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Financial Planning for Retirement Workbook

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Financial Planning for Retirement Workbook

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Introduction

Are you looking forward to the day you retire? To having more time to travel, spend with family and friends, enjoy new hobbies, or increase your volunteer work? Or does the thought of retirement make you slightly uneasy; unsure if you will have enough money to stop working, but not knowing how much you need to save? Being able to retire when you want and living comfortably is a dream for many Americans, and the goal of this workbook is to help you reach it.

The biggest question is, when the time comes to stop working, will you have enough income to continue the lifestyle you had before retirement? That depends on the lifestyle you want to maintain and the types of income you will have. Social Security payments alone will not be enough for most of us. In 2003 the *maximum* Social Security monthly benefit payable to a worker retiring at age 65 was $1,741, (age 65 plus two months) while the *average* monthly benefit was $895 (www.ssa.gov/cola/cola2002.htm).

As you plan, keep in mind that the average American life expectancy is 74.1 years for men and 79.5 years for women.[1] The "average" person who retires at age 65 looks forward to another 14 to 18 years of life. Many of us will have even more years. It is never too early to begin planning how you want to spend those years.

When you think ahead to retirement, here are some questions to answer:

1. What lifestyle will you want during retirement?
2. What is your current financial situation?
3. How will your financial situation change at retirement?
4. How can you control your financial future to be able to retire with the resources needed to achieve your desired lifestyle?

See how your retirement picture might look by following the steps in this workbook, filling in the worksheets, and doing the calculations. No one can predict the future exactly. However, projecting from what you know now will give you an estimate of what to expect in the future.

[1] Source: HHS study finds life expectancy in U.S. rose to 77.2 years in 2001. Retrieved from *www.hhs.gov/*

Your Retirement Lifestyle

As you think about your retirement days, how will you want to live? What type of lifestyle do you hope for? Will you have enough money to support that lifestyle? What will be important to you and what won't be? How will your life and expenses change after retirement? Here are some items to consider:

- **Your home** —Where will you live? Changing your housing or moving to a different part of the state or country, or to another country, can increase or decrease your expenses. Even if you plan to "stay put" in the same house, some of your costs will still change. For example, your heating and light bills may increase if you spend more hours at home. Or they may decrease if you spend more time traveling away from home. As your home ages, it will need more repairs and maintenance.
- **Transportation** — What does it cost you now? How much of your transportation costs (gas, car maintenance, bus or train fares) are for travel to and from work? Will you keep your own car, rely on public transportation exclusively, or use some combination of the two?
- **Food** — Will you eat out more often in retirement, or entertain friends and familymore often? How much do you pay a year for lunches or other meals eaten at work?
- **Clothing and personal care** — How much of your present clothing costs are for special clothing for your job? How much is for more expensive clothing than you will need after retirement?
- **Health and medical expenses** — Will you buy insurance to supplement Medicare gaps, or will you be paying for all your health care insurance until you are age 65? Will you buy exercise equiment, or join a health club, or cancel a health club membership?
- **Entertainment** — Will you spend more or less on movies, books, theater, clubs, shopping?
- **Hobbies** — Will you spend more money on hobbies, such as woodworking and gardening?
- **Recreation** — Will you spend more money on leisure activities, such as golfing and fishing?
- **Travel** — Will you increase your travel during retirement?

After you retire, you may spend more in certain categories such as health care and health insurance.

You also may spend more on travel, entertainment, and leisure activities, because you have more time to enjoy them.

Use Worksheet 1, "Your Retirement Lifestyle" (page 5), to describe the lifestyle you desire during retirement. As you dream about your retirement days, will you be able to afford the lifestyle you find desirable?

Your Current Financial Situation

As you plan for your retirement years, it is helpful to look at what you are spending now to live. Use Worksheet 2, "Estimated Annual Cost of Living" (page 6), to record what you spend annually in each category. If you only have monthly expense figures, turn to the "Monthly Costs of Living," Worksheet 9 (page 24). Record your monthly expenses and multiply by 12 to get the annual figures to put on Worksheet 2.

