

Financial Planning

Financial Planning:

According to the Boston College Center for Retirement Research, “working longer is the key to a successful retirement for most households.” It’s important to understand that working longer doesn’t necessarily mean working forever.

The report goes on to note that while most households are unprepared for retirement at age 62 (the earliest you can take Social Security), those that work until age 70 substantially improved their “retirement readiness”. Increased longevity, less physically demanding jobs, and better overall health, means people who have the ability to work longer may want to consider the option.

For members of the clergy whose retirement age tends to be slightly later, this creates a real opportunity for those willing to plan accordingly.

Whether its retirement income planning or long term care planning, it’s never too soon to review your retirement objectives. Reviewing your assets and your current income can help you calculate how much income you think you will need once you are retired. A financial planning analysis will also help you anticipate how much additional income your savings can reasonably be expected to provide, in addition to any pension or Social Security income you may receive.

If you have a number of years before retirement, it’s important to consider a portfolio that is in line with your risk tolerance, but also one that will provide sufficient long term growth to provide a hedge against inflation.

If retirement is somewhat sooner, the importance of making sure you understand your income needs and where your income will come from (i.e. Social Security, pension, personal savings) is crucial to the success of your plan.

No matter where you are in the planning process, it’s important to look for any changes that need to be made, and you should monitor your plan over time to help you stay on the path to a successful and fulfilling retirement.

Please see the enclosed checklist to get a sense of where you should consider starting your plan.

Solares Hill Advisors
www.solareshilladvisors.com
Planning for You. Planning for Life.
617-306-1572

Securities offered through Advisory Group Equity Services, Ltd. Member FINRA/SIPC (781) 933-6100
Advisory services offered by Trust Advisory Group, Ltd. 444 Washington Street, Suite 407 Woburn, MA 01801

Financial Planning

Planning in Your 60's

Now is the time to review and understand how your current retirement finances will affect your long-term retirement and income goals before you make any decisions about when and whether to retire. Some things to think about are:

1. Really focus on the details and assumptions made in your retirement plan

Being realistic and objective when trying to calculate how much you think you are going to need for income in retirement.

- Consider whether or not you have enough assets and income to retire when you want to, or whether you should be working longer and saving more with a Retirement Review.
- Make sure you have an appropriate portfolio allocation to reach your goals.
- Be sure you have a workable and flexible income plan that details how you'll create a paycheck for yourself in retirement and one that provides a lifetime of income to cover essential and discretionary expenses.

2. Develop your income plan

- The goal of a Retirement Income Plan is to create a lifetime of predictable income that meets both discretionary and essential living expenses.
 - Put together a withdrawal strategy designed to provide the income you need in retirement
 - Even if you are a few years from retirement, this can be a critical piece to help you determine if you are ready to retire. Following an effective income plan for retirement is as important as saving for it. You may need income for as long as you actually worked.
 - Allocate your expenses into essential and discretionary such as essential expenses like food or housing and discretionary expenses like travel or entertainment? How will you deal with the risk of inflation?
- Consider how an income annuity can help contribute to the success of your income plan
- Consolidate your accounts, both retirement and non-retirement into one company to help better manage and coordinate your planning.

Solares Hill Advisors
www.solareshilladvisors.com
Planning for You. Planning for Life.
617-306-1572

Securities offered through Advisory Group Equity Services, Ltd. Member FINRA/SIPC (781) 933-6100
Advisory services offered by Trust Advisory Group, Ltd. 444 Washington Street, Suite 407 Woburn, MA 01801

Financial Planning

3. Don't Be Afraid to Keep Accumulating Assets

- “Catch up” by contributing more to your retirement savings. You are now allowed extra “catch-up” contributions to your retirement plan account and IRAs.
 - For 401(k)'s (not including SIMPLE plans), the catch-up amount for 2012 is \$5,500 above the contribution limits and adjusted for inflation in subsequent years. This brings the 2012 maximum 401(k) contribution limit to \$22,500 if you're over 50. If made each year until retirement, these additional deposits can help your retirement savings grow significantly.
 - For Traditional and Roth IRAs, the catch-up amount is \$1,000 above the standard limits, which are now annually adjusted for inflation.
- Don't make the mistake of assuming that your current contributions are enough.
 - Depending on your retirement goals and current savings, you might need to be saving more than 20% of your income while in your 60s.
 - Retirement plan and IRA contribution limits could mean you need to save extra in taxable accounts like a brokerage account.
- Consider adding bonuses, tax refunds, or other lump-sum payments to your retirement savings.
- Maintain your emergency fund so it covers three to six months of your living expenses.

4. Protect yourself from the unexpected

- Do a life insurance review to make sure the coverage you have in place will still protect and provide for your beneficiaries.
- Review your long-term care insurance options.
- Review your home owners insurance.
- Make sure you include insurance premiums to your income planning in retirement.

Solares Hill Advisors
www.solareshilladvisors.com
Planning for You. Planning for Life.
617-306-1572

Securities offered through Advisory Group Equity Services, Ltd. Member FINRA/SIPC (781) 933-6100
Advisory services offered by Trust Advisory Group, Ltd. 444 Washington Street, Suite 407 Woburn, MA 01801