

Retirement Readiness Checklist



Are you are ready to retire!

Answer these six questions to see if you are ready to retire...

Yes No

Have you considered what annual income you will need in retirement?

Women should consider replacing 100% of their pre-retirement income instead of the 60-85% of income often recommended by financial planners. Remember that Social Security usually covers about 40 percent of an average earner's pre-retirement income. You need to know where the rest of the money will come from.

Have you considered how long you might live in retirement?

Many people do not realize that retirement can last 20 to 30 years. It is important when planning to assume that you will have a long life in retirement. The longer you live, the more likely ***inflation*** will erode the value of your savings.

Have you considered the cost of Medicare premiums?

Many people are surprised to learn that Medicare premiums are automatically deducted from your Social Security check. Your Medicare Part B premiums may change annually depending on income, enrollment status, and Social Security benefits.

Have you considered the cost of health insurance outside of Medicare?

You may need to consider purchasing a “Medigap” policy in order to cover the costs that Medicare does not cover. Find out which services are covered in your state by visiting the [Medicare.gov](https://www.medicare.gov) website.

Have you thought about how to handle your savings once you retire?

In a “traditional” pension plan (also called a defined benefit plan), a plan administrator automatically pays out a set amount each month. However, if you have saved through a 401(k) type plan, you will be responsible for managing your own money, or hiring someone to help you do it.

Do you know how taxes will affect your retirement income?

If you receive money from a tax-deferred savings plan such as a 401(k), you will need to pay taxes on the amounts you receive when you make withdrawals. You may also have to pay taxes on your Social Security benefits. Learn how your Social Security benefits may be taxed, which is based on income and marital status. Visit the Social Security website (www.ssa.gov) and search for “*Benefits Planner: Income Taxes And Your Social Security*.”

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