Note: The sample "Estimated Annual Cost of Living" worksheet on this page is meant to serve as a guide as you fill in your Worksheet 2. It is based on this scenario:

a) Mr. and Mrs. Jones would like to retire at age 62, 11 years from now.

b) They guess that the inflation rate will rise slowly and will average about 5 percent a year.

c) 11 years at 5 percent = 1.71 inflation factor (from table on page 7).

d) Their estimated current annual expenses of $32,277, multplied by the inflation factor of 1.71, shows they will need $55,194 in their first year of retirement to maintain their current lifestyle.

Example: Estimated Annual Cost of Living

	Totals You Spend Now	Inflation Factor	Future Budget at Time of Retirement in 11 years
Housing	$9,956	1.71	$17,025
Household operation and maintenance	$2,230	1.71	$3,813
Automobile and transportation	$6,016	1.71	$10,287
Food	$4,518	1.71	$7,726
Clothing	$1,782	1.71	$3,047
Personal	$1,521	1.71	$2,601
Medical and health	$1,665	1.71	$2,847
Recreation, education	$1,659	1.71	$2,837
Contributions	$738	1.71	$1,262
Taxes and insurance	$1,112	1.71	$1,902
Savings, investments	$780	1.71	$1,333
Irregular expenses (ex. gifts, license plates, holiday spending, etc.)	$300	1.71	$513
ANNUAL TOTAL	**$32,277**	**1.71**	**$55,194**

Adapted from *Planning a Retirement Budget*, a CEH Topic, Hogarth, Cornell University, 1984.

Worksheet 1 – Your Retirement Lifestyle

What will your lifestyle be like during retirement? Beside each item listed below, describe what you really want in retirement.

1. Your home: ____________________

____

____

2. Transportation: ____________________

____

____

3. Food: ____________________

____

____

4. Clothing and personal care: ____________________

____

____

5. Health and health care: ____________________

____

____

6. Entertainment: ____________________

____

____

7. Hobbies: ____________________

____

____

8. Recreation: ____________________

____

____

9. Travel: ____________________

____

____

From *Retirement Planning*, DP-CFR-051, Maddux, University of Georgia CES, 5/96.

Worksheet 2 – Estimated Annual Cost of Living

Fill in the first column with what you are now spending annually to live. Then figure the Inflation Factor by following the steps listed above the Inflation Factor table on page 7. Fill in the inflation factor in the second column. (You may do this only for the total, or for each category of costs.) Multiply column 1 by column 2 to get an idea of the income you will need during your first year of retirement.

	Totals You Spend Now	**Inflation Factor**	**Future Budget at Time of Retirement in ____ years**
Housing	$		$
Household operation and maintenance	$		$
Automobile and transportation	$		$
Food	$		$
Clothing	$		$
Personal	$		$
Medical and health	$		$
Recreation, education	$		$
Contributions	$		$
Taxes and Insurance	$		$
Savings, investments	$		$
Irregular expenses (ex. gifts, license plates, holiday spending, etc.)	$		$
ANNUAL TOTAL	**$**		**$**

Adapted from *Planning a Retirement Budget*, a CEH Topic, Hogarth, Cornell University, 1984.

The Inflation Factor

Inflation is a widespread and sustained increase in the general price level of goods and services. Economists say that when prices go up 3 percent or more a year, the country is in a state of inflation. While just about everyone gets hurt by inflation, people who live on fixed incomes may feel the crunch more than others because prices rise but their income doesn't. Increases in inflation rates have been extremely modest in recent years – between 2 percent and 4 percent. But even a 2 percent increase every year will have a cumulative effect, and prices will be higher in the future than they are now. That's why it makes sense to build inflation into your retirement plans.

On Worksheet 2, "Estimated Annual Cost of Living," you filled in the first column with the cost you calculated for each of the expense categories listed. To fill in the second column, use Table 1, "The Inflation Factor" (on this page).

(1) Choose the number of years until your retirement starts from the "Years to Retirement" column on the left of Table 1.

(2) Then select an estimated annual inflation rate from the row across the top. Inflation cannot be predicted from year to year. In 1980, it was 12.4 percent. In 2001, it was 1.6 percent. In 2000, it was 3.4 percent. You have to make an educated guess.

(3) Read across and down to find the appropriate inflation factor corresponding to your predicted rate of inflation. For example, 10 years at 6 percent inflation gives a factor of 1.79.

