

5 questions that can help you feel more prepared for retirement.

Today we are going to talk about five steps to help make sure you're ready to retire. Retirement can be an adventure, but like any adventure, it can be more fun if you're prepared for it. Here are five questions that can help you feel more prepared for retirement from a Forbes.com article from August 20, 2018 by Christy Bieber.

1. How will retirement impact my spouse?

As part of a couple, retirement doesn't just impact you. It is going to be a change that can impact your entire family, especially your spouse. It is important to have some conversations before you retire. Will you both be retiring, or will your spouse work longer? If your spouse is planning to maintain a career, will you end up being responsible for more household tasks — and are you OK with that? These questions should be answered.

2. Where will your income come from?

This probably won't come as a shock to most people but when you retire, you no longer have those weekly, bimonthly or monthly paychecks. For many people, retirement income comes from Social Security and savings. A few — for example, government workers — have a defined benefit pension plan to provide guaranteed income. For others, having enough money invested to supplement Social Security is essential. To help make sure you won't come up short, add up potential income sources— from pensions, Social Security, and potential withdrawals from retirement accounts such as 401(k)s and IRAs — and figure out what your total potential monthly income will be.

You can estimate your Social Security income by visiting my Social Security at ssa.gov to find your benefit amount at full retirement age. Once you're logged in, there's a free retirement estimator to help you determine what your benefits will be based on the age you retire. If you're not ready to create an account, the Social Security Administration also has a quick calculator available to estimate benefits by inputting your current year's earnings, your birth date, and your future retirement date.

3. Is there a shortfall in your retirement budget?

Now that you have determined your potential income, it's time to find out if you have enough to cover your expenses. One way to tell is to make a budget. First, factor in all your fixed costs, such as housing, taxes, and insurance.

Then add up other expenditures such as traveling, clothing, personal care items, transportation, food, and entertainment. You should consider including saving: You may need to put aside money for other purposes, such as home repairs or medical emergencies.

4. What is your plan for medical expenses and healthcare?

While retirement is often thought of in positive ways, like crossing dreams off the bucket list, there is no escaping the fact that you are getting older. One big expense is likely to be healthcare costs. Medicare is only one part of your likely healthcare coverage. Seniors may

suffer from serious medical conditions, and Medicare may not provide the comprehensive coverage that you might assume it does. You may have to pick up some prescription costs on your own; pay premiums and coinsurance expenses; and pay out of pocket for care that isn't covered, such as nursing home services. You may need additional funds for healthcare, which could come in the form of long-term care insurance or a health savings account, commonly referred to as an HSA.

5. How will you spend your time in retirement?

This is where that bucket list comes in. What will you do in retirement? It can be a struggle for some retirees when they suddenly have a large amount of free time and little to do. Some seniors suffer health issues, including depression, when they lose their sense of community and purpose. To avoid that possibility, it is helpful to have a plan to reduce the risk of becoming lonely and disconnected from the world after retirement.

Depending upon your interests, this plan could include volunteering with local organizations, joining a senior center, babysitting your grandkids, joining a travel group, or taking exercise classes (seniors can often join a gym for free or discounted rate through Medicare's Silver Sneakers program).

And finally, if you want any more information on whether you're ready to retire give us a call at 586-203-2275.

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