

## **Some Retirement Planning Tips**

by: Steve Snelling

Retirement is very different for everyone, but here are some tips & observations, from my retirement:

### **When to Retire**

- This important decision, may be complex, if you have lots of options
- Or it may be easy & obvious, if made for health reasons or a company lay-off situation
- It helps to have a good Retirement Plan, including a Financial Plan
- It really helps to know what you want to do in Retirement
- Leave enough time to wrap up things at work and hand-off your projects, & fill out Retirement paperwork

### **Initial Transition**

- Minimize other major changes the first 3-6 months of Retirement
- Take some time to adapt to the change
- Not having to get up to go into work every day is the best part
- Keep some structure & routine each week
- Don't rush into part-time work or contract work, try Retirement out first

### **Location Issues**

- Long before you retire, consider whether you will be moving to a new location
- Try extended visits to any potential new location, to see if you like it
- "Retiring in place" is much more common these days, and convenient
- But consider down-sizing if in a large square-footage house

### **Retirement Planning**

- Have a simple Retirement Plan (only 1-2 pages)
- If you didn't have a Retirement Plan, create one your first 3 months of Retirement
- Keep to the original Plan long enough to decide if it needs changing
- Don't put any unnecessary pressure on yourself
- Don't let others pressure you
- If something doesn't work out, consider dropping it
- Don't rush your decisions, or over-think them
- Most Retirement decisions are not irrevocable, and the few that are, will need careful thinking (e.g. when to retire, possible relocation, financial plan, taxes, etc.)

### **Financial Planning**

- Stay with your initial Financial Plan
- If you didn't have a Financial Plan, make one your first six months of Retirement
- Pay down or pay off any loans, if possible (including mortgages)
- Figure in the financial assistance you may be giving to your parents and children/grandchildren

- Monitor that you are staying within your available budget (I regularly monitor my checking account total online & pay all credit cards off each month)
- Look carefully at all unnecessary expenses (particularly monthly charges)
- Get help with your finances (if needed), but be careful in any long-term 3<sup>rd</sup> party arrangements
- Don't move your Investments too often, and minimize your financial risks
- Make your tax payments automatic & easy

### **Donations**

- You can still give donations to charities & other groups while in Retirement
- But cut back the amount, based on your new income & finances
- Keep good records of all your donations, particularly annual donation amounts
- Use this as a variable budget item, once you see how your finances work out

### **Healthcare**

- Most companies have you switch over to Medicare when you reach 65 in retirement
- If you retire before 65, you may still be covered by a company healthcare plan
- Once on Medicare, you will need to pick up some supplemental health insurance
- Best to buy supplemental health insurance online, so you can see the cost for each option
- Dental Plans are paid for separately & not covered by Medicare

### **Life Insurance**

- Often a company-paid Life Insurance plan will expire when you retire
- If you need Life Insurance, plan to pick this up on your own, before you retire

### **Social Security**

- Deciding if & when to take Social Security is different for each individual & their spouse
- Best to go to a local Social Security office and learn about your current & future options
- If not planning to use Social Security income, then make sure you have enough other sources of income

### **Home Computing**

- Have a good laptop computer with software you know how to use
- Send everyone you regularly contact, your home e-mail (and that your work e-mail is no longer valid)
- Have a fast Internet connection at home
- Keep good Security software installed
- Backup your files often (to a remote location, like a portable hard drive)
- Pay for tech help, when you need it
- Keep your files & e-mails organized
- Make it easy to travel with your laptop & keep it secure

### **Volunteer Activities**

- Look carefully at the volunteer activities you like to do
- Don't commit to any new activities, until you think about them

- Be ready to say: “*No thank you*” often, and mean it, when approached by others for new volunteer activities
- Don’t commit to any multi-year positions (your first 1-2 years of retirement)
- Look for some new volunteer activities that utilize your skills & interests
- Look at ways to “give back” to your profession, such as serving on University, Engineering Advisory Boards

### **Relatives & Friends**

- Plan to spend more time with relatives, including more “road trips” to visit them
- Try to keep up with many of your friends
- Many friends at work may be hard to keep up with, so don’t force this
- Plan to make some new friends, through new volunteer activities

### **Your Schedule**

- Keep your activities schedule current & portable (on your cell phone & laptop computer)
- Consider carrying an easy to use (inexpensive) digital voice recorder, to make notes & record thoughts (quicker to use than the recording feature on your cell phone)

### **TV Usage, Movies & Books**

- Minimize your TV usage & watching movies at home
- Don’t get too distracted by local & national news
- Plan to read more books for pleasure & visit your local library often

### **New Activities**

- Re-think what you like to do (and don’t like to do), and try some new things
- Re-visit your creative talents & explore them some (e.g. painting, writing, gardening, woodworking)
- Consider taking a local Community College class to learn about a topic of interest
- Consider instructional DVDs & online classes
- Consider learning a new foreign language

### **Retirement Travel**

- Plan to travel differently in retirement (vs. your former business travel & vacation travel)
- Be ready to travel often and on short notice
- Keep good travel websites, hotels, & restaurants – organized into electronic folders (on your laptop computer) for the cities you regularly visit
- Combine travel trips, such as visiting relatives & nearby sights (e.g. National or State Parks)
- Use extended layovers on connecting flights, if you want to spend a day or two in the connecting city
- When visiting relatives, sometimes staying at a nearby hotel is the easiest, for everyone
- Fly-in & drive trips will require a comfortable rental vehicle (get something similar to what you drive at home)
- Make it easy to change your travel plans, and be flexible
- Keep your travel expenses to a budget (initially)

- Look for available discounts & online reservations, and quick check-in features

**Some Summary Comments**

- Retirement is very different for everyone
- This write-up covers some tips from my retirement
- For various reasons, you may need to come out of retirement (finances, boredom, other interests, etc.)
- So you need to plan the initial decision of when, where, how & why you will retire, with care
- Give your retirement a chance, before going back to work (even part time)
- A good, simple, Retirement Plan & Financial Plan will really help
- Retirement can be very rewarding, mine has been very enjoyable