

Nearing Retirement/Retirement Checklist

Five to Ten Years Before Retirement

- Analyze your net worth. Collect information such as the following:
 - Cash
 - Checking
 - Savings
 - Certificates of Deposit
 - Life insurance cash value
 - Other
 - Personal Assets
 - Home (assessed value)
 - Cars (book value)
 - Art/collectables
 - Furnishings (depreciated value)
 - Jewelry (appraised value)
 - Other
 - After Tax Investments
 - IRA
 - Roth IRA
 - Mutual funds
 - Stocks
 - Bonds
 - College Savings Plan
 - U.S. Savings Bonds
 - Other
 - Tax-deferred Retirement Accounts
 - State Retirement Plan
 - State Deferred Compensation Plan
 - Retirement plan roll-over to IRA
 - Liabilities
 - Mortgage loan balance
 - Home equity loan balance
 - Car loans
 - Student loans
 - Credit card debt
 - Other
- Estimate your life expectancy as a benchmark to measure the adequacy of your retirement savings
- Analyze your retirement savings balances. Develop or update your financial savings plan for retirement. Set specific monetary retirement date goals. Use the “catch-up” provisions to increase savings if necessary.
- Concentrate on paying off or minimizing debt. If you have a home mortgage, and your agreement allows, consider paying more toward your principal each month to accelerate your payoff date.
- Concentrate on maintaining a healthy lifestyle.
- Have an annual physical examination.
- Analyze your insurance situation. As your life circumstances change, so do your insurance needs. For example, if you are close to retirement you may no longer

need long-term disability insurance. However, you may want to consider long-term care insurance.

- ❑ Review your investment portfolio annually, setting goals for allocations and earnings. Reallocate based on those goals, not on how the market is performing at a particular time.
- ❑ Consider using a variety of investment vehicles. For example, it may be wise to have both a regular and a Roth IRA. Contributions to a traditional IRA are tax deductible the year they are made and taxes are owed on distributions. Roth IRA contributions are not tax deductible but withdrawals are tax-free.
- ❑ Do some estate planning. Consider which assets you would like to pass on to beneficiaries. Then, consider getting some professional assistance in developing and plan and considering tax implications for you and your beneficiaries.
- ❑ Create or update these important legal documents:
 - Will/Trust
 - Advanced Directives (state your choices about medical treatment or name the people you want to make these decisions if you are unable to make them for yourself). In Nebraska, there are two types:
 - Power of attorney for health care, and
 - Rights of the Terminally Ill Declaration (i.e., Living Will).
- ❑ Keep current a list of beneficiary names, birth dates, Social Security numbers and contact information.
- ❑ Put all of your important papers in one place or create a summary of the information and where to find it. Make sure your family or friends know where to find it.
- ❑ Have other estate planning tools and strategies.

Two to Three Years Before Retirement

- ❑ Update your net worth statement annually. Early January is a good time to do it because you will be receiving your fourth quarter investment statements and you can set some goals for the new year.
- ❑ Review your investment allocations. Is the allocation appropriate for your retirement timeframe? While it may be wise to move to a more conservative allocation, remember that these funds have to keep working for you for another 20 or 30 years after you retire.
- ❑ Analyze your expenditures on a monthly and annual basis, so you know where your money is going. Some banks and credit card companies categorize your expenditures to make this easy. Compare your spending to the average retired couple (source: Bureau of Labor Statistics):
 - Housing 32%
 - Food 14%
 - Transportation 16%
 - Medical Care 13%
 - Clothing 3%
 - Personal Care 1%
 - Entertainment and education 4%
 - Charitable contributions 7%
 - Insurance 5%
 - Other 5%

- ❑ Estimate the type and amount of your annual living expenses during retirement. How will they change from your current expenditures? For example, clothing and transportation expenses may decrease, but travel, leisure, and health care expenses may increase.
- ❑ Estimate your Social Security, State Retirement, and other sources of retirement income on a pre-tax and after-tax basis. Be sure to consider the effects of inflation, taxes, and conservative rates of return on your investments. Will your retirement savings be sufficient to meet your needs? If not, consider: contributing more to retirement savings, working part-time, cutting expenses, setting more modest retirement goals, or delaying retirement.
- ❑ Maximize the use of the three-year catch-up provision in the years leading up to your last year of employment with the State, as you may not use this provision in the last year of employment.
- ❑ Inspect your home for any major maintenance needs, whether you plan to remain living there or sell it.
- ❑ Plan where you will live in retirement.
- ❑ Begin planning for what you will do with your time once you retire. Start dabbling in those interests, if you haven't already. Take a class, travel, volunteer, or begin a new hobby or renew a former interest.
- ❑ Discuss your retirement plans (e.g., where to live, what to do) with your spouse or family.
- ❑ Evaluate your insurance needs.
- ❑ Decide whether you will retain your savings in the State retirement accounts versus a rollover to an IRA. While you may have many more investment options outside of the State plan, be sure to consider the commissions and fees.
- ❑ If you plan to roll over State retirement assets into an IRA, make plans for where you want to move your money and who you will trust to manage it. Do you plan to actively monitor and manage your money, or do you want to have someone else do it for you? Be sure to check the credentials of the person you hire. Understand the services that will be provided and the fees that will be charged.

