

10 THINGS TO KNOW BEFORE YOU RETIRE

Retirement doesn't have to be intimidating. Here are 10 things to consider to make the transition smooth.

Ross Financial Inc.

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#1:

KNOW YOUR SPENDING

The most critical aspect of retirement planning is knowing how much you spend on a regular basis. It is the key to a successful plan, uncontrolled spending can derail a well thought out plan, but if you know where your money is going than it can ensure that you stay on track. No matter where you are in life, it is always advantageous to keep track of your spending. Most clients assume they will spend less once retired, but the reality often is they spend the same if not more. Budgeting doesn't have to be viewed as a punishment; it's about empowering you by knowing where your dollars are being spent in order to make sure the reflect your true values. If you don't know where to start when it comes to budgeting, click here to see our [Budgeting worksheet](#).

#2:

PAY ATTENTION TO YOUR RETIREMENT CONTRIBUTIONS

If you are lucky enough to have access to a company 401(k) that offers a contribution match, why would you turn down free money? When it comes to freebies and guarantees, there usually too good to be true, but your company match isn't. Make sure you're contributing enough to your 401(k) to receive 100% of the match. Furthermore, people often limit their retirement contributions to the amount that is matched by the company or how much the maximum IRA contribution "used to be". The maximum contribution limits on IRAs and 401(k)'s are set by congress and are subject to change on an annual basis. It's always a good idea to make sure you are reaching the maximum.



#3:

SOCIAL SECURITY INCOME BENEFIT

Did you know you can take SSI as early as age 62, but if you wait, your benefit will continue to grow (even if you aren't working) until age 70. After full retirement age, if you wait one year, you'll get 108% of your benefit. If you can delay until age 70, you would receive 132% of your full retirement benefit. You can check to see your benefit amount by visiting the Social Security Administration website, [Find out your potential benefit amount.](#)

#4:

KNOW YOUR TAX SITUATION

While still working, most clients only have one source of income. But when you transition into retirement and you've been working with us you'll typically have up to four or more sources of income and they all have different benefits in regard to taxes. We encourage people to consult with their tax professional to "fill up their tax bracket". With proper planning you can potentially manage your taxable income during your retirement and it might allow you to pull funds from retirement accounts at a lower tax percentage and keep more of all that you have saved and earned.



#5:

ESTATE PLANNING

Do you have a will? Do you have a power of attorney? Are all your investment accounts labeled according to your wishes? Are they all up to date? Estate planning is not just what happens to your money and assets after you are gone, it

also pertains to what decisions are made while you are alive. Most people would prefer to have a say in what happens to them, their money and their health decisions instead of having those decisions made for them. Ensure the documents are updated.

#6:

WHERE DO YOU PLAN TO LIVE?

Relocating can have a huge impact on what retirement looks like. Moving to another state can bring higher or lower costs of living, as well as a change in state and local taxes. It's always good to be thinking about and planning for the potential changes as you consider retirement so that they can be incorporated into your financial plan. If you plan on moving, what do you do with the equity in your home to get the most out of it?

#7:

YOUR ACTIVITIES

What are you planning on doing in retirement? Transitioning to retirement is a big change for most. Clients who approach retirement with the mindset of retire "to" something tend to find the most joy in the change rather than those who are just retiring "from" something. The transition is meant to be a celebration of all the hard work you have put in over the years and one of the best questions you can ask yourself is, what do I want to do with my retirement. Because gardening has a different cost associated with it than Boating or RV'ing. Whatever it is that you want to accomplish during retirement can be worked into your financial plan, but you have to know what it is you want to be doing first.

#8:

YOUR HEALTH

When it comes to planning for retirement, one question that is impossible to answer is, "how long will I live?" We're not doctors here at Ross Financial, but there is no question that people are living longer, which introduces more longevity risk otherwise known as the risk of out living your money. Stress from worrying about finances is one of the most common ailments to an individual's health. That's why people who work with financial advisors are more likely to report happiness, confidence, and stability in their financial and personal lives.

#9:

KNOW YOUR INSURANCE NEEDS

Do you have life insurance? Do you need it? More often than not, people have life insurance longer than they need it. If you are retired, you have determined that you can survive financially without your 8-5 Monday through Friday income...

so if something happens to a spouse, wouldn't it stand to reason that the surviving spouse would still have enough money regardless if their spouse has life insurance. If so, the monthly life insurance payment becomes a bill they don't need.



#10:

RUN A FINANCIAL PLAN

Having a financial plan, otherwise known as a retirement plan can help bring clarity to the idea of retirement. If you were planning to drive across the country, would you just hop in the car and drive as far as you could in one

direction without a destination in mind or knowing how far that tank of gas would take you? Probably not. A financial plan can bring you financial clarity, it shows you how much fuel you have in the tank, where the pitfall is and most importantly, all the amazing way you will be able to enjoy the trip along the

Ross Financial Inc.

To learn more about our team and the services we offer please visit our website, www.rossfinancialinc.com

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