
Tips for Being Retirement Ready

Retirement can feel like a long way off, but life seems to move faster than we expect. Retiring is a momentous change. You've worked hard, so how does your hard work translate into a successful retirement. Below are tips for becoming retirement ready:

5 Plus Years to Retirement

- **Pay yourself first by saving for retirement.** The general rule is to save 15% of your gross income toward retirement. This amount includes employer contributions. For example: If your employer contributes 4%, your elective contribution should be 11%. We will meet annually to review your financial plan and to verify that you are on track to retire. Depending on your circumstances, you may need to save more and can utilize catch-up provisions in retirement accounts along with non-retirement accounts to make up the difference.

2 to 4 Years to Retirement

- **Gather information.** Gather information regarding your expected Social Security income by going to www.ssa.gov and if applicable, request an estimate of your expected pension income. This way you will have an idea of your predictable retirement income. I will provide an estimate of the annual income that you can expect from your investments without outliving them.
- **Create a budget.** What are your actual expenses? Tracking your expenses is essential to understanding how much income you will need in retirement. I recommend using a budgeting software like YNAB.
- **Complete large projects and pay off debt.** Use your current income to pay off debt and complete projects like home improvements so that you can minimize large expenses in retirement.

12 to 18 Months before Retirement

- **Develop a retirement spending plan.** At your annual review, we will review your financial plan and develop a comprehensive retirement spending plan. This plan will include deciding when to take Social Security, determining an appropriate risk for your investments, and establishing the amount you can spend in retirement. When the time comes, I will work with your tax professional to develop the most tax-efficient way to take distributions.
- **Live financially as if you are already retired.** Live on your expected retirement income and use the remainder to maximize your retirement savings. Living below your means will make the transition to retirement much smoother.

- **Develop a vision.** Thinking ahead and developing a vision of how you see yourself in retirement will help you become emotionally prepared. What do you like to do in your spare time and how will that translate into retirement? Are there passions that you have not had an opportunity to commit to due to time constraints? Have you considered working part-time? One option is to slowly transition to retirement by going from full-time to part-time work.
- **Decide when to retire.** Retiring on our terms is what we all strive for; I can help you decide when the ideal time is for you to retire.

Retired

- **Give yourself time to adjust.** Once you retire, be careful how often you say yes. Take time to fine tune how to spend your time and how it lines up with your vision of retirement. Many retirees often say they are busier than when they were working.
- **Schedule your annual review.** Continue to meet with me at least once a year to review your financial and retirement spending plan to make sure that you are still on track. Your plan is dynamic and will change as your life changes.

Being emotionally and financially prepared will create the quality retirement you have worked so hard for. Taking the time before retirement to create a sound financial plan will allow you the confidence to focus on enjoying retirement.

Kind regards,
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