7 for the Retirement Road

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As the summer travel season comes to an end, lets focus on a longer, more enjoyable journey; one that many of you have been envisioning and working so hard, for so long to achieve – Retirement.

The travel restrictions to retirement aren't as severe as those associated with the airlines. You can even bring liquids with you. Bumps can't be avoided but with proper planning, they can be minimized, especially if you bring some prerequisites with you…

1. Goals

You wouldn't go cross-country without a map? Why would you drive into retirement without one? Like any road map, documenting your goals should be your 1st priority whether you are 1, 20 or 30 years from retirement. What are you trying to accomplish and when? Having written goals will increase your chances of achieving them. It can also give you a great sense of accomplishment when you see your goals being updated and scratched off year after year.

2. Cash Flow

Like most of us who get a regular paycheck, you are probably accustomed to how your annual income provides for your expenses. You've managed college funding, paying a mortgage, buying cars and all your other expenses for years. What happens when the salary stops next year and you start receiving social security, a pension or begin taking distributions from your investment accounts? Sit down and project your cash flow. It is a great way to prepare yourself for the many changes that take place during retirement.

3. Assets

Many of us who save in a qualified retirement account appreciate the tax deferral. During retirement though, every dollar that comes out of most of them is taxable. Theoretically, you should be in a lower tax bracket during retirement but that is not always the case. Big withdrawals from an IRA can push you into a high tax bracket. Funding within non-retirement assets provides much more flexibility. Those with taxable and tax-deferred savings have more flexibility in managing their tax liability.

4. Life Insurance

Ideally, you've been following a prudent savings habit and have accumulated enough assets to self-insure you and your spouse. If not, life insurance may be necessary to assure comfortable retirement years for the surviving spouse and possibly provide an inheritance for other loved ones.

5. Long Term Care

Like life insurance, if your goal is to make sure assets you've been accumulating throughout your working years are to remain for your spouse and, ultimately, pass down to other loved ones, LTC can provide for the large expenses associated with illnesses that require home health care and nursing homes. For those with family health history and minimal assets can benefit more as annual policy premiums will be a fraction of what overall care will cost.

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6. Estate Plan

As we mature, an estate plan becomes more critical. If you do not already have one, then meet with an estate planning attorney to put one together. Documenting your wishes and making sure steps are taken if you were to become incapacitated makes things so much easier for you and your loved ones. Take care of the ones you love should anything happen to you.

7. Team of Advisors

Bringing along others to keep you company during your long journey can make things fun and keep you out of trouble. Think of the following team as your navigation system: Accountant, Attorney, Banker, Insurance Agent, and the Financial Planner as the liaison between all members. A voice telling you to "turn left" or "turn right at the next intersection" will help you keep your eyes on the road rather than fiddling around with a big map while traveling at 55mph. All these members can play a critical role in guiding you through retirement and acting as second and third set of eyes on recommendations made by one another.

May your journey be a safe and memorable one that will last for many years.