

# ON COURSE

## Approaching Retirement: 7 Things to Consider

JANA HOVEY







# Approaching Retirement: 7 Things to Consider



**JANA  
HOVEY**

**Financial Planning  
Coordinator**

**It's never too early to start planning for retirement, especially if you already have goals in mind.** Many people begin seriously contemplating retirement in their 50s, while others may wait until they're ready to walk out the door.

The sooner you lay a foundation for your exit strategy, the better prepared you'll be for your transition into this phase of life. Working with a wealth management team can help you answer critical questions such as, when *can* I retire? They will be able to map out your financial plan based upon your goals to give you confidence in the answers.

Here are some of the top considerations that can help prepare you for retirement readiness.

## **Consideration 1: Insurance**

Maintaining health insurance coverage during retirement is a key concern for many. While a group insurance plan stays in place as long as you're employed, some plans can carry into retirement while many do not. If you retire before age 65, this can leave you facing a potential coverage gap before Medicare takes effect. To ensure you maintain health insurance until Medicare begins, considerations will include questions such as: Does my employer allow me to keep coverage in retirement? If so, how does the coverage coordinate with Medicare? How will I maintain my insurance once I retire? Your wealth manager can guide you in obtaining answers to these questions and refer you to an expert to obtain interim

coverage if needed.

### **Consideration 2: Income Needs**

You'll want to ensure your future income needs will be met during your retirement years. If you work in a career offering a pension, your wealth management team can examine how much it will pay you and what the options are to determine the most optimal payout choice for your goals. Since Social Security serves as another source of income for many, it is also important for your team to strategize on when you should begin receiving it. Doing so will enable you to optimize your income stream during your retirement years.

### **Consideration 3: Investments**

Those who have been saving throughout their lifetimes are often accustomed to not touching their investments while accumulating wealth. It can be very difficult to change this longstanding mindset and begin tapping into this money once you retire. A wealth manager can help by confirming the spending amount your financial plan will comfortably support and establishing a monthly "paycheck" from your investment accounts to keep your income stream flowing.

### **Consideration 4: Taxes**

When you transition from your working years into retirement, it is likely you will move into a lower tax bracket. This may be a good time to take advantage of tax efficient strategies such as Roth conversions to help even out your tax bill over the years. There are also strategies for maximizing tax benefits

with charitable giving through Donor Advised Funds or Qualified Charitable Distributions. A wealth manager can share more information with you on these topics and coordinate with your CPA to determine the best course of action for your situation. They can also ensure your investments are well diversified

want to retire a short time before you become eligible to receive your pension, for example. You will also want to clearly understand the intricacies of your stock options, as it is possible you may lose some of your awards if you do not maintain employment until the eligibility date. And, depending on your

*"It's essential to talk to your HR department well in advance of your departure to ensure you don't leave anything valuable behind."*

and in alignment with your personalized risk profile, using tax efficient strategies while taking any concentrated company stock positions into account.

### **Consideration 5: Benefits on the Table**

Be careful not to leave valuable benefits on the table when you retire, especially if you work in a job with vesting requirements. This is often true for government employees and those who have pensions. You would not

employer, vested stock options may be lost if you retire without exercising them. It's essential to talk to your HR department *well in advance of your departure*, to ensure you don't leave anything valuable behind.

### **Consideration 6: Emotion**

When retiring, many people experience a drastic shift in habits and mindset, which can create an unexpected emotional element. Being prepared for the emotions that accompany

## **ABOUT RICHARD P. SLAUGHTER ASSOCIATES, INC.**

**Richard P. Slaughter Associates is a leading wealth-management firm specializing in delivering tailored strategies as a fiduciary for high net worth individuals, families, and businesses.**

Slaughter Associates constructs a comprehensive financial relationship with its clients by delivering expertise in financial planning and asset management while coordinating with tax, insurance and estate professionals. The result is a holistic approach—unique in the financial industry—that generates a clear path to the individual financial goals of the client. Founded in 1991 in Austin, Texas, Slaughter Associates was among the first fee-only firms in the nation, a fiduciary status that allows it the freedom to provide advice that is always in the best interests of the client. Slaughter Associates is a NABCAP Premier Advisor, recognized for its commitment to maintaining top business standards, first-class financial-management capabilities and dedication to preserving transparency in the financial services industry.

### **EXPERTISE**

#### **Areas of Expertise**

Specialization in comprehensive wealth-management services for families with over \$1 million in net worth

#### **Other Interesting Fact**

One of the first fee-only advisor firms in the United States

---

retirement is important. Think through what you may want to do in advance and prepare yourself for the upcoming changes. How do you picture your day-to-day life looking? Will you be a consultant, engage in a new or old hobby, or pursue a passion project? Changes aren't only job-related; retiring can represent a social shift, from being around people in an office to spending time on your own.

### **Consideration 7: Business Ownership**

If you're a business owner

preparing for retirement, there are additional factors you'll need to consider. Your personal and financial goals will impact how you exit, as well as the sale price and deal structure you choose when selling. It is also key to imagine your life after the sale and consider how your personal life is entwined with your business. See our August 2022 article, "[A Small Business Owner's Approach to Retirement](#)" for more detail.

Whether you are approaching retirement age or not, it's not too early to start thinking about

your goals. While there is much to consider, a wealth manager can help you through every step. At Richard P. Slaughter Associates, we are a partner from your initial thoughts about retirement planning, to preparing for leaving employment and transitioning into life afterward. 🌊



**Jana Hovey, MBA, CFP®**

Financial Planning Coordinatory

**Richard P. Slaughter Associates, Inc.**

13809 Research Boulevard, Suite 905

Austin, TX 78750

Tel. 512-918-0000

[invest@slaughterinvest.com](mailto:invest@slaughterinvest.com)

[slaughterinvest.com](http://slaughterinvest.com)

---