

## WHAT ISSUES SHOULD I CONSIDER BEFORE I RETIRE?

### CASH FLOW ISSUES

#### **Will your cash flow needs change?**

If so, consider developing a new income and expense plan.

#### **Will you receive a pension?**

If so, consider the following:

- There may be multiple payout options (single, joint).
- Coordination strategies may exist between pension, social security, or life insurance.

#### **Could there be pensions and/or retirement benefits from a previous employer that you may be forgetting?**

#### **Are you retiring early?**

If so, consider the following:

- Social Security benefits may be reduced if you earn more than \$18,240 and are collecting benefits prior to your full retirement age (FRA) or earning more than \$48,600 in the year you reach FRA.
- Social Security benefits will be reduced if you collect prior to your FRA
- You can access your 401(k)-penalty free if you leave your employer after turning 55.

**Will you or your spouse receive a government pension for which you did not pay FICA taxes?**

If so, consider the impact of the Social Security Windfall Elimination Provision or the Government Pension Offset.

**Are you currently married?**

If so, consider additional Social Security claiming strategies.

**Were you married previously and currently unmarried?**

If so, consider the following:

- If marriage lasted 10 years and ended in divorce, you may be eligible for benefits under your ex-spouse's record.
- If the marriage lasted 9 months and ended due to your spouse passing away, you may be eligible for benefits under your deceased spouse's record.

## HEALTH INSURANCE ISSUES

**Will you be retiring before age 65 and need health insurance?**

If so, consider the following:

- You are not eligible for Medicare until age 65.
- You may be eligible for a Health Insurance Marketplace premium assistance tax credit if your MAGI is below \$49,960 (Single) or \$67,640 (family of two).

**Will you have to change your employer sponsored health insurance upon turning 65 or upon retiring from your employer?**

If so, and you are under age of 65, you may need to look to the Health Insurance Marketplace. If over age 65, you may need to sign up for Medicare.

**Will you need additional insurance such as vision or dental coverage?**

## HEALTH INSURANCE ISSUES (Continued)

**Are you contributing to an HSA?**

If so, consider HAS and Medicare coordination issues.

**Will your MAGI exceed \$85k (Single) or \$170k (MFJ)?**

If so, you may be subject to Medicare IRMAA Surcharges.

**Are you disabled?**

If so, you may be eligible for certain benefits or can access benefits early.

**Have your needs for life insurance changed?**

**Are you concerned about funding long term care?**

If so, consider LTC insurance, self-insurance strategies, and assisted living communities.

**If you have LTC insurance, does it need to be reviewed to ensure that it meets your needs?**

## ASSET & DEBT ISSUES

**Do you have stock options, grants, or restricted stock units (RSUs)?**

If so, consider how it will impact your tax liability and your cash flow planning.

**If you are a business owner, do you need an exit strategy or a succession plan?**

**If you have illiquid assets, do they need to be reviewed to understand options?**

**Do you have any loans on any employer retirement plans?**

If so, you may need to plan for how to pay it back and be mindful before rolling the balance to another plan.

**Do you have a deferred compensation plan?**

If so, coordination strategies may exist between pension, social security, or life insurance.

**Do you have multiple accounts with similar tax treatment (multiple 401(k)s or IRA)?**

You will want to understand all your available options.

**Will you change your residence?**

If so, this may impact tax liability, cash flow planning, and your Medicare Advantage Plan if you move out of network.

**TAX PLANNING ISSUES**

**Do you expect to have large Required Minimum Distribution?**

If so, consider strategies to reduce the RMD.

**Upon retirement, do you expect your income to be lower?**

**LONG-TERM PLANNING ISSUES**

**Do you expect your estate to exceed \$11.4 million or \$22.8 million?**

If so, consider strategies to plan for a possible federal estate tax liability.

**Are you charitably inclined?**

If so, consider charitable giving strategies to reduce your tax burden.

**Is the estate plan old or possibly outdated?**

**Do the account beneficiaries need to be reviewed and possibly updated?**

This includes retirement plans, life insurance, and TOD accounts.

## OTHER ISSUES

**Do you have any unused vacation days?**

If so, you may be eligible to sue them prior to retiring or may receive compensation.

**Are there any state specific issues that should be considered (such as state estate tax liability or unique taxation rules)?**