



Pre-Retirement Checklist

A list of items to consider if you are 5-10 years away from retirement. If you don't have the time, interest or knowledge to complete these items, consider hiring a CFP® to help.

1

How Will You Spend Time?

- ◆ Make a list of passions and dreams you've been putting off
- ◆ Create an average week with time blocks of how you plan to spend time
- ◆ How will you challenge yourself?
- ◆ What new skills do you want to learn?
- ◆ What age do you want to retire?

2

How Will Annual Income Change? (Amount Of Money You'll Need)

- ◆ Social Security Analysis – Delay or not? How does this integrate with other expected income?
- ◆ Pension – Run breakeven analysis on best choice (lump sum or annuity stream)
- ◆ Any Deferred Compensation plans?
- ◆ What percent of your retirement accounts will you need to withdraw each year?
- ◆ Opportunities for passive income – Rental properties or business
- ◆ P/T work assumptions?

3

Amount You Will Spend Each Year?

- ◆ Track a full 12 months of spending
- ◆ Plan for known potential large purchases (2nd homes, large home upgrades)
- ◆ Types of cars – amounts and how often?
- ◆ Travel plans – amounts and how often?
- ◆ Potential for family assistance?
- ◆ Use appropriate multi-year estimate for health insurance

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Net Worth? Assets/Debt Inventory

- ◆ What accounts do you have? List all assets and debts in one sheet
- ◆ Clarify which accounts are best for long-term savings prior to retirement

- ◆ Pay down/off any remaining high interest debt
- ◆ Opportunity for refinancing mortgage at lower rate?
- ◆ Monitor credit history
- ◆ Own a business? How best to structure a sell while balancing tax liability

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Tax Efficiency

- ◆ What is best order for account withdrawals from your retirement accounts?
- ◆ Can you increase/Max 401k/403b Savings?
- ◆ Can you make Roth IRA or back-door Roth IRA contributions?
- ◆ After-tax contributions to 401k ability? (Above pre-tax max that later can be moved to Roth IRA)
- ◆ Donor-Advised Funds – high basis stock to charity in last higher years of income
- ◆ Gifting of low-basis stock to charity?
- ◆ Bunching charitable deductions in one year due to higher standard deduction?
- ◆ Begin saving and investing in health savings account?
- ◆ Lower tax by shifting NUA (net unrealized appreciation) in an individual stock in 401k to brokerage
- ◆ Identify holdings for loss harvesting to offset large gains in taxable accounts
- ◆ Could you delay income to stay in lower brackets?
- ◆ Does a Roth IRA conversion make sense?
- ◆ Save in FSA for health care and dependent care
- ◆ Realize capital gains at 0% tax rate, if possible
- ◆ After 401k and HSA, begin saving in a Deferred Compensation Plan if an option
- ◆ Start a 529 college savings plan for a child or grandchild
- ◆ Have any variable annuities? Could you use a 1035 exchange for tax-free growth due to loss or surrender?
- ◆ Pros/Cons of rolling over your 401(k)
- ◆ How will any outstanding stock options/RSU/ESPP vests affect tax brackets?

6

Investment Strategy Decisions

- ◆ Risk Capacity – when/how much will you need from investments?
- ◆ Are investments appropriately diversified for expected annual cash needs?
- ◆ What are your annual expected returns?
- ◆ How will return assumptions change during recessions/bear markets?
- ◆ How should asset allocation change with retirement ___ years away?
- ◆ How will risk tolerance change when paycheck stops? (ability to not sell when stocks are down)
- ◆ Any high concentration in an individual stock position?

7

Insurance

- ◆ Create a plan for health insurance pre 65 - COBRA (if retiring early)/health insurance
- ◆ If an early retiree, could you qualify for the Healthcare Premium Tax Credit?
- ◆ If an early retiree, could you be added to your spouse's plan?
- ◆ Disability Insurance – could become important income replacement in before 65
- ◆ Still need life insurance?
- ◆ Need long-term care insurance?

8

Estate

- ◆ Review of estate plan results
- ◆ Assure beneficiaries are accurate (better tax distributions for heirs/charities)
- ◆ Establish estate docs (Will, POA, HC POA)
- ◆ Assure guardian and children's trust is set up if still under 18
- ◆ Analyze gifting strategies while living to minimize estate