One Year Before Retirement

- ❑ Meet with State Retirement to discuss an estimate of your retirement income and your distribution options. Don't wait until the last minute.
- ❑ Investigate the rules for taking distributions from your State retirement plans as well as any IRAs that you hold. Explore the tax issues associated with taking these distributions. You may be able to defer some distributions longer than others, thus prolonging tax-deferred growth.
- ❑ Decide on a payout option and payment beginning date.
- ❑ Re-evaluate acceptable investment risk. Reallocate investments accordingly.
- ❑ If you will retire before age 65 and carry health insurance through the State, will you be able to afford the increased cost?
- ❑ If you are 65 or older, have you explored Medicare and supplemental coverage?
- ❑ Consider long-term care insurance or develop another strategy to defray the cost of nursing home care.
- ❑ Schedule necessary elective medical treatments now, while you are still covered by group health insurance.
- ❑ Re-evaluate life and long-term disability insurance needs, since this state coverage will end at retirement. However, all or part of the basic and term life

- Consider succession planning and knowledge transfer. Keep thorough documentation of what you do and how you do it. As you move through the activities of your last year of NDE employment, create a list that includes:
 - Major functions,
 - Activities to accomplish those functions,
 - Associated timelines,
 - Associated personnel, and
 - Location of associated records and resources.
- Purge your paper and electronic files of outdated information. Create a list of important paper and electronic files and where to find them.

One Month Before Retirement

- Submit your resignation letter to your supervisor. Your letter should include the effective date of your resignation, which is the last day you plan to work or be paid by using accrued leave. Discuss with your supervisor your preferences about retirement recognition and any communication (s)he might send regarding your retirement. (Note: As of January 2008, NDE HR sends e-mails to all staff regarding employees joining and departing NDE. For retirements, HR's note will read, "_____ is leaving the Department after ___ years of service. We wish him/her well. After his/her departure, please contact _____ for assistance.")
- Confirm beneficiary designations for:
 - State retirement plan proceeds
 - IRAs
- Meet with HR to discuss issues such as:
 - benefits ending date;
 - final payouts for unused sick leave (if 55 or older) and vacation leave;
 - deferring payout compensation to the extent allowable; and
 - continuation of Flex deductions (if applicable).
- Submit Flex claims
- Submit an employee reimbursement document for any reimbursement due you.
- Review and update your job description.
- Note e-mail addresses, personal notations on your electronic calendar, and other information that you wish to take with you. Computer access will be terminated as of the last day of employment.
- Meet with your supervisor to:
 - Make arrangements to transfer electronic files to co-workers by using a shared team directory, e-mailing the files as attachments, or burning them on a CD, so that access to your desktop computer will not be necessary;
 - Discuss any recommended changes in your job description;
 - Discuss the succession/knowledge transfer materials you have been amassing over the past eleven months.
 - Provide your computer and voicemail passwords, if applicable

- Locate items that you will need to turn in to your supervisor or HR on your last day in the office:
 - Parking hang tag,
 - Building access/State ID card
 - Keys (e.g., office door, desk, file cabinet, other)
 - Credit cards (e.g., phone card, any other state credit card)
 - TSB driver ID card
 - Computer equipment
 - Laptop
 - Pen/flash drive
 - Other
- Call or meet again with State Retirement to ensure that everything is in order. Verify payment amounts, distribution dates, and other important details.
- Watch your mail for COBRA information that will be sent from State Personnel
- Complete an exit interview with NDE Human Resources.
 - Provide directions for final check (i.e., mail, forward to supervisor, hold check in HR for employee). Note that the final check is an interim (actual) check. It needs to be cashed or deposited, even if your regular payroll checks have been direct deposited.
 - Verify mailing address.