

Planning Needs Beyond Retirement

People have different ideas about how they plan to enjoy retirement. Some plan to travel, while others plan to do volunteer work or start a new career. Whatever your vision of retirement is, there are a number of important issues to consider. Here's a look at some of them.

Estate Planning

If you're like most people, your focus may be on accumulating assets, not passing them on to others. However, if you don't take an active role in planning for the eventual distribution of your assets, a large portion of your estate may be unintentionally eaten up by taxes. Almost everyone — young and old, experienced investors and those just starting out — should have an estate plan that clearly spells out where his or her assets will go. Every state has a set of laws that governs the distribution of an individual's assets if he or she dies without leaving a will. The trouble is, under these laws, the assets may not go to the people you want, in the manner that you want. But a little time spent planning your estate can ensure that your wishes, not the state's, are carried out. A qualified attorney and financial planner can help you develop a thoughtful plan to secure your assets.

Life Insurance

A life insurance policy can be an important safety net for your loved ones. Although you may not like to think about it, after your death there may be bills that still need to be paid, such as a mortgage, children's education, and food and clothing for your dependents. And don't forget funeral costs and medical bills. The last thing anyone wants to do is burden his or her family with this financial responsibility. By helping to replace lost income, pay off debts and cover expenses, life insurance can help ensure your family's financial security should something happen to you. To obtain answers to your insurance-related questions, visit the Life and Health Insurance Foundation for Education Web site at www.lifehappens.org, or call them at (202) 464-5000 ext. 4447. Visit www.finance.cch.com for an easy-to-use insurance needs calculator.

Health Insurance

Whether you are 25 or 65, long-term considerations for health care are important. Medical expenses can be _costly in more ways than you might expect. A serious injury or debilitating illness can wipe out an entire retirement portfolio, erasing a lifetime of hard work and financial planning. To ward off this calamity, consider shoring up your defenses now with a disability insurance policy to help you maintain an income stream if you are ever unable to work. Also, as you approach retirement, learn how to get the most out of Medicare and, when applicable, Medicaid. The U.S. government maintains a web site full of important Medicare information, www.medicare.gov. You can also call 1-800-MEDICARE for assistance. To better protect your health and your assets, you should learn what's available to you before you need it.

Elder Care

There was a time when the retiree population consisted of only one generation. Today, advances in medicine have not only lengthened our lives, but also lengthened our lives in retirement. According to the U.S. Dept. of Health and Human Services, the average woman retiring today at 65 will probably live another 20 years. The average man will live another 17¹. Today's 40- to 55-year-olds can expect to live even longer. We now live in an era of two-retired-generation households. Younger retirees are now encountering the need to care for their elderly parents. And the added financial burden can be enormous. You may want to consider researching long-term health care insurance and facilities to lend a helping hand.

There is more to planning for retirement than saving enough money to meet your expenses. But by doing your homework beforehand, you'll have a better handle on what to expect when your retirement day finally arrives.

¹Source: www.cdc.gov/nchs

