Your Retirement Checklist

☐ Carefully Assess Your Financial Picture

You'll need to know how much money you have and what is available for living expenses. This is the time to gather all the details - on your assets and your liabilities. Don't forget to count antiques, personal property, cars, etc.

☐ Create a Retirement Budget

After that last paycheck is spent, where is your next dollar coming from? Create a monthly calendar that shows when regular income from pensions, annuities, and dividends will arrive. Calculate any shortfall. As soon as possible take a look at how your expenses will change. Don't be surprised if you discover that your cost of living won't drop overnight. You'll save on commuting and perhaps wardrobe. But you may face new expenses, too, such as private health insurance.

☐ Schedule Doctor and Dentist Visits

It's always a good idea to make sure your physical health is in order. Now, it's critical. Garrison Forest School will not continue your health benefits after you retire. Taking care of your health needs now under your existing coverage can alleviate added costs and stress later on.

☐ Determine Post-Retirement Health Benefits

Garrison Forest School does not offer retiree health care benefits. If you are retiring before your spouse or dependents are eligible for Medicare, you may need to find new coverage. If you're retiring at 65 or older, you may need supplemental coverage. Educator Benefit Service and AARP offer supplemental coverage through UnitedHealthcare. The supplemental coverage offered helps cover the 20% of costs that Medicare does not cover. Garrison Forest School will provide retirees with a packet from UnitedHealthcare about supplemental coverage plans. Be careful about obtaining COBRA coverage after retiring. If you obtain COBRA coverage after you retire you may be subject to Medicare penalties later on.

☐ Enroll in Medicare

If you are 65 or older you are eligible to enroll in Medicare once you retire. **Medicare Part A** is at no cost to you and helps cover inpatient care in hospitals, skilled nursing facility, hospice, and home health care. You can sign up for Part A while you are still working or you can delay Part A if you are covered under an employer sponsored health plan. **Medicare Part B** helps cover doctors' and other health care providers' services, some preventive services, outpatient care, durable medical equipment, and home health care. **Medicare Part C** offers health plan options run by approved private insurance companies who will combine Part A and B and help to cover prescription drug coverage. **Medicare Part D** helps cover the cost of prescription drugs. You usually get prescription drug coverage through a Medicare Supplemental Plan (Advantage Plan). If your Medicare Advantage Plan does not include prescription drug coverage you can join a Medicare Prescription Plan

When can you sign up for Medicare? You can sign up for Medicare within a seven month period of turning 65; three months before, the month you turn 65, or three months after. If you did not sign up for Medicare when you were first eligible because you were covered under a group health plan based on current employment you can sign up during the 8-month period that begins the month after the group health plan ends. **COBRA does not count as current employer coverage.**

To learn more about Medicare visit www.medicare.gov or call 1-800-633-4227.

☐ **Secure/ Extend Health Benefits for Dependent Children**

If you have dependent children, make sure that you'll still have health coverage for them after you retire. Remember, Garrison Forest School does not continue your health benefits. Also, make sure that children with disabilities will be properly cared for.

☐ **Review Social Security Options**

Now's the time to think about how to take your Social Security benefits. If you can afford to forego payments until you are 70 ½ you can increase your monthly check significantly- by 7% for every year between "full retirement" age (it's now 66 for people born in 1940 and later) and age 70 ½ . Conversely, if you opt to get benefits early, there's a significant penalty. You can request your latest Social Security statement, summarizing what you paid in and what you are scheduled to collect at different ages at the following URL: **www.ssa.gov**

☐ **Adjust/ Review Retirement Portfolio**

When you set up your 403(b) and other retirement savings accounts, the goal was to accumulate money. Now's the time to protect the nest egg. Even if you can afford to delay withdrawals, you may no longer have time to rebound from a serious market correction. Ask a financial advisor for help in selecting a suitable mix of investments now. You may want to add annuities to the mix. Ask them to determine how much income you will need to draw from your retirement accounts - and when. In general, the longer you wait the better. Mandatory withdrawals begin at 70 ½.

☐ **Assess Rollover Plans**

A new retiree may decide to roll over a 403(b) or other school-sponsored retirement savings plan to an Individual Retirement Account. With an IRA, you have much more control of your funds. On the other hand, if your 403(b) funds have done well, you might want to leave the money in the school plan, which may be cheaper to maintain. If you do roll over, be very careful about how you do it - a direct roll over to a new account is the safest way to avoid any tax liability.

☐ **Check Retirement Plan Beneficiaries**

It may have been decades you since named the beneficiaries for your IRAs and other retirement accounts. Make sure the choices are consistent with your current wishes. Also, consult your financial advisor about estate planning strategies for these assets.

