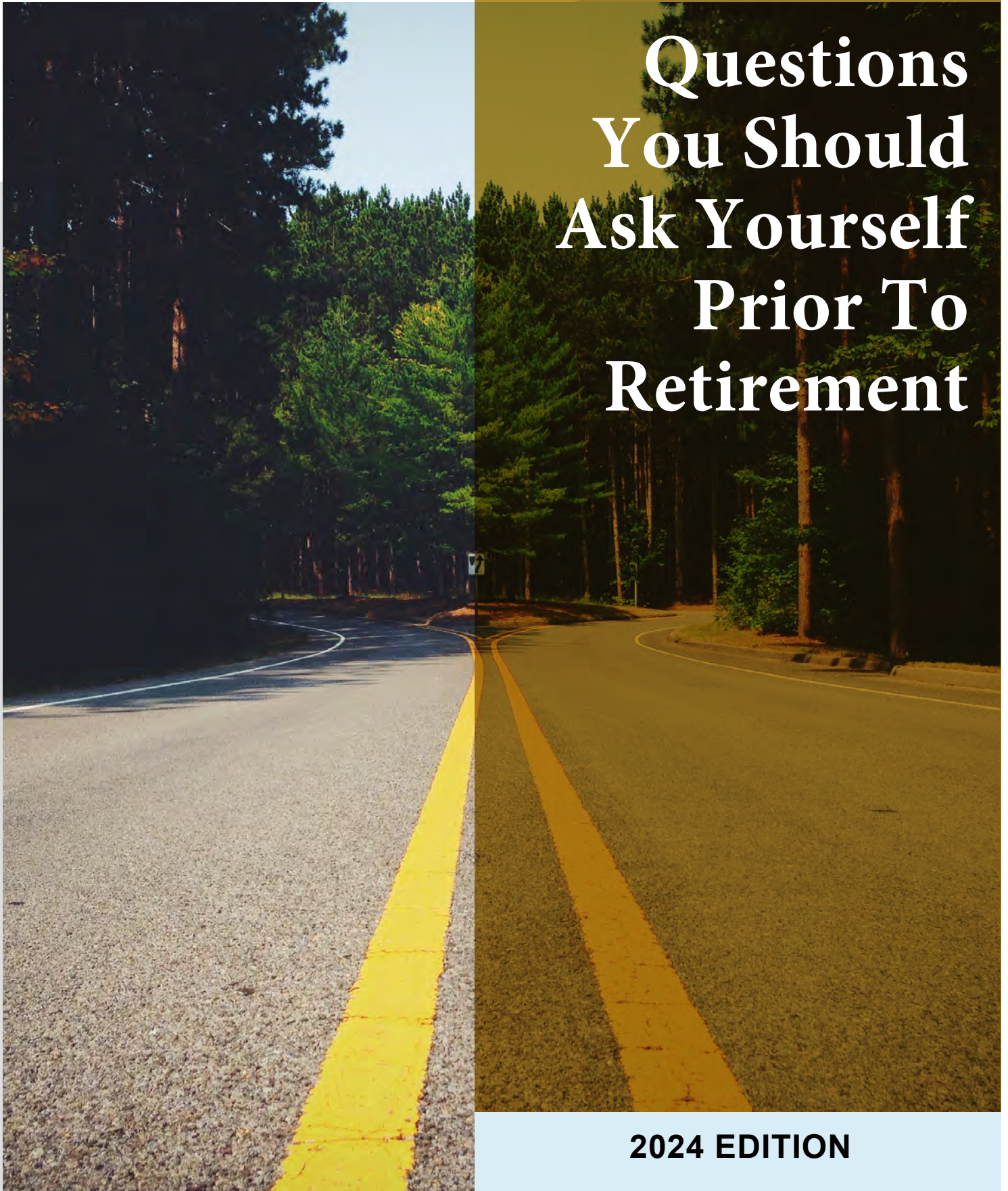




# Questions You Should Ask Yourself Prior To Retirement



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## Questions You Should Ask Yourself Prior To Retirement

