



## My Strategy for Financing My Retirement

This IS NOT a legal document. It is simply a worksheet that might be used to assist you in planning.

Complete as much of the worksheet as possible, keep track of any specific questions or concerns you may have, and then contact Estate Law HELP, or any other trusted financial services professional or attorney.

(1) Right Now, while working, what are our monthly expenses?	(1) \$	<i>You will find numerous budgeting tools on the internet, or you can request a Budget worksheet through EL HELP</i>
(2) What percentage of (1) will we need during retirement so we can maintain our desired lifestyle?	(2) %	<i>Most American households will maintain their lifestyles with incurring only about 75% of current monthly expenses during retirement - are you average?</i>
(3) Monthly Income needed during retirement = [(1) * (2)]	(3) \$	
(4) Expected fixed income during retirement, such as Social Security benefits, rental income, annuities, interest payments from bonds, alimony payments, royalties, installments from the sale of a business, ...	(4) \$	<i>This number should come from the Expected Fixed Income During Retirement worksheet, also available through EL HELP</i>
(5) Expected Shortfall = [(3) - (4)]	(5) \$	<i>If the result is a negative number, then just enter zero, since you should be good</i>



So, let's start to plan!

If there is a shortfall in (5), then which of the following actions should we consider and discuss with our financial services professional or planning attorney (check all that apply)

- can we downsize our expected lifestyle in retirement so that our expected fixed income will cover all ongoing and budgetable expenses
- can we continue working a bit longer than expected so we have a few more years to strategically save and a few less years in actual retirement
- can we sell or exchange some assets we currently own in order to provide additional streams of fixed income to make up the shortfall
- if we retire as planned but do not have enough fixed income, then we will need to spend down our nest egg, which means that we will need to rebalance our investment choices as we age, and we might run out of money at some point leaving us to live off of our fixed income and preventing us from leaving any inheritance to our surviving family, friends and charities - our initial preference is to:
  - take distributions from our bank accounts and IRAs or sell some of our assets, as needed,
  - take a planned distribution each year (such as 4% of principal, possibly with guard-rails based on fund earnings or inflation),
  - place different assets into different timing "buckets" or purpose "buckets", or
  - some other plan \_\_\_\_\_

We should also discuss the following with our financial services professional (check all that apply)

- will we be able to structure our income and distributions to help us minimize taxes owed each year,
- will we have the right insurance profile during retirement (for medical and long-term care, for disability and death, and for all of our property), and will we have enough income to pay all of the premiums, deductibles and co-pays for all insurance policies,
- will we be able to retrofit our home order to age in place or should we consider moving while we can,
- will we be less of a burden on our heirs if we pre-pay for our funerals and provide complete instructions,
- other \_\_\_\_\_

We should also discuss the following with our estate planning attorney (check all that apply)

- do we have appropriate Durable Powers of Attorney for Property and Health contracts,
- do we have a valid will that can be easily located after our death(s),
- do we need to re-title our real and personal property, amend our beneficiary designation forms for our retirement plans, IRAs and life insurance policies, or set up trusts in order for some of our assets to avoid probate after death,
- other \_\_\_\_\_

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