5 THINGS TO DO FIVE YEARS BEFORE YOU RETIRE

OLYMPIA
WEALTH & LIFE MANAGEMENT

WHAT SHOULD YOU TRY TO DO WITHIN FIVE YEARS OF DECIDING TO RETIRE?

HERE ARE FIVE THINGS TO THINK ABOUT

1. ESTIMATE THE MONTHLY INCOME YOU WILL NEED

It may be less than you need now, as your monthly expenses may decline. You may need to adjust or reallocate your portfolio and take another look at both income-producing and growth investments. You'll also want to factor in the amount you will receive from Social Security as well as Required Minimum Distributions.

2. DETERMINE WHETHER YOU WILL STAY IN YOUR EXISTING HOME OR MOVE

Retiring to another state may mean tax savings. Many retirees decide to downsize to a smaller dwelling to lower their living expenses. Also consider whether you wish to move closer to your immediate family members and grandchildren. Traveling can get more difficult as we age, and there are many advantages to having your family in close proximity.

3. THINK ABOUT DEBT AND TAXES

It's possible that you will retire to a lower income tax bracket than what you are currently. If you can stand the one-time tax hit, converting a traditional IRA to a Roth IRA could someday give you a source of tax-free retirement income. However, before making this change, talk with a qualified tax professional to make sure this is the right decision for your unique scenario. Converted amounts are usually taxed as income, and age and income restrictions may apply.

4. CONSIDER HEALTHCARE COSTS

Will you be eligible for Medicare? Will Medicare provide enough coverage? Remember that many retirees will eventually need long-term care at some point during retirement, which can quickly drain your savings.

5. IMAGINE WHAT YOUR IDEAL RETIREMENT LOOKS LIKE

How do you plan to fill your days during retirement? Do you plan on traveling the world, or staying home and building your dream garden? Is there a hobby that you want to explore, but simply never had the time to try it previously? Make sure that your finances can support your retirement goals, whatever those may be.