(4) Multiply your estimated annual cost of living expenses from the first column of Worksheet 2 by the inflation factor to get an idea of the amount of income you will need for your first year of retirement, if you want to maintain your current lifestyle. (Example: $14,000 x 1.79 = $25,060.

Table 1. The Inflation Factor

Years to Retirement	Annual Inflation Rate									
	2%	3%	4%	5%	6%	7%	8%	9%	10%	11%
1	1.02	1.03	1.04	1.05	1.06	1.07	1.08	1.09	1.10	1.11
2	1.04	1.06	1.08	1.10	1.12	1.15	1.17	1.19	1.21	1.23
3	1.06	1.09	1.13	1.16	1.19	1.23	1.26	1.30	1.33	1.37
4	1.08	1.13	1.17	1.22	1.26	1.31	1.36	1.41	1.46	1.52
5	1.10	1.16	1.22	1.28	1.34	1.40	1.47	1.54	1.61	1.69
6	1.13	1.19	1.27	1.34	1.42	1.50	1.59	1.68	1.77	1.87
7	1.15	1.23	1.32	1.41	1.50	1.61	1.71	1.83	1.95	2.08
8	1.17	1.27	1.37	1.48	1.59	1.72	1.85	1.99	2.14	2.30
9	1.20	1.31	1.42	1.55	1.69	1.84	2.00	2.17	2.36	2.56
10	1.22	1.34	1.48	1.63	1.79	1.97	2.16	2.37	2.59	2.84
11	1.24	1.38	1.54	1.71	1.90	2.11	2.33	2.58	2.85	3.15
12	1.27	1.43	1.60	1.80	2.01	2.25	2.52	2.81	3.14	3.50
13	1.29	1.47	1.67	1.89	2.13	2.41	2.72	3.07	3.45	3.88
14	1.32	1.51	1.73	1.98	2.26	2.58	2.94	3.34	3.80	4.31
15	1.35	1.56	1.80	2.08	2.40	2.76	3.17	3.64	4.18	4.78
16	1.37	1.61	1.87	2.18	2.54	2.95	3.43	3.97	4.60	5.31
17	1.40	1.65	1.95	2.29	2.69	3.16	3.70	4.33	5.05	5.90
18	1.43	1.70	2.03	2.41	2.85	3.38	4.00	4.72	5.56	6.54
19	1.46	1.75	2.11	2.53	3.03	3.62	4.32	5.14	6.12	7.26
20	1.49	1.81	2.19	2.65	3.21	3.87	4.66	5.60	6.73	8.06

From *Financial Planning for Retirement*, NCR-264, Field and Hathaway, Michigan State University CES, 5/87.

Changes in Spending Patterns After Retirement

After you retire, you may spend less on certain categories, such as taxes (income taxes are usually lower, and you may not pay Social Security taxes, although some retirees do) and savings and investments (you probably won't contribute to a pension fund, although you still will need a savings plan).

Income tax

How much did you pay last year? Compare that amount with the taxes for your estimated retirement income. Use the table in last year's 1040 form. About 20 percent of people who get Social Security have to pay taxes on their benefits. This provision affects only people with substantial income in addition to their Social Security benefits. Pension or annuity payments from an employer's retirement plan may be subject to income taxes.

Social Security taxes

If you continue to work after you begin drawing your Social Security benefits, you will have to pay Social Security and Medicare taxes on your earnings. In 2003, the combined tax rate was 7.65 percent for an employee and 15.3 percent for a self-employed person. You do not have to pay Social Security or Medicare taxes on your Social Security income.

Check your paycheck stub for the amount you paid into Social Security last year. Compare it with the expected amount of your post-retirement income. That will tell you whether you will need to pay Social Security taxes after retirement and how much they will be.

Saving and investing in retirement

Check your paycheck stub for contributions to a pension plan. How much are you investing for retirement in other ways, including mutual funds, stock market accounts, and IRAs?

For each expense category, figure the difference between what you're spending now and what you expect to spend after retirement. Enter those amounts onto Worksheet 3, "Estimated Changes in Spending After Retirement" (page 9). If your retirement expense will be lower, put the difference in the "less" column. If the expense will be higher, put the difference in the "more" column. Then compare the totals.