Choosing a financial advisor could be one of the most important decisions of your retirement life. With so many wealth managers to choose from, it's crucial that you understand your options and define your needs like you would with your family doctor, lawyer and other professional services. Likewise, so should your financial situation, retirement income needs, estate planning goals, and your expectations of your retirement portfolio be in line with what is important to you and your family. As this partnership develops, you should expect a high level of client service to help ensure your goals are being met. ❖

## Personal

1. Have you gone through a detailed budget when considering your retirement?
2. Are there any roadblocks that could prevent yourself from doing what you want to do during retirement?
3. Once retired do you know how you will spend your time?
4. Over the next five years, does your plan include any major expenses that may come along?
5. How much money can you spend during retirement without running out of money?
6. Do you know if you can afford to retire based on your current budget?
7. What does success in retirement look like to you?
8. Is your relationship with your advisor close enough that if any life changes occurred you could quickly adjust your Financial Plan?
9. Does your advisor and accountant communicate on a regular basis?
10. Do you enjoy meeting with your advisor and know what you will talk about?
11. Do you know how your advisors fees are structured?
12. Do you know what will happen if your advisor dies or retires?
13. Do you know what your expectations are of your financial advisor?
14. Does your advisor call you back before the end of the day?
15. Do you know what you like about your current advisor?
16. Is there a reason why you are considering changing advisors?
17. Does your advisor limit the number of clients to ensure their success is maintained at the highest level?

18. Do you understand going from working and accumulating assets to retiring and distributing assets?
19. If your spouse dies, do you know if your income will increase or decrease?
20. Do you understand which pension option to select and why? (single life, joint life, lump sum, etc)
21. Do you know how large your Required Minimum Distribution could be at the age of 75, 80, 85, 90? ❖



## Income

1. Do you know how you are going get monthly income when you are retired?
2. Have you explored all three categories to maximize Social Security: Your Spousal benefits, Individual benefits, and Survivor benefits?
3. Do you understand that Social Security can be tax free even if you have income over \$100,000?
4. Do you understand the new rules with Social Security vs. the old rules?
5. Do you understand provisional income calculations (the calculation that determines if Social Security is taxable or not)?
6. Do you know if it is more beneficial to delay your Social Security and use your savings for the first few years of retirement?
7. Do you understand what different pension options might be available to you: single life, joint & survivor 100%/75%/50%, period certain, or lump sum? Is there a cost of living adjustment?
8. Have you maximized all of your fixed income sources?
9. Do you know which savings account you should spend down first ❖

## Investments

1. Are you familiar with the measurement of risk called beta and how it pertains to your portfolio?
2. Do you understand why you own the investments in your account and how they will help your future success?
3. Do you understand that investments are not the most important piece of your Financial Plan?
4. Do you understand the difference between stocks, bonds, mutual funds, ETFs, and annuities?
5. Do you know what investment income sources you will spend down 1st, 2nd, 3rd? Do you know the tax implications?
6. Do you understand how dividends reduce the price of your stock, mutual fund, or ETF?
7. Does your plan minimize the impact of a large market downturn?
8. Do you understand there are fees in your mutual funds, ETF's, and certain annuities that may not be a part of your Financial Advisors fee?
9. Do you know if your advisor selects your investments or utilizes a 3rd party money manager?
10. Do you understand the exact amount of risk you're taking in your portfolio and that conservative, moderate, or aggressive is not an answer?
11. Have you made adjustments to your account to lower your risk in order to increase your retirement success?
12. Are your quarterly meetings with your advisor about more than just your investments?
13. Do you understand how your investments should capture of the up markets and how much you could capture in the down markets? Are you comfortable with that risk?
14. Is your financial advisor familiar and updated monthly with all of your accounts held outside at other firms?
15. Do you think you should you judge your advisor on more than just rate of return?
16. Do you realize your rate of return in the distribution phase could be less than the accumulation phase even if you were holding the exact same investments? ❖





