



PRE-RETIREMENT PREPAREDNESS CHECKLIST

In financial planning, setting clear and concise goals is paramount. As your wealth advisor and advocate, we help you uncover the Ideal Life you want to lead, and then we create a roadmap to get you there, when you want to be there. We've found that using checklists is the best way to facilitate financial planning so you will ultimately reach your Ideal Life goal. Our Bradley Wealth Pre-Retirement Checklist is centered around people who are approaching or considering retirement and want to delve deeper into preparing for this new phase of life. We will use your responses as a guide to ensure your financial plan continues to meet your goals, preferences, and timeline.

1. PORTFOLIO REVIEW

- Define preretirement and retirement risk profiles
- Active investing only, passive investing only or a combination? What research supports this strategy? What triggers the shift in approach?
- How do you ensure that the portfolio is optimized to avoid impairments/underperformance over time, especially for lower levels of assets?
- What performance impairments may impact spending?
- What is the role of diversification in the portfolio?
- How do you diversify across asset classes? How many asset classes and why?
- What is the role of a concentrated portfolio in diversification? What research supports this strategy?
- What is the role of and reason for alternative investments as diversifiers in the portfolio?
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- Transition 401(k) assets to an IRA to support the spending plan

2. FINANCIAL PLANNING

- Define long-term financial goals
- Perform a Monte Carlo analysis of goals
- Budget and savings strategy: determine how savings and sacrifices influence long-term goals
- Does the client plan to keep the existing home, buy or rent a short-term domicile, and/or move now or later to a retirement location?
- Is the client saving for a wedding?
- Is the client planning to help adult children financially? If so, when and how much?

3. RETIREMENT SPENDING PLAN

- Set core spending needs ("must haves")
- Set surplus spending needs ("nice to haves")

- Set project spending needs (e.g., start a business or buy a property)
- Set contingency fund
- Determine Social Security strategy
- Determine the vision of retirement
- Employer-sponsored retirement plan: refine strategy
- Does the client have additional retirement accounts?

4. LEGACY GOALS

- Define family gifting goals and philanthropic gifting goals
- Spending and legacy gap analysis: define current and needed resources for spending and legacy; what gaps remain, and how will they be addressed?

5. LONG-TERM CARE (LTC) PROTECTION

- Define the desired amount of LTC insurance
- Consider LTC a dimension of asset protection (Note: preretirement may be later than ideal to acquire this protection)
- Insurance: Self-insured, LTC insurance or Medicaid?

6. IRREVOCABLE LIVING TRUST

- Protect assets from the impact of taxes

7. EDUCATION GOALS

- Establish 529 for grandchildren/others

8. BALANCE-SHEET MANAGEMENT

- Review loans and mortgages with consideration of long-term spending plan

9. INSURANCE REVIEW

- Set or review life insurance strategy
- Set or review Medicare strategy
- Review home insurance for replacement cost coverage, especially in areas with rapidly escalating replacement costs

- Review health, disability and umbrella insurance policies for coverage amounts and beneficiaries
- Transition income-replacement insurance to estate planning strategy
- Review/update all beneficiaries

10. REAL ESTATE REVIEW

- What is your strategy for the sale of the primary residence?
- What is your retirement residence strategy?

11. HEALTH SAVINGS ACCOUNT (HSA) (WHERE APPLICABLE)

- Set strategy for accumulating assets in HSA for use later in retirement Birthdates (adults and children)
- Establish policy of saving all health-related expenses for later reimbursement

12. MEDICAL SCREENING AND PREVENTATIVE HEALTHCARE PLAN

- Consider a comprehensive diagnostic service, such as an Executive Health Assessment; recent research shows there are simple lifestyle changes that people can make to significantly improve their quality of life and reduce their risk of early mortality

13. ESTATE PLANNING

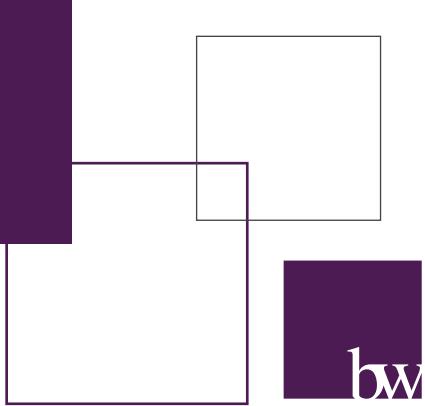
- Discuss advance medical directives and durable power of attorney for medical and financial decisions for adults and children; consider sharing with godparents and other adults of influence
- Update all wills, executors and durable powers of attorney
- Consider adding an ethical will to enrich the understanding of what this money means to the extended family
- Set family meeting and strategy for determining transition to continuing-care facility (early-stage eldercare strategy)

14. SAFETY AND DOCUMENTATION

- Set strategy for identity theft protection
- Collect next of kin/family contact permissions
- Collect a record of safes, storage units and safe deposit boxes as well as accessibility for each
- Collect records of computer files and passwords, photos of personal property, inventory of vehicles, and confirmation of financing and ownership

INTERESTED IN HAVING A
COMPLIMENTARY REVIEW?

Give us a call (619) 512-4100



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