Planning for Future Inflation

On Worksheet 2, "Estimated Annual Cost of Living," you calculated the effects of inflation on your living expenses until you retire. But inflation will continue, at some rate, after you retire. A man retiring today at age 65 can expect to live 16 more years; a woman, 19 more years (See Table 2, "Expectations of Life by Age and Sex" (page 10). How will your expenses be affected by inflation then?

To see how inflation will affect your budget into the future, turn to Worksheet 2 (page 6). Copy the totals from the right-hand column, "Your Future Budget at Time of Retirement in ____ Years" into Column 1 on Worksheet 4, "Estimated Annual Cost of Living 10 Years After Retirement" (page 12). Then go back to Table 1, "The Inflation Factor" (page 7). Choose an inflation rate and find the factor for 10 years. Multiply that factor by the figures in column one on Worksheet 4. Record your answers on column three of Worksheet 4.

How much will inflation increase your living costs? Even a moderate rate of inflation will push up those costs over time. This shows that it will be necessary to plan for retirement income that will keep pace with inflation as much as possible. The example on page 11 assumes an annual average inflation rate of 5 percent.

Planning for Large Future Irregular Expenses

Some expenses do not occur every month, or even every year. These are the ones you are most likely to not plan for (a new roof, an appliance that dies, another car). These expenses are most likely to interfere with your retirement budget.

Use Worksheet 5, "Large Future Irregular Expenses" (page 13), to help you plan ahead for some of these large expenses. This worksheet will help you answer some basic questions as you plan ahead for your large expenses. Think about when you expect the expense to occur and the estimated cost. Do some years have more expenses than others? Can you shift some of those costs to other years? Or, can you set aside savings in less expensive years to pay for them? Can good maintenance and/or repairs lengthen the life of some items so they won't have to be replaced so soon? Can you live with certain items after they are no longer in tip-top shape? Are there some items you won't replace as they wear out? What can you replace before you retire when you may have more money to pay for them? (Note: The average life expectancy

Worksheet 3 – Estimated Changes in Spending After Retirement

Use this worksheet to calculate possible changes in your expenses. For each expense category, figure the difference between what you are spending now and what you expect to spend after retirement. If the retirement expense will be lower, put the difference in the "less" column; if it will be higher, put the difference in the "more" column. Add the figures in both columns and compare the totals. Which total is larger? What does that suggest about your future spending? Will you need to make some changes in what you expect to spend?

Expense	**Now Spend About How Much?**	**Expect to Spend After Retirement**	**Less After Retirement**	**More After Retirement**
Work related:				
Transportation	$	$	$	$
Clothing	$	$	$	$
Dues	$	$	$	$
Meals	$	$	$	$
Other	$	$	$	$
Social Security taxes (taken out of check)	$	$	$	$
Income taxes	$	$	$	$
Pension plan contributions	$	$	$	$
Contributions to other retirement accounts (IRA, etc.)	$	$	$	$
Savings, investments for retirement	$	$	$	$
Travel	$	$	$	$
Entertainment, leisure activities	$	$	$	$
Health insurance	$	$	$	$
Other health care costs	$	$	$	$
TOTALS			**$ Less**	**$ More**

Adapted from *Financial Planning for Retirement*, NCR-265, Field and Hathaway, Michigan State University CES, 5/87.

Table 2. Expectation of Life by Age and Sex

(United States, Final 2000 and Preliminary 2001)

[Data include all races and are based on a continuous file of records received from the states. Calculations of life expectancy employ populations enumerated in the 2000 census as of April 1 for 2000 and estimated as of July 1 for 2001. Data are subject to sampling and/or random variation.]

