

Try These Retirement Planning Tips

Preparation is the key to most good things in life. As you get closer to retirement, there are actions you can take to make retirement planning easier. Consider these tips:

Pay off debt.

If you're living on a fixed income, debt can be a deterrent to enjoying new things, especially during retirement. While you may have the time to enjoy, if you're still making payments, you may not have the cash to do the things you'd like.

Reduce your living expenses and budget accordingly.

A time to recharge, and it's important to craft and implement a retirement budget before you retire. If your budget doesn't work, revise your plan or delay retiring until you can save more, pay off debt or reduce your monthly outlay.

Have several sources of income and benefits.

Ensure your income is robust, and that you have income coming from a variety of means, such as a pension, 401(k), Social Security, investments, IRAs, survivor benefits and employer health benefits. Be careful if you rely on a spouse's retirement benefits as a single basis of income. (Note: survivor benefits can be much less than full benefits.) Invest as much as you can in your 401(k) at work. Consider opening an IRA at First United CU. Map out what you need to save to meet your living needs and hopefully a little extra.

Assess your insurance coverage.

Meeting with your insurance agent for a review is always a good idea and even more important as you near retirement. Review your standard policies such as homeowner's and car insurance, but also consider other coverages including life and long-term care insurance which can be a safety net for you or your loved ones.

Have your investment strategy be age appropriate.

As you approach retirement age, you may want to reduce aggressive investments. Why, because you have more at risk. However, it's also good to take a balanced approach to your portfolio; factors to consider are age, risk tolerance (conservative vs. aggressive), portfolio size and plans for retirement.

Let us help.

At First United CU, we can answer your questions about retirement planning. We also offer several savings plans to help you prepare for a comfortable retirement.