THE AT&T RETIREMENT CHECKLIST

KRAUS CAPITAL MANAGEMENT

1 YEAR INTO RETIREMENT

1 **PORTFOLIO AND CASH FLOW CHECK-UP.**
Review your budget and combine cash flow planning with portfolio rebalancing annually. It's a good idea to set aside the cash you'll need for the next 18 to 24 months by removing it from your portfolio to help manage sequence of returns risk. This is typically the time when you have the most money invested in your life. No time for out-sized risk – conservative, balanced approach. You shouldn't be chasing returns – this is about creating an income stream for your retirement. In addition to interest and dividends, you could generate any additional cash you'll need as you rebalance by selling those asset classes that have appreciated the most (or depreciated the least, as the case may be). Keep at least another 5 years of withdrawals in fixed income investments as part of your portfolio allocation.

2 **DON'T FORGET ABOUT RMD.**
As age 70½ approaches, you'll need to start planning for Required Minimum Distributions (RMD) from your traditional retirement accounts. You have until April 1st of the following year to start, but that means taking two distributions in the first year. Every year thereafter, the RMD must be withdrawn by December 31st. Otherwise, you'll pay a 50% penalty on the required distribution amount.

3 **CONSIDER A ROTH IRA CONVERSION.**
If you have the majority of your assets held in tax-deferred accounts, Required Minimum Distributions can result in withdrawals generating larger tax bills. If it makes sense, you can make partial withdrawals from your IRA before age 70½ and move them into a Roth IRA, all while potentially paying a smaller amount in taxes than may be faced at a later date. Consult with a tax professional before making any distributions.

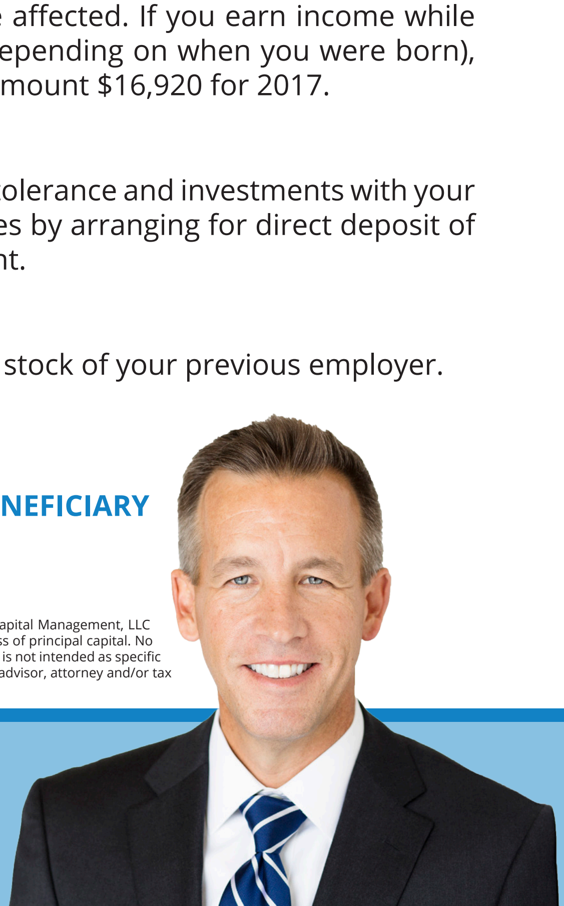
4 **DON'T TORPEDO YOUR SOCIAL SECURITY.**
If you decide to work in retirement know how your benefits may be affected. If you earn income while receiving Social Security before your full retirement age (65 to 67, depending on when you were born), your benefits may be reduced if you earn more than the exempted amount $16,920 for 2017.

5 **SIMPLIFY THE PROCESS.**
Automate your income and continue to monitor and review your risk tolerance and investments with your advisor and rebalance annually. Streamline and simplify your finances by arranging for direct deposit of your Social Security, pension and investment income into one account.

6 **STAY WELL DIVERSIFIED WITHIN EACH ASSET CLASS.**
That means reducing exposure to any single investment, such as the stock of your previous employer.

7 **REVIEW ALL CATEGORIES OF YOUR INSURANCE COVERAGE**

8 **BE SURE YOUR ESTATE PLAN, ACCOUNT TITLING AND BENEFICIARY DESIGNATIONS ARE UP TO DATE.**



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