	Both Sexes		Male		Female	
Age (Years)	**2001**	**2000**	**2001**	**2000**	**2001**	**2000**
0	77.2	77.0	74.4	74.3	79.8	79.7
1	76.7	76.6	74.0	73.8	79.3	79.2
5	72.8	72.7	70.1	69.9	75.4	75.3
10	67.9	67.7	65.2	65.0	70.4	70.3
15	62.9	62.8	60.2	60.1	65.5	65.4
20	58.1	58.0	55.5	55.3	60.6	60.5
25	53.4	53.2	50.9	50.7	55.7	55.6
30	48.6	48.5	46.2	46.0	50.9	50.8
35	43.9	43.7	41.5	41.3	46.0	46.0
40	39.2	39.1	37.0	36.7	41.3	41.2
45	34.7	34.5	32.5	32.3	36.6	36.5
50	30.2	30.1	28.2	27.9	32.1	32.0
55	26.0	25.8	24.0	23.8	27.7	27.5
60	21.9	21.7	20.1	19.9	23.4	23.3
65	18.1	18.0	16.4	16.2	19.4	19.3
70	14.6	14.5	13.1	13.0	15.7	15.7
75	11.5	11.4	10.2	10.1	12.3	12.3
80	8.8	8.7	7.7	7.6	9.3	9.3
85	6.5	6.4	5.7	5.6	6.9	6.8
90	4.8	4.7	4.2	4.1	5.0	5.0
95	3.6	3.5	3.2	3.1	3.7	3.7
100	2.7	2.7	2.5	2.4	2.8	2.8

From Arias, E., Smith, B.L., *Deaths Preliminary Data for 2001, National Vital Statistics Reports*, Vol. 51, No. 5, March 14, 2003. www.cdc.gov/hchs/releases/03newslifeex.htm

Example: Estimated Annual Cost of Living 10 Years After Retirement

	Your Budget at Retirement	Inflation Factor	Your Budget 10 Years After Retirement
Housing	$17,025	1.63	$27,751
Household operation and maintenance	$3,813	1.63	$6,215
Automobile and transportation	$10,287	1.63	$16,768
Food	$7,726	1.63	$12,593
Clothing	$3,047	1.63	$4,967
Personal	$2,601	1.63	$4,240
Medical and health	$2,847	1.63	$4,641
Recreation, education	$2,837	1.63	$4,624
Contributions	$1,262	1.63	$2,057
Taxes and insurance	$1,902	1.63	$3,100
Savings, investments	$1,333	1.63	$2,173
Irregular expenses (ex. gifts, license plates, holiday spending, etc.)	$513	1.63	$836
ANNUAL TOTAL	**$55,194**	**1.63**	**$89,966**

From *Financial Planning for Retirement*, NCR-264, Field and Hathaway, Michigan State University CES 5/87.

estimates listed on Worksheet 5 are just a guide. Your items may last longer or may need to be replaced sooner.)

How Much Are You Worth?

As you develop your financial plans for retirement, you need to know the resources you already have. A net worth statement gives you that information. On Worksheet 6, "How Much Are You Worth?" (page 14), list your current assets and liabilities. Your assets include everything you own that is of any value (like cash on hand, your checking and savings account balances, the current market value of bonds, stocks, and other investments). Your liabilities include the outstanding balance due on the debts you owe (such as your home mortgage or car loan, and other unpaid bills). Subtracting your liabilities from your assets will show your net worth.

You may be able to get a fairly accurate estimate of your home's value from a real estate firm, or you can pay a professional appraiser to do this. Other appraisers can estimate the value of antiques, jewelry, or other unique valuables (such appraisals should also be recorded for insurance purposes).

Every year, perhaps at the first of each year, review your net worth statement and update your figures for any changes in your financial situation over the year.

Estimating Retirement Income

Where will your retirement income come from? The primary sources of income for most retirees are Social Security, public and private pensions, personal savings and investments, and earnings. In 2000, Social Security provided 38 percent, earnings 23 percent, pensions 18 percent, and personal savings and investments, 18 percent of the income of people 65 or older. [1]

[1] Source: Income of the population 55 or older, SSA. Retrieved from www.ssa.gov/policy April 2002.

Sources of Retirement Income

1. Social Security

Social Security provides a base level of income for most retired people, although it was never designed to replace all lost earnings. Knowing the amount you will receive from Social Security will help you plan your total retirement package. Your eligibility for

Worksheet 4 – Estimated Annual Cost of Living 10 Years After Retirement

	Your Budget at Retirement	Inflation Factor	Your Budget 10 Years After Retirement
Housing	$		$
Household operation and maintenance	$		$
Automobile and transportation	$		$
Food	$		$
Clothing	$		$
Personal	$		$
Medical and health	$		$
Recreation, education	$		$
Contributions	$		$
Taxes and insurance	$		$
Savings, investments	$		$
Irregular expenses (ex. gifts, license plates, holiday spending, etc.)	$		$
ANNUAL TOTAL	**$**		**$**

From *Financial Planning for Retirement*, NCR-264, Field and Hathaway, Michigan State University CES 5/87.

