THE AT&T RETIREMENT CHECKLIST

KRAUS CAPITAL MANAGEMENT

2 TO 5 YEARS TO GO

1 WHAT IS YOUR VISION OF RETIREMENT?
Start thinking in detail about what you'll retire to... Specifically, when, where, what and how much — *when* you want to retire, *where* you would like to live, and what you want to do. Start at a high level. I suggest choosing the top three from the following list to help identify priorities. Family, health, home, work, leisure, giving, travel and finances. The answers to these questions will help you to figure out *how much* all of it will cost. Your investment portfolio should provide the gap in income that your Social Security, pension and part-time work won't meet. Once you know the gap in annual income take that amount and divide by 4% (.04), to determine the lump sum necessary in retirement savings to provide that income each year in retirement. If you're thinking of moving, be sure to consider factors such as taxes, moving costs, housing and living costs, and health care resources.

2 DISCUSS YOUR PLANS WITH YOUR SPOUSE AND FAMILY.
It's important that you're on the same page. You may be dreaming of travelling extensively while your significant other is thinking about a new hobby and spending a lot of time at home.

3 SET A GOAL TO BE DEBT FREE.
The ideal situation is to be debt-free by retirement. If that isn't a reality, then the mortgage should be your only debt.

4 REVIEW YOUR SOCIAL SECURITY BENEFITS. SET UP YOUR ACCOUNT AT WWW.SSA.GOV.
Have an idea of what you can expect, and be sure your records are up to date. Determine how much your benefits will be and if they will be subjected to taxes by any pensions or other income you or your spouse will receive.

5 THINK ABOUT LONG-TERM CARE INSURANCE IF YOU CAN AFFORD IT.
If it makes sense for you, don't wait too long to lock in lower premiums.

6 MAXIMIZE YOUR SAVINGS.
In your final years of work; you should be saving as much as possible. Take advantage of employer matches and save as much as possible. It doesn't have to be savings into tax-deferred accounts – it's ok to have a balance of tax-deferred, tax-free (Roth) and taxable accounts when you enter retirement.

7 INVESTIGATE RETIREMENT HEALTH CARE INSURANCE OPTIONS.
Medicare won't cover everything. Be sure you understand how your company plan and supplemental coverage will work and plan for rising costs. Prepare for the unexpected.

8 REVISIT YOUR ASSET ALLOCATION AND INCOME STRATEGY.
Having an appropriate asset allocation before and during retirement, while pairing it up with a defined way to generate income is important.

9 RUN PENSION ESTIMATES.
Begin evaluating your benefit options (monthly annuity check or lump sum) and testing the various outcomes.

10 IF YOU'RE NOT ON TRACK, BE REALISTIC ABOUT YOUR OPTIONS.
You can save more, delay retirement or make adjustments to your pre/post-retirement plans, such as spending less or working part-time.

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