☐ **Review Life Insurance**

You may no longer need life insurance to cover your mortgage or provide for the support of your minor children, but a life policy can be an important component in estate planning. Assess your current insurance holdings to see if what you now hold is still right for you. You might want to consider setting up an irrevocable life insurance trust for estate tax purposes. A life insurance trust is an irrevocable, non-amendable trust which is both the owner and beneficiary of one or more life insurance policies. Upon the death of the insured, the Trustee invests the insurance proceeds and administers the trust for one or more beneficiaries. If the trust owns insurance on the life of a married person, the non-insured spouse and children are often beneficiaries of the insurance trust. If the trust owns "second to die" or survivorship insurance which only pays when both spouses are deceased, only the children would be beneficiaries of the insurance trust. Ask your financial planner for more information about irrevocable life insurance trusts.

☐ **Review/ Revise Will**

Make sure your will is up to date. This legally binding document needs to convey your wishes and reflect your current situation. Talk to a financial advisor about the pros and cons of specific bequests to children and grandchildren. Update your choice of executor. You can find information about wills on **www.legalzoom.com**

□ Update Living Wills, Powers of Attorney, etc.

If you are suddenly incapacitated and unable to make your own medical and financial decisions, make clear who you want to make those decisions for you.

□ Consider Long-Term Care Insurance

Rates for LTC coverage varies widely depending on your needs and rise quickly with age. Explore carefully what you are actually getting for your money.

□ Talk to Your Tax Preparer; Adjust Withholding to Front-load Estimated Taxes

If you can prepay some of next year's federal taxes by increasing your withholdings now, you can lessen the shock of paying all your taxes out of pocket.

Taxation of your pension payout is usually done by your retirement savings plan company, just as taxes were taken out of your paycheck while you were working. Most pensions are taxed based on your current income tax rates. You will likely need to fill out a form indicating whether to take out taxes when you pick your pension payout method.

After your first year of receiving your pension payout, work with your tax advisor to be sure the proper amount is being taken out of your payment. If not, you can file a form to change the amount of tax to be withheld. But, you may be better off paying any additional taxes needed by filing quarterly estimated tax forms and paying any additional taxes that way.

Paying estimated quarterly taxes gives you more control over any changes you may need as you move through the various phases of retirement and your tax deductions change. As you complete your taxes each year, do an estimation of your income for the next year and recalculate any estimated taxes you might need to pay. Most tax advisors do this automatically as part of your income tax preparation without any additional charge. If you use a tax preparation package and prepare your own taxes, most tax preparation software will automatically calculate payments for the next year's quarterly estimated taxes.

Ask your tax advisor what other moves you might make now to prepare for life as a quarterly filer.

□ Have Your Home Appraised

It's important to know the value of all your assets, including your home, which well may be the biggest. Knowing the value will give you some options, including, perhaps, a reverse mortgage.

□ Think About Your Charities

This is a good time to plan to leave your legacy through charitable giving. Are you ready to make a donation? Can you afford to fund charitable remainder trusts or other vehicles that can provide income in life and tax benefits and help your favorite causes and institutions? Some helpful sites offering help setting up trusts are: **www.ustrust.com** and **www.legalzoom.com**

□ Become an Informed Consumer

One benefit of aging is receiving special discounts, as well as access to special services such as meals, home care, and transportation. Find out all the benefits that the federal government, as well as your state and city, provide. A good place to start is the Eldercare Locator, **www.eldercare.gov**. Also consider joining AARP for discounts at **www.aarp.org** .

□ Write Down Your Retirement Plan and Share It

Let your family know about your post-retirement financial plans. Make sure your spouse and children understand what to expect and what not to expect. Organize important papers (wills, deeds, insurance policies) and let family members know how to find them. Make sure your children know about any supplementary health care and long-term care insurance and your wishes regarding end of life care.

□ Helpful Links to Plan for Retirement

- **www.aarp.org – Provides a wealth of information regarding retirement**
- **www.socialsecurity.org – Get your statement; apply for benefits and apply for Medicare**
- **www.medicare.gov – Official site for Medicare**
- **www.aimsmmdc.org/associations/12483/EBS/- Educators Benefit Services website will provide information regarding AARP Medicare Supplemental Plan Options under their retiree benefit section**
- **www.eldercare.gov – Connects you with services in your area for the elderly and aging**
- **www.tiaa-cref.org**
- **www.uhcmedicaresolutions.com – UnitedHealthcare Medicare Information**
- **www.askbluemedicare.com/BCBSA/ - BlueCross BlueShield Medicare Information**
- **www.retirementrevised.com – A website providing retirement information. You can sign up for a free newsletter and watch retirement planning videos**
- **www.roadscholar.org – Site providing educational travel experiences for retirees and other older adults**
- **www.legalzoom.com – Provides information on Wills, Trusts, Power of Attorneys and other legal information you may need.**

□ Relax, You're Almost There!