Worksheet 5 – Large Future Irregular Expenses

	Year Bought	Average Expected Years of Life	Year to Replace	Present Replacement Price	*Estimated Price in Replacement Year
Vehicles:					
Car	______	?	______	$______	$______
Other vehicles	______	?	______	$______	$______
Appliances:					
Range	______	12-13	______	$______	$______
Refrigerator	______	15	______	$______	$______
Dishwasher	______	11	______	$______	$______
Washer	______	11	______	$______	$______
Dryer	______	13-14	______	$______	$______
Freezer	______	20	______	$______	$______
Furnace	______	25-30	______	$______	$______
Water heater	______	12	______	$______	$______
Other	______	______	______	$______	$______
	______	______	______	$______	$______
House:					
Roof (varies with type)	______	15-30	______	$______	$______
Fencing	______	20-30	______	$______	$______
Other	______	______	______	$______	$______
	______	______	______	$______	$______
	______	______	______	$______	$______
Furnishings:					
Carpet	______	8-15	______	$______	$______
Drapes, window treatments	______	10	______	$______	$______
Flooring, hard surface	______	15	______	$______	$______
Furniture	______	will vary	______	$______	$______
Other	______	______	______	$______	$______
	______	______	______	$______	$______

* Calculate by counting the number of years until the replacement year. Then, choose an inflation factor from the chart on page 7 and multiply by the "present replacement price."

Adapted from *Financial Planning for Retirement*, NCR-264, Field and Hathaway, Michigan State University CES, 5/87.

Worksheet 6 – How Much Are You Worth?

Name ______________________________ Date ______________________________

Assets		**Liabilities**	
Cash and cash equivalents:		Past due bills for services, rent, etc.	$
Cash on hand	$	**Credit cards/charge accounts:**	
Checking account(s)	$		$
Savings account(s)	$		$
Certificate of deposit (CD)	$		$
Savings bonds	$		$
Treasury securities	$		$
Money market funds/Money market deposit accounts	$		$
Investment assets:		**Consumer installment debt:**	
Stocks	$	Automobile	$
Bonds	$	Other	$
Mutual funds	$	Real estate debt:	$
Real estate:	$	Home	$
Home	$	Other	$
Other	$	Taxes	$
Cash value of life insurance/ annuities	$	Pledges: charities, churches, etc.	$
Partnership and business interest	$	**Other:**	
Retirement assets:			$
IRA/Keogh account	$		$
Employee retirement fund	$		$
Other	$		$
Consumption assets:			
Home furnishings/appliances	$	**Total liabilities**	$
Sports and hobby equipment	$		
Antiques, art, collections	$		
Jewelry, furs, etc.	$		
Automobiles/vehicles	$		
Other:			
	$	TOTAL ASSETS	$
	$	LESS TOTAL LIABILITIES	$
	$		
Total assets	$	NET WORTH	$

From *Family Financial Planning: Preparing and Using Financial Statements*, Morrow, Oregon State University CES, 1992

Social Security is generally based on your lifetime earnings record (or your spouse's earnings record) and your age.

To receive a Social Security retirement check, you (or your spouse) must have received credit for a certain amount of earnings under Social Security. Generally, you must have worked 40 quarters, or 10 years. Special rules apply to the employees of nonprofit organizations, state and local government employees, and all federal employees hired before January 1984.

You can begin receiving benefits as early as age 62 if you (or your spouse) have covered earnings for enough years. However, if you elect to take early retirement, the benefit amount you receive will be less than your full retirement benefit. This is a permanent reduction in the amount of the monthly check you will get; your benefit check will not increase when you become 65.

