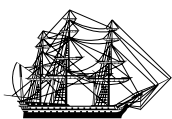


Learn how to prepare for retirement

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Soon you'll embark on one of the biggest changes in your life . . .

. . . the transition to retirement. When you retire, you'll be spending your nest egg instead of building it.

Working closely with your financial advisor to develop a financial plan to guide you can help ensure that you enjoy the retirement lifestyle that you've been looking forward to.

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Picture your retirement

Retirement is not a “one size fits all” proposition. Each person has a unique idea of how to spend time in retirement in a way that’s enjoyable and personally fulfilling.

Your retirement will likely be much different from those of previous generations. Rather than planning for years of relaxation and leisure, many people today stay active in retirement by starting a new career, going back to college, taking a part-time job, or volunteering. While the options are many, it’s important to have a good idea of what you’d like to do in retirement, so you can plan for it.

If you’re married, discuss your plans with your spouse. Try to identify any financial questions you may face. Will you sell your home or buy a vacation home? Do you expect to pay club dues for golfing or other activities? If travel is a top priority, have you worked out the costs? Your lifestyle in retirement will largely determine how much money you’ll need.

Consider some basics

To create your financial plan, your financial advisor will need to know some basic things about your intentions for retirement. Start making decisions now about when you want to retire, what you want to do in retirement, and how much money you’ll need.

It’s important for your financial advisor to understand your retirement goals.

He or she can help you develop a financial plan that seeks to provide comfortably for your needs but is sustainable over the many years you are likely to live in retirement.

According to the Employee Benefit Research Institute and Greenwald & Associates' 2015 Retirement Confidence Survey, 23% of investors expect to need 70% to 85% of their current income to live comfortably in retirement. However, when they sit down with their financial advisors and "do the numbers," many may find that they will fall far short of their ideal retirement income expectations.

Plan for a long retirement

Thanks to healthier lifestyles and breakthroughs in medical technology, life expectancy for Americans has increased significantly during the past half-century. While it's good news that you can expect to live longer in retirement and have a better quality of life, it also means your investment portfolio may need to last for 30 years or more.

Life expectancies at age 65

The table below reflects the most recent data available and indicates each spouse's chances at age 65 of living to the following ages.

Age	Husband	Wife
80 years	71%	79%
90 years	34	46
100 years	5	9

Source: Actuaries Longevity Illustrator. Accessed September 1, 2016, at <http://www.longevityillustrator.org>. Calculations based on a nonsmoker and average health.

Decide when to retire

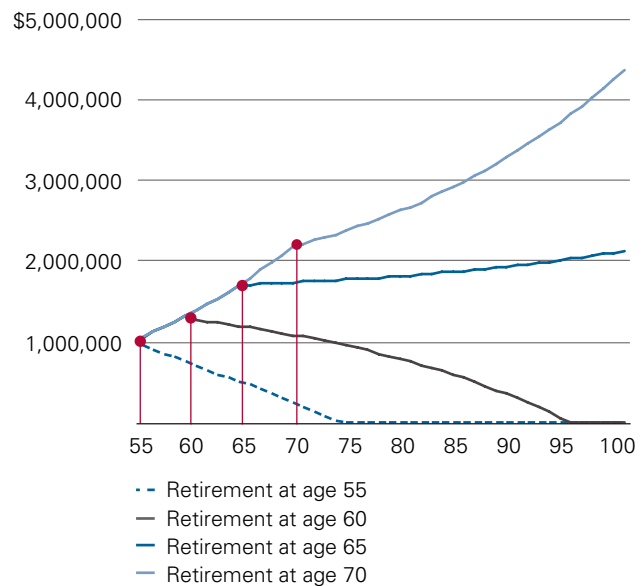
Many people consider 65 to be the typical retirement age. But recent studies show that the age at which most people expect to retire is rising. In addition, the age at which you can retire with full Social Security benefits is 67 years for people born in 1960 and later.

Sixty-seven percent of American workers expect to be employed in retirement, according to the *2016 Retirement Confidence Survey* by the Employee Benefit Research Institute. Some workers simply need the money, while others want to remain active.

The age at which you retire can have a huge impact on how long your portfolio will last. The chart at right shows projected savings given a retirement at ages 55, 60, 65, and 70.

In the hypothetical example at right, a 55-year-old retiree who expects to spend \$85,000 annually might run out of money before he turns 75. If he waits until age 60 to retire, he could start out with more savings, which would last until he reaches at least age 95. However, if he delayed retirement until age 65 or later, his savings could last his entire lifetime and then some.

