Ready to Retire? Use the 10-Year Retirement Planning Checklist

Check off these important tasks that can help secure your plan as you approach retirement.

Taking a series of steps in the 10 years before retirement can help protect a plan, create a smoother transition, and achieve the retirement lifestyle you've envisioned. Here's a checklist of tasks to help organize the final stages of planning before a target retirement date.

Target Retirement Date: __ /__ /____

☐ **Check current balances in retirement accounts and review your savings plan to see if you're on track to meet retirement goals.**

According to the Department of Labor, retirees should plan on needing 70%–85% of their pre-retirement income to cover expenses in retirement.[1]

For someone with a household income of $125,000 before retirement, that would mean generating roughly $90,000 to $100,000 annually from a range of income sources. A financial professional can help develop a personalized retirement savings target.

☐ **Consider taking advantage of catch-up contributions after age 50.**

Catch-up contributions of $1,000 annually are available to IRA/Roth IRA holders over age 50, while 401(k) plans allow people over age 50 to contribute an additional $6,500 annually.

Making an additional $6,500/year contribution to a 401(k) can add up to over $81,000 in additional savings over 10 years.[2]

☐ **Build up emergency savings.**

An emergency fund that covers 3-6 months of expenses is typically sufficient during working years, but retirees should consider having a bigger cushion – enough to cover 12 months of expenses – in retirement to help prevent large, unexpected expenses from hurting their income strategy. For example, without sufficient savings, a large bill might force a retiree to withdraw more money than expected from an IRA, or tap into an income source earmarked for later in retirement.

Adjust your investment mix

- [ ] **Meet with your financial professional quarterly to assess your investment mix and discuss potential adjustments.**

Many people choose to reduce exposure to high-risk stock investments as retirement approaches and put more of their savings into assets considered more stable.

Make a plan to pay off debt

- [ ] **Develop a strategy to pay off high-interest debt, such as credit cards or car payments, before retirement.**

Consider whether paying off major debts, such as a mortgage, makes sense for your situation. Reducing debt creates more financial freedom and flexibility in retirement.

Estimate retirement expenses

- [ ] **Work with your financial professional to create a detailed estimate of projected retirement expenses.**

For at least one year before retirement, try to live on that budget to see if it's feasible. Our Future Income Planner can help you create a hypothetical budget.

Examine options to cover medical costs

- [ ] **Investigate options for supplemental Medicare policies or coverage for long-term care or chronic illness to protect against large medical bills that can deplete retirement savings.**

Retiree health care expenses are projected to rise on average 5.5% annually for the foreseeable future. That means that a month-long stay in a nursing home that costs about $8,800 today – the average monthly cost of a private room – would cost more than $11,800 in 10 years.[3]

Develop a retirement income plan

- [ ] **Think about how you'll collect income in retirement.**

Examine guaranteed sources of income in retirement, such as Social Security and pension payments, as well as potential income from sources like retirement plans and investments. Compare total expected income against estimated expenses. If there is a gap, work with a financial professional to explore options for guaranteed retirement income, such as annuities.

Review options for Social Security

☐ **Consult with your financial professional to learn how different Social Security claiming strategies could impact your plans for retirement and figure out the optimal time to start collecting benefits.**

For example, the maximum Social Security benefit in 2021 for those who claim at age 62 is $2,324 per month. But the maximum for those who claim at 70 is $3,895.[4]

Develop a plan for enrolling in government benefit programs

☐ **Consult with your financial professional to learn how different Social Security claiming strategies could impact your plans for retirement and figure out the optimal time to start collecting benefits.**

Connect with your financial professional to see what parts of the Medicare health program you automatically qualify for and which parts you want to elect to pay for. Then, ensure you have the correct paperwork to file for them.

Important consideration: It takes three months of lead time to process applications for Social Security and Medicare, so plan accordingly.

Use this checklist to support discussions with your financial professional about how to prepare for your secure financial future. For more resources, please visit **brighthousefinancial.com.**

1 Saving for Retirement. USA.gov, May 28, 2021. www.usa.gov
2 Assumes a lump sum invested annually, a 5% annual return, with interest compounded annually.
3 Genworth Cost of Care Survey. Genworth Financial, conducted by CareScout®, August 2020. www.genworth.com
4 Workers With Maximum-Taxable Earnings. Social Security Administration, as of December 2020.

While diversification through an asset allocation strategy is a useful technique that can help to manage overall portfolio risk and volatility, there is no certainty or assurance that a diversified portfolio will enhance overall return or outperform one that is not diversified.

This information is brought to you courtesy of Brighthouse Financial, Inc., which provides, through its affiliates, annuities and life insurance products issued by Brighthouse Life Insurance Company, Charlotte, NC 28277 and, in New York only, by Brighthouse Life Insurance Company of NY, New York, NY 10017 ("Brighthouse Financial").

Brighthouse Financial® and its design are registered trademarks of Brighthouse Financial, Inc. and/or its affiliates.

• Not a Deposit • Not FDIC Insured • Not Insured by Any Federal Government Agency
• Not Guaranteed by Any Bank or Credit Union • May Lose Value

Brighthouse FINANCIAL® | Build for what's ahead®

Brighthouse Life Insurance Company
11225 North Community House Road
Charlotte, NC 28277
brighthousefinancial.com

Brighthouse Life Insurance Company of NY
285 Madison Avenue
New York, NY 10017

2105 **CLRM709558-1**
© 2021 BRIGHTHOUSE FINANCIAL, INC. 2699087.4[07/23/2023]