxes you need to pay.



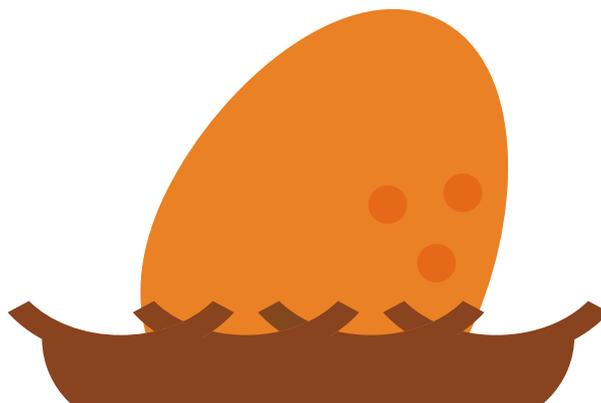
- Finalize your plan for post-retirement health insurance. If you retire at age 65 or older, your obvious choice for health insurance is Medicare. However, Medicare can be complicated, so take the time to get educated on it.



- Get medical check-ups. Your out-of-pocket medical costs will likely rise when you retire, so take advantage of your employer's health insurance plan in this final year before you leave. This means you should schedule your doctor's appointments and medical procedures sooner rather than later.



- Put an estate plan in place. Estate plans can help protect you and your assets while you are alive. They can also benefit your spouse and children when you pass on.



# What You Should Do Six to 10 Months Before You Retire



- Make sure your finances are up to date. You can talk to experts who can confirm that you're in good financial shape to retire.



- Formalize your retirement plans with your employer. Make sure they know when you're retiring.



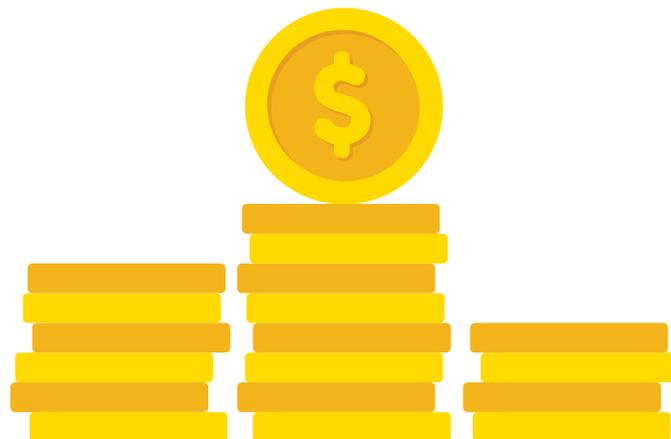
- Refresh your financial projections. Review and update the exact dollar amounts of your pension and Social Security benefits. From there you can develop a tentative budget for the first two years of your retirement.



- Plan your departure. Schedule an appointment with your employer's human resources office to discuss company guidelines for retiring.



- Meet with experts. Review and confirm your final retirement plans with your financial advisor. For instance, you'll want to make sure all of your beneficiary designations are up to date.



# What You Should Do One to Three Months Before You Retire



- Migrate from work to home. This can include establishing a personal email, and moving any personal online accounts to the new address.



- Move personal files from your work computer to your personal computer. In most cases, you can easily do this using a thumb drive, a Google account, the cloud, or other file sharing apps.



- Finalize arrangements with your employer. You want to submit your resignation letter when the time is right.



- Apply for Social Security benefits. If you wish to begin collecting immediately upon retirement, you can submit your Social Security application up to four months before you want your benefits to begin.



# What You Should Do After Retirement



- Make your assets last as long as you can. In your first year of retirement, monitor all your plans carefully and tweak where you need to.



- Enjoy your new chapter. After decades in the workforce, you deserve a happy retirement.

