

RETIREMENT PLANNING

The 40s Checklist



Retirement is a journey not a destination. How you live today and the decisions you make every day throughout your life will impact your ability to enjoy the retirement you envision. The important challenge, of course, is to balance enjoying your life today while simultaneously preparing for your future. One of the best ways to accomplish this is to create and follow a financial plan targeting the retirement you want to live. Financial professionals are skilled in helping you to create and manage a plan tailored to your unique goals and finances.



DEVELOPING YOUR RETIREMENT PLAN

The retirement planning process generally begins with a discussion with your financial professional of how you envision your retirement. That vision will have financial requirements which become the target you and your financial professional will work toward achieving. Your financial professional will help you develop a holistic plan that addresses and balances the four interconnected financial behaviors of Earning, Spending, Investing and Insuring. Your financial professional can help you put a custom plan into action and help you manage the plan as your life events and life goals evolve over time.

WHEN TO START

Today! It is never too soon and it is never too late.

TAKE ACTION!

Use the following Checklist to help identify important considerations when developing your retirement income plan and revising your plan through the years.

Not FDIC-Insured. Not Bank-Guaranteed. May Lose Value.



BNY MELLON
INVESTMENT MANAGEMENT



The 40s

EARNING

- ❑ These are the beginning of peak earning years for many. Maintain savings and investing discipline, and manage bonuses and stock options with an eye toward the retirement target.
- ❑ The chance of experiencing a disability for a worker entering the workforce today is about 25%. Consider long-term disability insurance to protect your earnings if not already enrolled.
- ❑ Continue to reassess your targeted retirement outcome and recalibrate savings as needed.

SPENDING

- ❑ Children's college education expenses kick in. Don't sacrifice your future retirement by diverting retirement contributions toward education.
- ❑ IRA and assets in employers' retirement plans are not included in student federal financial aid calculations, making it one more reason to fund retirement accounts.
- ❑ It is also important to note that while students can get loans for tuition, adults cannot get loans for retirement.

INVESTING

- ❑ Work with a financial professional, if not already doing so, to develop a comprehensive investment plan factoring in all savings and investments, targeted timeline to retirement, and risk tolerance.
- ❑ Family expenses may compete for investible dollars. Find a healthy balance of applying income to spending, insurance and continued investing.
- ❑ Retirement is 15–25 years away, which may allow for a relatively aggressive asset allocation.
- ❑ Together with a financial professional, reassess your investment strategy as needed to align with goals and objectives.

INSURING

- ❑ This is a good time to revisit life insurance. Make sure your life insurance is still adequate to sustain dependents and determine whether term or permanent insurance is best for your situation. If life insurance is needed, permanent insurance can be a way to also accumulate cash value to be used as potentially tax-free income during retirement.
- ❑ Long Term Care insurance at this time becomes increasingly important and is more affordable if purchased now rather than later. Long Term Care policy features are many and varied, so individuals should shop around and seek advice from insurance professionals.
- ❑ Liability insurance needs to be sufficient enough to protect assets from lawsuits.
- ❑ Property and casualty insurers often offer "umbrella" liability policies that coordinate and exceed the liability coverage of other policies, such as fire, theft, auto, boat, etc.
- ❑ Complete your Beneficiary Designation forms for all retirement, health savings, and education accounts, and update them as necessary to ensure the assets are transferred to whom you intend.
- ❑ A Will efficiently directs the disposition of your other assets and reduces the burden on your surviving family.
- ❑ Health Care- and Financial- Powers of Attorney, allow you to specify who you would like to make decisions on your behalf should you become incapacitated and unable to make them on your own.

This information is general in nature and is not intended to constitute tax advice. Please consult your own legal or tax professional for more detailed information on tax issues and advice as they relate to your specific situation. There are fees, expenses, taxes and penalties associated with retirement products.

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