

# Post-Retirement Planning: A Checklist for Seniors

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As high net worth individuals enter their retirement years, they may think that the bulk of their financial planning needs are over, when in fact a new phase of financial planning is just beginning. Even though some of these wealthy families may not have to worry about outliving their savings, there are still reasons to periodically review their financial plan.

**Re-evaluating the budget after retirement:** Families should typically review their financial plan following a major life event — and retirement certainly qualifies. With business expenses gone and more leisure time available, households will likely see a dramatic change in how they spend money and how much money they spend. More time at a vacation home may replace weeks spent in corporate hotels, for

example, bringing a different type of spending.

**Review health insurance options, including Medicare eligibility:** Some departing executives may still have health insurance coverage through their former company as a provision of their contract. Others will find themselves looking for insurance options on the open market. People who have reached age 65 are immediately eligible for Medicare though they may also wish to have supplemental insurance. An insurance specialist should be consulted as one faces this type of question as it can be complicated to solve for.

**File for Social Security benefits at the right time:** Individuals with sufficient work history are eligible to receive Social Security benefits when they turn 62. Many people — especially high net worth individuals who are not dependent on the immediate income — defer their benefits until they are at the full retirement age of 66. Deferring Social Security benefits until age 70 means that retirees will get 132 percent of their expected benefit.

**Determine plan for a 401(k) and set reminders for IRA required minimum distributions:** In conjunction with the topic of filing for Social Security benefits, retirees will also want to create a distribution plan for the assets they amassed in their 401(k) and IRAs during their working years. Required minimum distributions must begin no later than April 1 of the year after the person turns 70 ½.

**Create a tax plan for changes in income:** High net worth families will want to work with a tax professional to make sure that they are coordinating their Social Security, retirement plan distributions, and any other post-retirement income in the most tax-efficient way.

**Create plans for early active retirement and later retirement years:** Finally, as life expectancies expand, many find that their retirement years develop into two phases: early active retirement and a less active retirement in the later years. Households will want to make sure their financial plans and insurance are adequate for the potential changes in spending.

For more information or to discuss specific planning opportunities, contact your Anchin Relationship Partner or Richard Baum, a partner at Anchin Private Client, at

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