## Taxes

1. Does your plan with your financial advisor encompass proactive, forward-looking tax strategies?
2. Has your financial advisor updated you on the newest tax laws?
3. Did you know traditional IRA; though taxable, can actually be tax free income upon distribution?
4. Do you understand there could be ways to defer tax on certain the sale of real estate investments?
5. Do you know exactly what your tax bill will be this year? Do you have a great understanding of what it will be ongoing?
6. Have you contributed to your ROTH IRA even if you're over the income limits?
7. Do you understand you cannot be too old to convert a traditional IRA to a ROTH IRA?
8. Do you know how much of a tax credit you could be eligible for to offset your health insurance?
9. Do you understand with spendable incomes like \$60k, \$100k, or even a \$1 million that your tax bill could be \$0?
10. Did you know using municipal bonds, tax efficient exchange traded funds (ETF), life insurance, and annuities is not real tax planning?
11. Do you know the tax liability when selling your business? Have you explored how to do it in the most tax efficient way?
12. Did you know your taxes could increase if your spouse dies?
13. Do you understand that just because you sold a stock, it doesn't mean you owe taxes?
14. Have you maxed out the appropriate tax bracket to enhance your tax situation in the future?
15. Do you know if you should be paying quarterly tax estimates, how much, and why?
16. Do you understand that liquidity is an important part of tax planning and some investments can hurt tax strategies?
17. Do you understand you can disqualify yourself from receiving Social Security tax free?
18. Do you know how Required Minimum Distributions can affect taxes? ❖

## Risk Management

1. Have you stress tested your retirement plan to consider higher future taxes and are you comfortable with your probability of success?
2. Are you confident your spouse knows your plan and can continue working with your advisor if something happens to you?
3. Is your spouse protected if you die too early?
4. Would you fire your advisor if you had \$1 million and your account lost \$200,000?
5. Do you already have a strategy in place if the market falls 50%?
6. Did your advisor explain how your future Required Minimum Distributions would affect your Medicare Premiums?
7. Did you know if you take a withdrawal from the wrong account at the wrong time, you could hurt your plan?
8. Do you understand the order of your rate of return while your taking income could impact your retirement success?
9. Does your plan account for at least 4% annual increase to offset inflation?
10. Have you developed a plan that is flexible enough to accept any changes that can happen unexpectedly?
11. Do you know if you are self-insured if you go into a nursing home or need nursing help?
12. If you retire before 65, do you know how you're going to get health insurance and how much your premium will be?
13. Are you confident your Medicare premiums will never increase because your income increased over the thresholds? Do you know what the thresholds are?
14. Do you understand the impact long term care could have on your financial plan? ❖

## Estate

1. When you retire, will you still live in the same city?
2. Do you know who or where your assets go if something happens to you today?
3. Is it a goal to leave a legacy?
4. Would you adjust your lifestyle if you are wanting to leave a legacy behind?
5. Does your house have a beneficiary deed on it?
6. If you have a medical need, do you have the proper documentation in place for someone you trust to make medical decisions for you?
7. Has your financial advisor suggested you include your children in your conversations?
8. Has your advisor updated you on the Secure Act and the CARES act and the impact on your beneficiaries?
9. Do you understand the benefits of donating stock or IRA to charities, and the tax benefits before you die?
10. When is the last time you updated your beneficiaries?
11. Did you know if you remarry, your new spouse has to sign off on your kids being the primary beneficiaries on your 401k?
12. How has your advisor helped you title your assets to avoid probate?
13. Do you have P.O.D. (paid on death) on your checking and savings accounts?
14. Have you titled your investment accounts with T.O.D. (transfer on death) to avoid probate?
15. How do you want to be remembered when you pass away? ❖

# Notes

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## Questions?

Is your current financial advisor making the grade?  
Get a second opinion and find out. To schedule your appointment and receive a complimentary, no-obligation retirement analysis by Legacy Wealth Advisors, call us or visit us online!



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