



FORTRESS MEGA LLC

# Retirement Planning Checklist

Washington State

## Our Motto:

There is more than one way to build a retirement plan. Let's expose you to basic decision points so that you can use your experience and personal beliefs to explore the right plan for you. This is designed to get you thinking.

**Disclosure:** This is designed using rules of thumb and is inherently general in nature. Your personal situation can and should heavily modify this. This is not specific investment, legal nor tax advice.





## Income Planning

The goal is to figure out what can you live on, when can you expect it and how secure is your income streams.

### Total Potential Income

#### Fixed Income Total

Social Security	Age
Social Security	Age
Pensions	Age
Pensions	Age
Other	Age

### Investment Income

Let's start with the 4% rule, you can adjust this based on your actual plan.

- Total Investable Assets
- Multiple by 4% (annual)
- Rental Income
- Other Income

## Expenses

One of the biggest new expenses is healthcare, but less than half of retirees have lived on a budget historically. It is time to think about what you need to live on and inflation.

### Total Potential Annual Expenses

#### Total Potential Expenses with Inflation

*(x1.41 basic inflation after 10 years at 3.5% compounding)*

- Housing
- Insurance, other than Healthcare
- Auto
- Utilities
- Property Taxes
- Travel
- Food
- Technology/Entertainment
- Club Fees
- Discretionary Spending

### Healthcare Monthly Cost

#### Pre-age 65 – COBRA versus Exchange

State Based Healthcare Exchange  
*(do the income estimator as to costs)*

**OR**

COBRA

#### 65 and Older Medicare

*(initial sign up is age 65 but deferrals are available)*

Part B

Part D

Medigap *(supplement)*

**OR**

Medicare Advantage

Other Plans

### Other Expenses

- Property Taxes
- Medicare IRMAA
- Long-Term Care



## Investments

When talking about investments there are 3 goals I would like to highlight. How do you want to handle liquidity, inflation, market risk all while potentially hitting a specific rate of return. Frankly, there are a lot of ways to set this up. I prefer identifying your growth, income and protection components.

- What is your total investable assets?
- What is your effective rate of return?
  - Is this beating inflation? Yes No
  - By how much factoring in withdrawals?
- How much is protected from market downturns?
  - Is there any guarantees on that protection?  
Yes No
- What is your cash flow rate?
  - Dividends, Interest, etc.
- How much is considered a core holding (growth)?

## Tax Planning

Do you understand your baseline tax situation in retirement and where you have opportunities and where you may have trouble?

- What is your average tax rate?
- What is your marginal tax Rate?
- What is your AGI?
- What is the maximum income you can take out in the first two tax brackets?
- Could you trigger net investment tax or Washington State Capital Gains tax in retirement (I loosely call this the rule of 250)? Yes No
- If you plan on charitable contributions are you planning them out so you get to take advantage before you die? Yes No
- Are you trying to save taxes for yourself, your heirs or split the difference? Yes No
- What is your passive income amount?
- Will your trigger Washington State Estate Tax?  
Yes No



## Long-Term Care Planning

How do you want to handle a nursing home situation? I have many clients suggest solutions that may not be legal, so consider this from the standpoint that you may have a situation where someone else is making the decisions for you.

- Can you identify a monthly cost for long-term care in your area?
- Do you want to take the risk?    Yes    No
- Can you self insure?    Yes    No
  - What resource(s) are you applying to self insure?
- What would it cost you to purchase insurance?
  - Monthly costs
  - Other cost structures, such as single pay or 10 pay structures?
  - Do you have a spouse?    Yes    No
  - Do you have heirs you want to leave money to?  
Yes    No
  - What are you choosing?
- Do you have Power of Attorney's (POA), Wills and Trusts set up?    Yes    No
- Do you have your passwords written down and available?    Yes    No
- Have you gathered your insurance policies?  
Yes    No
  - Have they been reviewed?    Yes    No
  - Do you have third party addressee designation set up?    Yes    No
- What is your burial/cremation/end of life plan?

### Notes:

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