

RETIRING SOON? DON'T MAKE THESE 9 MISTAKES



By Greg Koch; Koch Insurance Brokers LLC

There is plenty you can do to avoid running out of money in retirement. Whether you are newly retired or retiring soon, planning is key. Some retirees just plunge in and get into trouble.

MISTAKE 1: NOT PLANNING FOR MEDICAL EXPENSES

Medicare kicks in at age 65, but that's not the end of your medical expenses. Fidelity Benefits Consulting estimates a 65-year-old couple retiring this year will need \$220,000 of their own money for medical expenses over the course of retirement. Those include deductibles for Medicare Part A and Part B (in-patient and out-patient insurance) and premiums and out-of-pocket costs for Medicare Part D prescription drug coverage. That does NOT include Long Term Care!

MISTAKE 2: UNDERESTIMATING COSTS

Retirement costs can be surprisingly high. You can manage costs by earning extra income in retirement, but make sure you know the rules for working while receiving Social Security benefits.

MISTAKE 3: CELEBRATING WITH A BIG PURCHASE

No doubt you've got a wish list for retirement. But hold off major purchases and expenses at first to see what you're spending each month. Track your expenses for a year. A year's tracking gives the best picture because it includes one-time and seasonal expenses.

MISTAKE 4: HELPING OUT THE KIDS

Many parents set themselves up for a crisis in retirement by supporting adult children financially. A study by Merrill Lynch says 60 percent of people 50 and older are assisting adult relatives financially.

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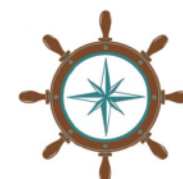
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Most people realistically can't do both. Adult children still have time to pay off college loans and save for retirement. Their parents are running out of time.

MISTAKE 5: CLAIMING SOCIAL SECURITY TOO SOON

Waiting to claim Social Security benefits is one of the best investments around. Your Social Security account earns 8% a year when you hold off claiming benefits beyond your full retirement age.

If your full retirement age is somewhere between 66 and 67, your benefit check could grow by 32 percent if you wait until age 70 to collect.

The average benefit Social Security paid in January was \$1,294 — \$2,111 for a couple. If your full retirement age is 66, waiting until 70 would grow a \$1,294 benefit to \$1,708 a month for life. For couples, if both spouses wait to 70, the \$2,111 average combined benefit can grow to \$2,787 a month. If you take it early there is now a 20%-30% reduction depending on your year of birth.

Call us for a free Social Security analysis to see when taking Social Security would be best for your situation! 30 minutes of your time could save you well over \$200,000 over your lifetime.

MISTAKE 6: FORGETTING TO PLAN FOR TAXES

The IRS probably won't disappear from your life when you retire. There are many things you can do here too many to list.

MISTAKE 7: IGNORING ESTATE PLANNING

Get your affairs in order before you're ill or old so you'll have complete control over where your money and possessions go. It's The best thing you can do for yourself and your heirs.

MISTAKE 8: INVESTING TOO AGGRESSIVELY

As retirement grows nearer, if you are too aggressive with your portfolio and there is a major market correction you could be in very serious trouble.

MISTAKE 9: NOT GETTING HELP FROM A QUALIFIED PROFESSIONAL AND TRYING TO DO IT YOURSELF

If you need help with any one of these please call for a free consultation to see if you are on track for your retirement: 610.370.7268; email: Greg@KochInsBrokers.com; www.KochInsBrokers.com.



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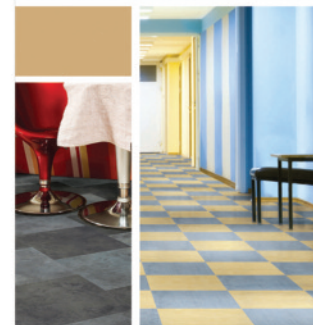
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