The impact of retirement age on a hypothetical retirement portfolio



Notes: This hypothetical example assumes a starting portfolio balance of \$1,000,000 with real (after inflation) asset growth of 4% per year, a salary of \$100,000 per year, Social Security benefits of \$24,000 starting at full retirement age, 401(k) contributions of \$15,000 a year while working with a 4% employer match per year, and retirement expenses of \$85,000 per year.

Evaluate your expenses

Once you've decided on your retirement date and considered what you want to do in retirement, your financial advisor can help you determine how much your retirement is likely to cost. We've included a worksheet on page 8 to get you started.

List all your projected retirement expenses. Categorize them as nondiscretionary (for example, mortgage payments, utilities, and food) or discretionary (for example, travel, hobbies, and entertainment).

Surprisingly, many retirees find that they spend more money during retirement—especially on things such as travel, hobbies, and entertainment—than they did while they were working. In addition, you may have to cover expenses for health care that your employer now pays.

Consider health care costs

Health care costs may be one of your biggest retirement expenses. According to the Kaiser Family Foundation, only 23% of retirees age 65 and older are covered by employer-sponsored health insurance.

As costs continue to rise, many companies are reducing the benefits they provide to retirees, leaving retirees to pick up the additional costs themselves.

Talk to your employer to get a complete list of your current benefits and those you'll receive after you retire. This will help you determine which benefits you'll need to replace or supplement—and how that will affect your expenses.



Retirement expenses worksheet

	Expense category	Monthly amount
Housing	Mortgage/rent	\$
	Property taxes	\$
	Homeowners' insurance	\$
	Utilities	\$
	Maintenance/fees	\$
Food	Groceries	\$
	Dining out	\$
Transportation	Fuel/vehicle maintenance	\$
	Auto insurance	\$
	Public transportation	\$
Health care	Medical services	\$
	Medications and supplies	\$
	Health insurance	\$
Personal insurance	Life insurance	\$
	Disability/long-term care insurance	\$
	Other insurance	\$
Personal care	Clothing	\$
	Products and services	\$
Family care	Alimony	\$
	Child support	\$
Miscellaneous	Loans/credit card balances	\$
	Entertainment/hobbies	\$
	Travel/vacation	\$
	Gifts/charitable contributions	\$
	Education	\$
	Other	\$
Total monthly expenses		\$
Total annual expenses (Total monthly expenses X 12)		\$

Take inflation into account

Inflation can have a significant impact on the purchasing power of your money, as well as on the value of your investments. Since the 1920s, inflation has averaged about 3% per year. Going forward, though, inflation is expected to average about 2% per year, which means, you'll need about \$223,000 in 20 years to buy what \$150,000 buys today.

Factor in your taxes

When you consider income, sales, property, and other taxes, you realize that taxes will continue to be a sizable expense in retirement.

Once you stop working in retirement, and no longer pay Social Security or other payroll taxes, your state and federal income taxes may drop significantly. In addition, taxpayers age 65 and older get a higher standard deduction on their federal income tax return.

But remember: You'll generally owe state and federal income taxes on withdrawals from your tax-advantaged retirement plans (but not on withdrawals from Roth IRAs and Roth 401[k] plans); you may even owe tax on your Social Security benefits; and if you own a home, you are likely to pay increased property taxes over the course of your retirement.

Your financial advisor's plan will be geared toward minimizing the impact of taxes on your retirement income.

Taxes on withdrawals

If you aren't having federal and state taxes withheld from your retirement income, you'll need to either budget to pay these taxes or withdraw enough money to cover your living expenses, plus the taxes due. It's especially important to set money aside regularly if you must make quarterly estimated income tax payments, as many retirees do.

Also note that the income from your withdrawals, added to your other income sources, may move you into a higher federal income tax bracket. If your taxes rise during retirement, you'll have to either increase your withdrawals to maintain your standard of living or reduce your expenses.

Keep in mind that if you withdraw money from an IRA or employer-sponsored retirement plan before age 59½, you'll generally be subject to an early withdrawal penalty equal to 10% of the amount withdrawn, as well as having to pay the income tax that is due. Your financial advisor can help you put together a tax-efficient plan.

Taxes on Social Security

Generally, if your total income—whether from a part-time job, pension, annuity, or other source—exceeds certain levels, you may owe federal income tax on up to 85% of your Social Security benefits. About one-third of Social Security recipients must pay income tax on their benefits, so consult with your financial advisor.

