Steve Azoury Financial On Retirement Strategies

Some Retirement Strategies For All Ages: A "To-Do" List

A successful retirement depends largely on the steps you take during different stages of your life. Here are some rough guidelines.

Your 20s and 30s (Early Career)

It usually makes sense to contribute to IRAs, 401(K), Keoghs, 403(b) and other retirement savings plans while meeting other goals, such as buying a home or starting a family.

Obviously, keep your debt from credit cards and other sources manageable.

If you don't already own a home, consider if this is a good option for you. While a home purchase can be expensive, it also can be an excellent investment and source of tax breaks.

Ask your licensed financial advisor to discuss investment options with a higher potential return. These are the years you might consider the extra risk associated with aggressive investments.

Your 40s and 50s (Mid-Career)

You will probably be advised to continue with any IRAs, 401(K), Keoghs and other retirement savings accounts. Once you reach age 50, you can make "catch-up" (extra) contributions to IRAs, 401(K), and other retirement savings accounts.

If you haven't bought a house already, again consider doing so as a source of equity and a place to live in retirement. If you have a mortgage, periodically compare your interest rate to current market rates. If current rates are better, consider refinancing.

As you get closer to retirement, consider reducing riskier investments and adding more conservative, income-producing investments. Again, seek advice from your investment advisor.

Your Early 60s (Late Career)

Get educated on Social Security! There are actually many claiming strategies that you should consider.   For example, there are numerous implications if you "retire early" or if you delay retirement.

Discuss with a financial advisor when to withdraw money from your tax-deferred retirement accounts, such as employer-sponsored retirement plans and traditional IRAs. After age 59 ½, you can withdraw some funds without penalty but all withdrawals are usually subject to income taxes.

Under IRS rules, you must withdraw a minimum amount from 401(K), traditional IRAs and certain other retirement savings plans by April 1 of the year after you reach age 70 Â½ and each year after that. There is an exception to the rules for someone still working for the employer who sponsors the plan.

Consult with your legal or financial advisors about estate planning & organizing your financial affairs so that your money, property and other assets can go to your heirs with a minimum of costs, taxes and hassles.

You may need or want to buy health insurance or long-term care (including nursing home) insurance. Consider the need for disability (wage replacement) or life insurance coverage.

Reduce your consumer debt as much as possible and consider the pros and cons of paying off your mortgage early. But if you think you'll need to borrow money during retirement, determine whether you want to refinance your mortgage, take out a home-equity loan, apply for a credit card or otherwise take out a loan before you retire. You might have more options for getting a loan when you still have employment income. No matter what loans you have or how old you are, it's important to keep your debts manageable.

Finally, consider holding only conservative investments.

Your Retirement

The rules governing retirement can be complicated.

Arrange to have your periodic payments, such as Social Security benefits, directly deposited into your checking account.

Consult your financial advisor about whether to receive your 401(K) money in a lump sum or periodic payments.

Be extra-careful before taking on new debt, such as a home-equity loan or a reverse mortgage.

Most likely, this is is the stage of life where you are 100% reliant on your accumulated savings. Therefore, keep firmly in mind the potential for you to lose your principal in any investments you own. At this point, risk is probably not your friend!

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