J.P.Morgan

The Keys to Implementing Your Retirement Plan in Your 60s

Are You on Track?

Now that retirement is within reach, it's time to make those last-minute checks to ensure that you are prepared to enter retirement with ease. First on the list is to ensure you have enough money saved away to retire when you want to and how you want to. You may find that in order to do that, you'll need to increase savings over the next few years. Confirm that your asset allocation and investments are appropriate for your stage in life. Speak to your J.P. Morgan Advisor to discuss the various ways to enhance your financial future just before retirement. With our Goals-Based Analysis tool[1], your J.P. Morgan Advisor is equipped to help guide you into and through retirement.

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File For Social Security and Medicare

Entering your 60s is a great milestone that comes with the benefit of receiving Social Security. The earliest age you can start receiving your Retirement Social Security benefits is 62, but that will be a reduced benefit. The age at which a person is able to receive full benefits varies depends on date of birth. Speak with your J.P. Morgan Advisor regarding the right benefit strategy for you. Now might be a good time to update your Goals-Based Analysis. If you have never had a Goals-Based Analysis created for you, don't delay any longer! 0And don't forget to sign up for Medicare at age 65. Even if you have other health insurance, you need to sign up for Medicare Part A once you are approaching age 65.

Update Your Income Plan and Budget

With retirement knocking on your door, it is important that you reevaluate your goals as they relate to your retirement spending budget and income plan. Meet with your J.P. Morgan Advisor to go over the sources of retirement income you will have access to, your monthly retirement expenses and any other life events. It is important that you are prepared for any risk that may arise in your retirement, so in addition to ensuring you have a realistic income plan and budget, make sure your emergency fund equals at least 3 to 6 times your monthly expenses.

Reevaluate Your Asset Allocation

In addition to establishing a realistic retirement income plan and budget, it is important that you look at the investment strategy being implemented in your retirement savings plans. As you get closer to retirement, you want to have a more conservative portfolio. Conservative does not necessarily mean only fixed income assets (such as bonds and Treasury notes) but may also include equity investments (as they may be key components in your portfolio to help grow your savings throughout retirement). Talk with your J.P. Morgan Advisor as you approach retirement to figure out which investment approach best fits your situation.

"Catch Up!"

Last but not least, if you have disposable income, it is a good idea to take advantage of the extra "Catch Up" contributions to your 401(k) and Individual Retirement Accounts. With the "Catch Up" provision, depending on the type of plan you have, you can contribute more than the maximum contribution amount. This is just another way to enhance your finances during retirement.

Plan for Healthcare

Keeping pace with inflation while in retirement is one of the biggest hurdles retirees face. Healthcare presents a unique challenge as healthcare costs typically rise around 5% to 7% a year, while the annual Social Security cost-of-living adjustment is typically only around 2% or 3% a year.[2] This gap adds up over time and increases the importance of being as realistic as possible in planning for the single largest expense many retirees will face. Healthcare accounts for nearly one-third of spending for Americans age 60 and older.[3] And while retirees with multiple health conditions will likely spend more monthly and annually on their healthcare expenses, their healthier counterparts can expect to pay more over their lifetime due to simply living longer. Defining realistic expectations of your healthcare costs and longevity within your financial plans can help ensure your other goals are not at risk.

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[1] The Customized Financial Analysis referenced is a tool that provides an additional resource in the evaluation of the potential risks and returns of investment choices. The projections or other information generated by the Customized Financial Analysis regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results.

[2] Source: http://time.com/money/4340299/what-youll-pay-healthcare-in-retirement/

[3] Source: http://www.wsj.com/articles/healthy-youll-spend-more-on-health-care-in-retirement-1455109202