Local taxes

Many retirees consider relocating to a state with lower taxes. Some states are considered tax-friendly to retirees because they have no state income tax. However, there are other types of taxes to consider.

Higher sales and property taxes may override the benefit of having no state income tax. For example, the trend of retirees flocking to Florida would lead many to believe the Sunshine State is the most tax-friendly state for retirees. In reality, Florida's lack of a state income tax is actually offset somewhat by its property and sales taxes.

Consider a spending account

Like many people, during your working years, you may have kept three to six months of living expenses in a money market fund¹ or some other liquid account you could easily convert into cash. When you retire, this slice of your assets becomes your “spending account.” Here's how it works.

Once or twice a year, determine how much money you'll need for 6 to 12 months of living expenses, an amount you'll keep in your spending account. If the balance in this account falls below the amount you specify, increase it by redeeming assets in your long-term portfolio. But to benefit from compounding—and to keep things simple—you should limit withdrawals to once or twice a year. Then, transact your day-to-day business, such as paying your mortgage, rent, or utility bills, from this account.

¹ An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although a money market fund seeks to preserve the value of your investment at \$1 per share, it is possible to lose money by investing in such a fund.

You'll probably have several sources of income to funnel into your spending account: Social Security benefits, defined-benefit pension payments (if you have any), required minimum distributions (RMDs) from your retirement accounts, or annuity payments. You can also direct any dividends paid and interest earned by investments in your portfolio into your spending account.

Your financial advisor can help you determine the best way to fund your spending account. However, when redeeming assets in your retirement portfolio, here are some points to remember:

- Your withdrawals may include principal along with earnings. Some retirees balk at spending principal, but remember, you saved and invested during your working years to enjoy retirement.
- If your spending account balance exceeds 12 to 24 months of expenses, return the excess amount to your long-term portfolio.

Maintain a minimum portfolio balance

Once you determine how to pay for your day-to-day expenses, think about how much of your portfolio you'll actually want to spend. All of it? Or would you feel more comfortable maintaining a minimum balance and spending the rest?

If you have a \$1.5 million portfolio, for example, and you want to keep \$750,000 in reserve, your goal will be to plan your retirement lifestyle based on having \$750,000 to spend.

Also, recognize that you may need to adjust your spending habits if you find that your long-term portfolio balance is nearing your self-imposed minimum faster than you expected.



Identify your sources of income

Most retirees have two main sources of income to pay for their living expenses: ongoing income—such as Social Security, pensions, and part-time employment—and investment portfolios.

By comparing your ongoing income with your anticipated expenses, you can get an idea of how much money you'll need to draw from your investments each year.

Use the retirement income worksheet on page 14 to determine the income that will be available to you.

As part of your income planning, you'll also need to make two important decisions:

- When to begin taking Social Security benefits.
- What to do with your employer-sponsored retirement plan assets when you retire.

Both of these decisions directly affect how much income you can expect to receive in retirement.

Retirement income worksheet

Projected household income		Annual amount
Social Security		\$
Wages		\$
Pensions		\$
Other income	Rental income	\$
	Veterans' benefits	\$
	Other	\$
Total pre-tax income		\$

Projected household income tax liability		Annual amount
<p>Estimate the amount of federal, state, and local income taxes on your household retirement income. Note that a number of states do not tax certain types of retirement income, including Social Security and pensions. If you're not sure what rates to use or what assets are taxed, consult your tax advisor.</p>		
Federal		\$
State		\$
Local		\$
Total income tax liability		\$
Total after-tax income		\$
(Subtract income tax liability from pre-tax income.)		

Your annual household retirement surplus or shortfall		Annual amount
(Subtract your total annual expenses from the retirement expenses worksheet on page 8 from your total after-tax income.)		
Total after-tax income		\$
Minus total annual expenses (from worksheet)		\$
Surplus or shortfall		\$

Decide when to take Social Security

Social Security represents a primary source of income for many retirees. The exact amount of your benefits will depend on the length of time you've worked, your earnings, and your age when you start receiving benefits.

Use the following chart to determine when you qualify for 100% of your Social Security benefits.

Birth year	Full retirement age
1942 and before	Currently eligible for full delayed-retirement benefits
1943–1954	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 and after	67

Source: Social Security Administration.

You can begin collecting benefits at age 62, but your monthly benefits throughout your retirement will be about 20% to 30% less than the full retirement benefit, depending on your birth date. If you delay taking Social Security benefits until after your full retirement age, your monthly benefits throughout retirement will increase for each year you delay retirement, up to age 70.

