PLANNING FOR RETIREMENT

EST. 1893
WALNUT HILL
SCHOOL FOR THE ARTS

Imagine a jigsaw puzzle. Lots of interlocking pieces to fit together that require your skill, ability, ingenuity, and patience that, once assembled, creates a picture. Once you have figured out how all the pieces fit together, you feel a sense of accomplishment and you are rewarded by the picture the puzzle creates. You now know how retirement planning works.

Consider the pieces of the retirement planning puzzle.

Lifestyle

Daily life

How you spend your retirement years should be guided by your passions and how you choose to spend your newly found free time. You may go through phases in retirement and your interests may change. The key is to use your time with activities that give you satisfaction and a sense of purpose.

Options: Part-time work, volunteering, travel, hobbies, time with family.

Where to live

Once you are retired you can live anywhere, budgetary considerations notwithstanding. What geographic location will give you the lifestyle you desire? Where you choose to live may change in later retirement years. Consider a trial run before making a permanent commitment.

Options: US or a foreign country, warmer climate, return to the city of your childhood, close to family, different seasonal locations.

Type of living environment

Give serious consideration to the living environment you choose, as you may find what sounds appealing in theory does not suit you in reality. Key elements in choosing a living environment are your health and changing physical needs.

Options: Your current residence or a downsized residence, condominium or co-op, living with family.

Financial

Income and Savings

The topic that generates the most interest and anxiety for those contemplating retirement is financial planning. How much income will you need? Will your savings and investments last for the rest of your life? In short, will you have enough?

Sources of income: savings, investment accounts, retirement plan accounts, Social Security, pensions, annuities.

Budget

How long your assets will last in retirement is a function of how much money you need to live on. Plan a budget for anticipated financial needs during retirement. Some expenses will be less as your work-life ends, but some expenses may be more such as healthcare costs.

Insurance (other than medical)
Your insurance needs will likely change in retirement. Perhaps you will be driving less and can get a discounted rate for car insurance. Review all existing insurance policies to determine if they meet your needs in retirement, or could premiums be reduced.

Financial advisor
You may have been your own financial advisor up to now. The rules of the game change in retirement, so having professional advice may be prudent. Some investment companies are offering financial advisors at discounted fees. The savings can be considerable.

Estate planning
If you have estate planning documents, they should be reviewed as you approach retirement. If you do not have estate planning documents, you need them now more than ever. It is prudent to have competent legal counsel prepare these documents.

Considerations: Distribution of assets as you wish, probate vs. non-probate assets, beneficiary designations, children from prior marriages, special needs of heirs, inheritance and estate taxes, charitable giving

Related documents: Will, living trust, financial power of attorney, advance healthcare directive (living will), medical power of attorney

Healthcare

Medical Insurance
In all likelihood your medical insurance needs will change in retirement. You may qualify for Medicare depending on your age at retirement. What are your options for medical insurance and what will the cost be?

Considerations: Coverage options under Medicare, supplemental medical insurance plans, dental insurance.

Long-term care insurance
Do you want or need long-term care insurance? What are the options and possible consequences if you choose not to have this insurance? What are the costs?

Health care documents
Do you have a health care power of attorney? An advance healthcare directive (living will)?

Charitable Giving

A piece of the retirement puzzle can be gifts to Walnut Hill. There are many ways you can support Walnut Hill that coordinate well with your retirement planning.

- You can give now or make provisions for a gift from your estate at your passing.You can make a gift and receive generous retirement income.
- If you are 70 ½ or older you can make a tax-free gift from your IRA account.
- You can give now or make provisions for a gift from your estate at your passing.

We would welcome the opportunity to provide information for how this piece of the puzzle can fit into your overall retirement plan.

Happiness

Happiness should be your ultimate goal in retirement. That means different things to different people. Discover what it means for you, and then do it!

We are here to assist

If you have questions please contact our Office of Legacy Giving by sending an email to development@walnuthillarts.org.