



A Financial Checklist as Summer Starts to Fade

Key questions to ask to strengthen your financial planning before year-end

As the warm days of summer begin to fade and the routine of fall approaches, it's the perfect time for pre-retirees to revisit their financial plans. Whether you're planning to retire in a few years or a decade, conducting a comprehensive review now can prevent last-minute surprises and ensure you're on track to achieve your retirement goals. This transitional season offers an ideal opportunity to meet with your financial advisor, reassess your portfolio, and make any necessary adjustments before the end of the year.

Late Summer is Ideal for a Financial Review

The end of summer is a natural period for reflection and recalibration. As you return to regular routines after summer vacations and outdoor activities, it's easier to focus on important financial tasks. Furthermore, the final months of the year are critical for implementing tax-saving strategies, adjusting contributions to retirement accounts, and evaluating your overall investment strategy.

Preparing for Year-End Deadlines: Many financial deadlines, such as tax-related strategies and required minimum distributions (RMDs) for some retirees, come at the end of the year. If you wait too long to take action, you may miss out on opportunities to maximize your savings and reduce your tax burden. Reviewing your plan now gives you ample time to implement necessary changes.

Reviewing Market Performance: The summer months often experience fluctuations in the financial markets. It's essential to assess whether your investments have been performing as expected or if market volatility has impacted your retirement portfolio. Late summer is an ideal time to check in with your financial advisor to ensure your portfolio remains aligned with your goals and risk tolerance.

Reviewing Lifestyle Changes: Summer is a time for family gatherings, vacations, and sometimes major life events, such as relocations or changes in employment. These events could impact your financial situation. For example, a move to a different state could alter your tax obligations, or changes in health could affect your insurance needs. Incorporating these lifestyle changes into your retirement plan ensures you remain on track.

Key Areas of Focus for Pre-Retirees

Retirement Income Strategy: As you approach retirement, it's crucial to determine how your retirement savings will be converted into income. Assess whether your withdrawal strategy is sustainable, considering factors like inflation, healthcare costs, and longevity. Additionally, review your income sources, such as Social Security, pensions, and investment accounts, to ensure they are appropriately diversified.

Tax Planning: Tax planning should be an ongoing part of your retirement strategy, especially as you near retirement age. Late summer is an excellent time to review tax-efficient withdrawal strategies. For example, consider whether it makes sense to convert some of your traditional IRA or 401(k) funds into a Roth IRA before tax rates change. If you are already retired, it's also time to ensure you're meeting RMD requirements if applicable.

Healthcare and Long-Term Care: Rising healthcare costs are one of the most significant risks to your retirement savings. Ensure that your health insurance plan provides adequate coverage as you age. This is also a good time to assess whether long-term care insurance should be part of your retirement plan. Even if you don't need long-term care insurance today, understanding the potential costs and your options can help you prepare for future needs.

Estate Planning: Estate planning is an essential part of retirement planning. Review your estate documents, including your will, power of attorney, and healthcare proxy. Ensure your beneficiaries are up to date on all your financial accounts, including retirement accounts and life insurance policies. Discuss any charitable giving strategies with your financial advisor, as these can be highly tax-efficient ways to leave a legacy.

Questions to Ask Your Financial Advisor

To get the most out of your end-of-summer financial review, it's important to ask your financial advisor targeted questions that address your specific concerns and goals. Here are six key questions to consider:

1. Am I on track to meet my retirement goals? Ask your advisor to run an updated financial projection to ensure you're still on course to achieve your retirement objectives. Given market fluctuations and potential changes in your personal circumstances, this check-up can provide peace of mind or highlight areas needing adjustment.

2. How can I reduce my taxes in retirement? With the potential for future tax increases, it's essential to have a tax-efficient withdrawal strategy. Your advisor can help you assess whether it's advantageous to convert some of your retirement savings to a Roth

IRA or adjust your investment strategy to minimize taxable income.

3. Is my portfolio properly diversified and aligned with my risk tolerance? Market conditions change, and so does your risk tolerance as you get closer to retirement. Make sure your asset allocation reflects your comfort level with risk and is positioned to meet your long-term goals, especially if market volatility has been a concern recently.

4. What should I do about healthcare and long-term care costs? Healthcare costs can be one of the most significant uncertainties in retirement planning. Ask your advisor whether your current healthcare plan is adequate and discuss options for long-term care insurance. You may also want to explore strategies for managing healthcare expenses, such as health savings accounts (HSAs).

5. Do I need to make any changes to my estate plan? An updated estate plan ensures your assets are distributed according to your wishes. Ask your advisor whether any recent tax law changes or life events require you to update your will, trusts, or beneficiary designations.

6. What are the key financial deadlines I need to be aware of? Your advisor can help you stay on top of important deadlines, such as RMDs, charitable contributions, and tax filing dates. Missing these deadlines could result in penalties or lost opportunities for savings.

For Financial Security

Meeting with your financial advisor to ask the right questions will help you identify areas where adjustments are necessary and take advantage of any last-minute opportunities to strengthen your financial position before the year ends.

A well-prepared retirement plan will allow you to enjoy the peace of mind and freedom that come with financial security, no matter where your post-retirement adventures take you.