Deciding when to start taking Social Security depends on your needs:

- If you need the money or you don't plan to keep working, you may decide to begin taking benefits earlier.
- If you're working and don't need the income right away, or if you're in good health and you think you'll live beyond the average life expectancy for someone your age, you may want to delay taking Social Security and take advantage of the higher monthly benefit.

Remember, though, to apply for benefits three months before you want the payments to begin.

Know your employer plan options

When you retire, you'll need to decide what to do with the money in your employer-sponsored retirement plan. Whether you have a pension plan, a 401(k) or 403(b) plan, a SEP-IRA, or some combination of these, you have various options for withdrawing the money you've accumulated.

Taking your pension payout

A pension typically provides a specified benefit, usually a fixed monthly payment for life. The amount is generally based on how long you've worked for your employer and how much you've earned during that time. The normal retirement age for most plans is 65, but some plans allow participants to retire earlier with a reduced monthly benefit.

The typical pension plan offers several options for taking distributions. Consider them carefully before making your choice:

- **Single life annuity.** A fixed amount is paid each month until the retiree dies, and then all pension benefits stop. (Some pension plans allow retirees to specify that monthly payments continue

for a minimum number of years—usually 5 to 20 years. If the pension recipient should die before the end of that period, payments would then go to a beneficiary.)

- **Joint and survivor annuity.** A fixed amount is paid each month until the retiree dies, and then a percentage of that benefit is paid each month to the surviving spouse until he or she dies, after which all pension benefits stop.
- **Lump-sum payment.** The retiree receives a single payment. You decide how you want to invest the money, but unless you roll over the money to an IRA, you'll have to pay income taxes on the entire amount in the year you receive it.



Contact your employer's benefits office for information about your options. Be sure to check with all previous employers to determine what pension benefits you may be due in retirement. And compare your employer's annuity options with commercial annuities to see who offers a better deal.

What to do with your 401(k) plan

If you have money in a SEP-IRA, a 401(k), 403(b), profit-sharing, or money-purchase plan, you generally have four options for taking your money when you retire:

- Roll over the assets to a traditional IRA.
- Leave your money in the plan, depending on your account balance and your former employer's policy.
- Take your distribution in installment payments (if your plan permits), or buy an income annuity.
- Receive the assets in a lump-sum distribution—and pay a hefty tax bill.

Rolling over your assets into a traditional IRA can be a good option, because IRAs offer a wide range of investment choices and potentially lower costs, while still enabling you to keep your retirement savings growing tax-deferred.

You'll also have the opportunity (if you're eligible) to convert your traditional IRA to a Roth IRA, which generally offers tax-free withdrawals, although you'll pay taxes on the conversion.

When rolling over assets to a traditional IRA, make sure you move the assets via a "direct rollover" to avoid paying current income taxes and penalties.

If you have a traditional IRA or employer-sponsored retirement plan, you'll have to start taking annual withdrawals—known as RMDs—no later than April 1 of the year after you turn age 70^{1/2}.

Check with your plan administrator to learn about your options. If you worked for several employers during your career, there's a good chance you may have assets scattered among different plans.

What to do with company stock

If you have company stock in your employer-sponsored retirement plan when you retire, you can generally either keep the shares or sell them.

There are important factors to consider when rolling over assets to an IRA. These factors include, but are not limited to, investment options in each type of account, fees and expenses, available services, potential withdrawal penalties, protection from creditors and legal judgments, required minimum distributions, and tax consequences of rolling over employer stock to an IRA.

If your assets are heavily concentrated in company stock, you can significantly reduce your risk by diversifying your portfolio—selling some or all of the shares and reallocating the proceeds to mutual funds that invest in many different stocks, bonds, or cash investments. Remember, however, that diversification does not ensure a profit or protect against a loss.

If you decide to keep your company stock, you can either roll over your shares to a traditional IRA or transfer them to a taxable account (known as an in-kind distribution).

Work with your financial advisor to assess the tax implications of each option. Some plans have restrictions on holding shares outside an employer-sponsored retirement plan; your plan administrator will have the details.

What if you need to catch up?

If you find that your projected retirement income, including income from your investments, is not going to meet your needs, there's still time to do something about it.

Maximizing contributions to your retirement plans

Your first priority should be to take full advantage of your employer's retirement savings plan by "maxing out"—that is, contributing the maximum amount your employer will match. Then, contribute the maximum amount to your IRA, too.

If you're age 50 or older, you can make catch-up contributions to your employer-sponsored plan or IRA. See the tables below for contribution limits.

