

SO YOU'RE THINKING ABOUT RETIRING...

How do you know when you're ready to retire? Whether it's a dollar amount or age milestone, before you leave your profession, it's important to enter retirement with a comprehensive plan.



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HEALTHCARE COSTS

Determine how to obtain health care and estimate cost before retirement. What level of care can you afford, where will it come from, and how will this change once you are eligible for Medicare?

Medicare

Enrollment begins 3 months before your 65th birthday, but if you're still employed and insured at 65, don't worry. You have an 8-month special enrollment period when you leave your job and your employer stops coverage.

Is your home suitable for the rest of your life? Is it located where you want to spend retirement? Do you want to downsize to save money? Housing needs may change as you age, so think about different scenarios long before they happen. And don't be afraid to be creative – you worked for exactly this time!



HOUSING NEEDS

Do you plan on traveling more in retirement? If so, this will mean a larger travel budget than you had pre-retirement. Develop a budget or estimated annual spending for your retirement, and be sure to include a 'fun' budget. This can help you determine how much you need to retire comfortably.



LIFESTYLE & SPENDING ESTIMATES

A general rule of thumb is to plan to replace 45% of your pre-retirement income with your savings. This assumes 35% of your income will be replaced by Social Security. However, at higher spending levels, your Social Security benefits will replace a smaller percentage of your income.



RETIREMENT SAVINGS

Tally the amount you'll receive from various income sources in retirement to help you better estimate how much you need to save. Some retirees continue to work, either out of necessity or pleasure.



INCOME SOURCES & CONTINUED WORK