Preparing for longevity checklist

What to consider at every stage of retirement

Age 50 to 59

Planning for the Future

- ☐ **Age 50:** Consider beginning catch-up contributions to IRAs and qualified retirement plans.
- ☐ **Contributions to your retirement accounts:** Try to max out your employer's match in your 401(k).[1]
- ☐ **Update your beneficiaries:** Review and update your beneficiaries. This can be done anytime and goes into effect immediately.
- ☐ **Sign a Trusted Contact Person form:** Choose a person your advisor can call when they have questions or concerns about your whereabouts or health status.
- ☐ **Understand retirement risks:** Take measured steps against healthcare costs, longevity risk, sequence of return risk and inflation risk.
- ☐ **Understand the costs and need for long-term care:** Ask your advisor about long-term care options.[2]
- ☐ **Consider HSA contributions:** Individuals covered by a "high deductible health plan" can make tax deductible contributions to an HSA which may grow and be withdrawn tax-free if used for future qualified medical expenses.
- ☐ **Estimate costs in retirement:** Consider all expenses; complete a Healthcare Costs Estimator and a Retirement Income Planning worksheet from your advisor.
- ☐ **Estimate retirement income sources:** Take into account your investments, business, Social Security and pension/annuity income.
- ☐ **Create a will and trust:** Decide how you want your property to be distributed as you consider legacy planning and wealth transfer.
- ☐ **Establish a living will/healthcare directive:** State your wishes for end-of-life medical care in case you become unable to communicate your decisions.
- ☐ **Designate a healthcare proxy:** Designate someone you can trust to make medical decisions in the event you are unable to express your treatment preferences.
- ☐ **Establish a Durable Power of Attorney:** Designate someone to act on your behalf in the event of diminishing capacity.

Age 60 to 73

Saving, Medicare* and Required Distributions

- ☐ **Age 60:** Determine eligibility for increased catch-up contributions to qualified retirement plans, which is $11,250 for 2025 for those age 60, 61, 62 and 63 (indexed for inflation).

- ☐ **Understand Medicare coverage:** Medicare consists of Part A (Hospital Insurance), Part B (Doctors visits), Part C (Medicare Advantage Plans) and Part D (Prescription Drug Coverage). You need to apply separately for Parts C and D, and Part C requires enrollment in both Parts A and B.

- ☐ **Age 65:** You become eligible for Medicare. Initial enrollment period starts **3 months** before the month you turn 65 and ends **3 months** after.

- ☐ **Annual Election period after 65:** Between **October 15th and December 7th**, you must enroll in Medicare Part B (Doctors visits), C (Medicare advantage) and D (prescriptions) each year.
  Penalty enforced for life if you miss a year.
  - Your Medicare Part B monthly premium increases 10% for each 12-month period you were eligible for Medicare Part B, but did not enroll.
  - You may also incur a penalty or higher premiums for life if you don't sign up for Part D during the 7-month Initial Enrollment period.

- ☐ **Age 70½:** Eligible IRA owners can make qualified charitable distributions paid directly to a qualified charity (up to $108,000 and a one time option for $54,000 to charities through various charitable split interest trusts).

- ☐ **Age 73:**[3] You must begin taking required minimum distributions from IRAs, 401(k)s and 403(b)s.

Social Security* and Retirement Plan Withdrawal Strategy

- ☐ **Determine withdrawal rate:** Decide on an appropriate withdrawal rate from your retirement plans.

- ☐ **Review Social Security options:** Learn various strategies that may be utilized to help optimize Social Security income. Consider the withdrawal rate for your retirement accounts in conjunction with your Social Security options. You can file for benefits 3 months prior to age 62, or 4 months before you want your benefits to start.[4, 5, 6]
  - **Age 62:** You may begin receiving **reduced Social Security** benefits on your own record, a spouse's record or an ex-spouse's record.
  - **Full Retirement Age (FRA):** The full benefit age is 66 for people born in 1943–1954, for people born between 1955–1959 FRA is 66 + 2 months per year after 1954 until 1960 and it is 67 for those born in 1960 or later.
  - **Age 70:** You have maximized your delayed retirement credits and should begin receiving benefits.

After Age 73

Regular Reviews

- ☐ Regularly review your expenses and income needs, withdrawal strategy, beneficiaries, healthcare proxy, will and trust to ensure your plan meets your current needs.

* This information should be considered only as general information and should not be used to determine how or when to claim Social Security benefits or enroll in Medicare coverage. If you have questions regarding your particular situation, please contact your legal or tax advisor. Information is as of November 2024 and may change in the future. Congress has made changes to the law in the past and can do so at anytime. The Social Security Administration (www.ssa.gov) and Medicare (www.medicare.gov) websites contain additional information and publications. The Medicare website allows you to search for and compare healthcare plans, Medigap policies, drug plans, hospitals, nursing homes, home health agencies and doctors in your area.

1 You can start taking distributions from 401(k) plans without a 10% early-withdrawal additional tax if you separated from service at age 55. If you roll over to an IRA, withdrawal provisions differ. Penalty still applies if you roll over to an IRA and start withdrawing before age 59½.

2 Options may include traditional long-term care insurance, hybrid life insurance with a long-term care benefit rider and permanent life insurance with a long-term care rider. Long-term care is most affordable in your 50s when you're healthy, not when your health declines.

3 Effective 1/1/2023, in accordance with new legislation, the required beginning date for RMDs is age 73. You may defer your first RMD until April 1st in the year after you turn age 73, but then you'd be required to take two distributions in that year. Failure to take all or part of an RMD results in a penalty of up to 25% applicable to the amount of the RMD not withdrawn. Consult your tax advisor for more information on your personal circumstances.

4 Survivor and spousal benefits don't accrue over time. The amount you receive remains the same even if you wait past full retirement age.

5 Your checks will be reduced 25–35% if you begin claiming at 62 depending on your full retirement age.

6 Can claim Social Security at the age of 60 in the case of disability; includes stringent disability criteria, provide modest benefit levels and require return-to-work supports.

What's your cash flow?

Understand your cash flow by creating a budget, listing your sources of income and expenses.
Use the Financial Education budget template to get started. Enter amounts for the most recent 12 months.

INCOME

Salary	$
Cash bonuses and commissions	$
Dividend income	$
Interest income	$
Net rental income	$
Other investments	$
Alimony, child support, etc.	$
Retirement plan distributions	$
Net self-employment income	$
Trust income	$
Other income	$
Total income	$

DEBT/EXPENSES

Income tax (state and local)	$
Co-op or condo maintenance	$
Mortgage payments	$
Other loan payments	$
Real estate taxes	$
Rent or lease payments	$
Insurance	$
Tuition	$
Alimony, child support, etc.	$
Medical expenses	$
Transportation	$
Clothing/personal care	$
Recreation	$
Gifts	$
Food	$
Utilities	$
Home maintenance	$
Other expenses	$
Total expenses	$

CASH FLOW (OR SHORTFALL)

Total income		$
Total expenses	-	$
Excess cash flow (or shortfall)		$

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