Employer plan contribution limits

Tax year	Under age 50	Age 50 and older*
2016	\$18,000	\$24,000

*Includes catch-up contributions, which may not be offered by all plans.

IRA contribution limits

Tax year	Under age 50	Age 50 and older*
2016	\$5,500	\$6,500

*Includes catch-up contributions.



Other potential income sources

Besides ongoing income from Social Security and employer plans, many retirees work or purchase annuities to generate more retirement income.

Employment

If you're working in retirement, you should be aware of the potential impact your earnings can have on your Social Security benefits and your tax situation.

Once you reach your full retirement age for Social Security (66 to 67, depending on your year of birth), you can earn an unlimited amount of money without affecting your benefits. Until then, working in retirement could increase your taxes, although you'll also have more income.

And if your earnings exceed certain thresholds, any Social Security benefits you receive before your full retirement age could be reduced.

Annuities

To supplement Social Security and pension payments, some retirees turn to income annuities to help meet basic expenses in retirement. These annuities are a separate investment option from the annuity distribution option that pension plans offer. You purchase an annuity with a lump-sum payment and, in return, you (or you and your spouse) receive regular, guaranteed income payments for life, subject to the claims-paying ability of the issuing company.

This guaranteed income stream can help minimize your risk of running out of money if you live longer than expected or if the financial markets perform poorly. Be aware that an annuity purchase is generally irrevocable, meaning you usually can't get the money back if you change your mind.

If you buy an income annuity, use only part of your retirement savings. For example, you might want to have enough fixed income—from Social Security, a pension, and an annuity—to cover your basic living expenses, such as food, housing, and utilities. And make sure you shop around for a low-cost annuity that's backed by a financially strong issuer. Your financial advisor can help you decide if an annuity is right for you.

Five ways to bridge an income gap

If you still anticipate an income shortfall, you can take several other steps to help produce more income for your retirement.

- **Trim your spending.** Rein in your budget by looking at your day-to-day spending. Buy a less expensive car, dine out less often, and take fewer (and less expensive) vacations.
- **Don't be too conservative.** Resist the temptation to abandon stocks (and their potential for higher, inflation-beating returns) as you get older. Stocks and stock funds can play an important part in your portfolio well into your retirement years.

- **Redefine *retired*.** By working a few more years, you can save more, collect medical and insurance benefits through your employer, and help improve your finances dramatically—even if you're just working part-time.
- **Downsize your home.** Consider selling your house and buying a less expensive one, renting an apartment, or moving to a more affordable community. If you do stay in your home, you could borrow against the equity in your house in a pinch to meet expenses.
- **Buy an income annuity.** With a lump-sum payment, you can purchase an income annuity that provides regular, guaranteed income payments for life, subject to the claims-paying ability of the issuing company.

Paying careful attention to your sources of income is an important part of preparing for retirement. Remember that your financial advisor is available to answer your questions and provide assistance.



Prepare your portfolio

You and your financial advisor have worked to create an investment strategy that you've followed as you've saved for retirement. Once you retire, it's equally important to work closely with your financial advisor to develop a strategy to help ensure that your investments continue to work for you and that you don't run out of money.

Review your investment strategy

In these years before you retire, it's important to determine whether your nest egg will be large enough to support your needs throughout retirement.

If you retire first and realize later that you didn't save enough, you face a tougher task to generate additional income. Since you'll no longer be working, or perhaps working only part-time, you'll have less opportunity to recover from financial missteps.

Don't focus solely on portfolio income

Even while you're in retirement, it's likely that your financial advisor will manage your portfolio for total return, seeking income and growth in principal value.

Many retirees feel they have to switch their portfolios to a very conservative asset mix, emphasizing bonds and money market securities, to help generate current income and protect their assets from decline. But such a strategy also limits the potential for the assets to grow and keep pace with inflation.



Because you could live for three decades or more in retirement, your financial advisor will probably suggest that you keep at least a portion of your investment portfolio in stocks for long-term growth. In addition, you'll be advised to spread your investments among stocks, bonds, and cash investments in proportions appropriate for your situation.

Choose the right asset allocation

Your asset allocation depends on several factors, including your investment objective, time horizon, risk tolerance, and personal situation.

If you already have a balanced mix of stocks, bonds, and cash investments, and your financial advisor has been helping you adjust this mix through the years, you may not need to change your portfolio when you retire. As you move further into your retirement years, your financial advisor may suggest moving to a more conservative mix.

