



Retirement Readiness Self-Assessment

Most people want to have a secure, meaningful retirement doing the things they want with the people they love, but they have no idea if they're on track to accomplish that. This self-assessment will give you a general idea of where you are on the retirement readiness spectrum and will offer suggestions to help you reach your goals. Print it off and check all that apply.

Section 1: Lifestyle

- I have created a detailed lifestyle plan for how I want to spend my time in retirement.
- I know who I want to spend the most time with during retirement and have invested in those relationships. I've also spent time talking with those people to make sure our plans align.
- I know where I want to live during retirement.
- If a move is involved, I have used my free time to visit the new location and I have a plan for the transition. If I'm not moving, I have a plan to help me age in place in my current house. In either case, I have a contingency plan for if/when I'm not able to live on my own.
- I have hobbies and/or activities that I enjoy and can do during retirement.
- I have discussed these lifestyle plans with those closest to me (e.g. spouse, kids, friends) and we are on the same page.

Section 2: Income, expenses and debt

- I have created a detailed retirement budget based on my plans above that outlines my income and expenses during retirement. If close to retirement, I have practiced living on that budget for at least 6 months.
- I know how much income I will receive from Social Security and, if applicable, from a pension.
- I have calculated how much income I need to draw from my investments.
- I have calculated how big my nest egg needs to be in order to safely generate the income I need.
- I have factored inflation and life expectancy into the above calculations.
- Given my different sources of income and my life expectancy, I have calculated whether my income will be sufficient if either I or my spouse dies a) as expected, b) sooner than expected or c) later than expected.
- I am on track to eliminate debt, including my mortgage, by the time I retire.

Section 3: Savings and investments

- I have added up my savings and compared it to the estimate I made above for how much I will need. If there is a shortfall, I have a plan in place to accumulate the assets I need before I retire.
- I have an emergency fund set up to cover unexpected expenses during retirement.
- I have reviewed my goals, risk tolerance and time frame, and adjusted my asset allocation accordingly.

Section 4: Transition

- I have decided at what age I want to retire.
- I have evaluated my options and decided on a Social Security claiming strategy
- I have evaluated my Medicare options and decided on a claiming strategy (A, B, D, Medicare Supplement, Medicare Advantage). If retiring before age 65, I have health coverage in place.
- I have a plan in place to consolidate and simplify my accounts.
- I have adjusted my asset allocation so that it is appropriate for a retiree.
- I have an income distribution strategy that will be as tax efficient as possible and maximize the life of my investments.

Section 5: Insurance

- I understand how Medicare works, what it covers and what it doesn't.
- I know how much money I will need to cover my healthcare expenses during retirement (e.g. premiums, deductibles, co-pays, etc.) and I have that money set aside.
- I have considered the likelihood that I will need some sort of long-term care and have evaluated the costs and coverages of long-term care insurance.
- I have reviewed my other insurance coverage (e.g. life, health, home, auto) and determined if any changes are necessary as I transition into retirement.

Section 6: Estate Planning

- I have reviewed my estate plan (will, trust, etc.) to make sure it is accurate, up-to-date and reflects my current wishes.
- I have reviewed my estate plan (will, trust, etc.) to make sure it passes property to the correct people, designates the correct people to take charge, and minimizes expense, hassle and taxes.
- I have financial and health care powers of attorney so that someone can take charge if I become incapacitated.
- I have reviewed the beneficiary designations on my retirement accounts and insurance policies to make sure that they reflect my wishes.

How did you do?

There were 30 questions in the assessment above. How many boxes were you able to check? Compare your results with the key below.

25-30 checks. You're doing great. You have the big pieces of your plan in place and it looks like you're on track for retirement. Focus on any gaps in your planning and spend time experimenting with and refining your plans.

20-25 checks. You're doing ok, but there are a few major shortfalls in your planning. Maybe you haven't saved enough. Maybe you don't have a plan for your healthcare. Make a list of the issues that need your attention most and then focus on those so you can shore up your plans.

15-20 checks. Your level of preparation is similar to most other people. You've saved and done a bit of planning, but there are some major gaps and you're probably not on track to reach your retirement goals. You can get there, you just have some work to do.

0-15 checks. The big pieces of your plan are incomplete, which means it's probably not going to work. Better to acknowledge that now and do what it takes to fix it rather than waiting until you're 5 years into retirement and watching the wheels come off the bus. Don't fret. You can still get things on track, but you might need to delay retirement for a bit or change some of your plans.