Maintaining an appropriate asset allocation in retirement is just as important as it was during the years you were building your portfolio.

The key to investing in retirement is to maintain a balanced and diversified portfolio that enables you to cover your current income needs and generate enough growth so your assets last through your retirement years.

Choose the right investments

Once you have worked with your financial advisor to establish your overall asset mix, the next step is to diversify within the major asset classes. Broad diversification, with exposure to all parts of the stock and bond markets, helps to reduce—but does not eliminate—risk.

For the domestic and international stock portions of your portfolio, your financial advisor will likely recommend growth and value stocks, as well as the stocks of large, medium, and small companies.

For the bond portion of your portfolio, your advisor will probably suggest high-quality bonds with a broad range of maturities (short-, intermediate-, and long-term), while avoiding concentrating in higher-yielding—but riskier—bonds.

All investing is subject to risk. Investments in bond funds are subject to interest rate, credit, and inflation risk. Prices of mid- and small-cap stocks often fluctuate more than those of large-company stocks.

Simplify your portfolio

Over the course of your life, you may have accumulated numerous accounts—IRAs and 401(k) or 403(b) plans—at different financial institutions. As you approach retirement, your financial advisor will recommend that you simplify your finances, perhaps by consolidating your assets with one institution or by investing in “all-in-one” funds.

Consolidate your assets

Consolidation can make it easier and less time-consuming for your financial advisor to manage your investments and will reduce the number of documents you need for tax purposes. It will also ease the transition if you become incapacitated or die, especially for a family member who has been authorized to take charge of your assets.

As part of your asset-consolidation effort, your financial advisor may suggest that you roll over assets from all your employer-sponsored retirement plans to a single IRA. This can provide your financial advisor with more control over your investment choices and potentially reduce your costs.

Think about your spending plan

As you plan for retirement, you should also start thinking about how much you're going to spend from your investments each year.

If you're just beginning your retirement, you may want to limit your annual retirement withdrawals to 3% to 5% of your initial portfolio value, depending on the withdrawal method you choose. A withdrawal rate higher than that could substantially increase your risk of running out of money during your lifetime.

Update your estate plan

Once your retirement financial plan is in order, your financial advisor can help you update your estate plan to make sure your assets are properly protected.

At a minimum, your estate plan should include the following:

- A will, to specify who will get your property upon your death and who will raise any minor children.
- A living will, to give clear instructions on your wishes should you become incapacitated and unable to make decisions for yourself.

- A health care proxy or advance medical directive, to appoint someone to make medical decisions for you if your living will doesn't cover the particular situation in which you find yourself.
- A durable power of attorney, to enable someone else to act on your behalf if you become incapacitated.

As part of your estate planning, be sure to update the beneficiary designations on your retirement accounts and life insurance policies. These beneficiary designations generally override any instructions in your will. If you don't keep them current, your assets may not go to the individuals or organizations you intended.

Work with your financial advisor to make sure your financial paperwork is in good order and can be found easily by your family members if you become incapacitated or when you pass away. And if married, go over your financial affairs with your spouse and any children, so they'll be better prepared to take care of the household finances during what will be a difficult time for your family.

Countdown to retirement checklists

Use these checklists to help identify the key issues you need to address with your financial advisor as you prepare for retirement.

Five years or less to retirement

- If married, discuss your retirement plans with your spouse.

- Prepare a realistic retirement budget.

- Contact current and former employers for pension and benefits information.

- Determine what additional health or long-term care insurance that you'll need.

- Compare your projected income with your projected expenses.

- Assess the adequacy of your investment portfolio; increase your retirement plan contributions and your savings in taxable accounts, if necessary.

- Pay off any loans from your employer-sponsored retirement plan.

- Review your preparations once a year and adjust them as necessary.

- Make catch-up contributions to your employer-sponsored plan or IRA, if you can.

One year or less to retirement

- Update your retirement budget.

- Reassess your income sources, including your retirement plan distribution options.

- Reassess the adequacy of your investment portfolio, and determine if you can still retire in one year.

- Decide when to retire.

- Contact your employer's benefits office to begin the necessary paperwork for any retirement benefits.

- Consider consolidating your assets or rolling over your employer plan money to an IRA when you retire.

- Make appropriate changes to your asset allocation strategy, if necessary.

- Obtain any additional health or long-term care insurance that you'll need.

- Apply for Social Security benefits three months before you want the payments to begin.

- Sign up for Medicare three months before your 65th birthday.
(Note: If you're already collecting Social Security benefits when you turn 65, your Medicare benefits start automatically.)



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