The decision about when to start drawing benefits isn't the same for everybody, and which option will provide you with the most benefits over your lifetime depends on how long you live. People can get a rough estimate of their personal break-even point by using the Quick Calculator on the Social Security web site at http://www.ssa.gov/

According to the Social Security Administration Web site: "For most people the total amount of lifetime benefits you receive is about the same if you begin receiving your retirement benefits as early as 62 at a permanently reduced rate, at your full retirement age without reduction, or as late as age 70 with special delayed retirement credits added on."

Sometimes, poor health forces people to retire early. If you are unable to continue working because of poor health, consider applying for Social Security disability benefits. The amount of the disability benefit is the same as a full, unreduced retirement benefit.

If you were born before 1938, you were eligible for your full Social Security benefits at the age of 65. However, beginning in the year 2000, the age at which full benefits are paid began to increase in gradual steps from age 65 to age 67 (see Table 3 below).

If you decide to continue working full-time beyond the age when you would receive full retirement benefits, you can increase the amount of your monthly check in two ways. First, higher lifetime earnings will result in higher benefits. So if you delay your retirement, you'll add another year of earnings to your Social Security record. In addition, your benefit will increase by a certain percentage if you delay retirement. These increases will be added automatically from the time you reach your full retirement age until you start taking your benefits, or until you reach age 70. The percentage varies depending on your year of birth (see Table 4, page 16).

Even if you delay retirement, be sure to sign up for Medicare at age 65. In some cases, medical insurance costs more if you delay applying for it.

Table 3. Age to Receive Full Social Security Benefits

Year of Birth	Full Retirement Age	Age 62 Reduction in Months	Monthly % Reduction	Total % Reduction
1937 or earlier	65	36	.555	20.00
1938	65 and 2 months	38	.548	20.83
1939	65 and 4 months	40	.541	21.67
1940	65 and 6 months	42	.535	22.50
1941	65 and 8 months	44	.530	23.33
1942	65 and 10 months	46	.525	24.17
1943-1954	66	48	.520	25.00
1955	66 and 2 months	50	.516	25.84
1956	66 and 4 months	52	.512	26.66
1957	66 and 6 months	54	.509	27.50
1958	66 and 8 months	56	.505	28.33
1959	66 and 10 months	58	.502	29.17
1960 and later	67	60	.500	30.00

Source: www.ssa.gov/retirechartred.htm

As a spouse, you can receive benefits based on your working spouse's benefit. Generally, this is one half of his or her benefit at age 65. But the amount of your benefit will be reduced if you claim it before you are age 65. If you are eligible for Social Security benefits under your own work record, you have the option of choosing that benefit instead.

If you are divorced (even if you have remarried), you can be eligible for benefits on your ex-spouse's record if you were married for at least 10 years and are age 62 or older. You must be unmarried at the time you apply and not eligible for an equal or higher benefit amount on your own or someone else's Social Security record.

To estimate how much your benefit might be, ask your local Social Security office or send for a copy of the free booklet *How Your Retirement Benefit is Figured* (SSA No. 05-10070). This information is also available on the Internet at www.ssa.gov/pubs/10070.html. Ask your Social Security office for help if you don't understand any part of the information.

You should also check the record of your earnings kept by Social Security to be sure it is accurate. Every year the Social Security Administration sends "Your Social Security Statement," Form SSA-7005-5M-S1(1-2002), which shows your earnings record and your potential benefits. Compare the statement of earnings printout sent back to you with the earnings reported on your W-2 forms for the same years. If you find any errors, either in your employer's reporting or in the Social Security records, report them at once to the Social Security Administration and be sure they are corrected so your benefit will be correct when you retire.

Table 4. Benefit Increases for Delayed Retirement

Year of Birth	Yearly Percentage Increase
1917-1924	3.0%
1925-1926	3.5%
1927-1928	4.0%
1929-1930	4.5%
1931-1932	5.0%
1933-1934	5.5%
1935-1936	6.0%
1937-1938	6.5%
1939-1940	7.0%
1941-1942	7.5%
1943 or later	8.0%

Source: U.S. Department of Health and Human Services, Washington, D.C.: Retirement Benefits. Retrieved from www.ssa.gov/pubs/10035.html#part1. April 2003.

Apply for benefits at least three months before you plan to retire. Take with you your Social Security card (or a record of your number); your birth certificate; your marriage certificate (if signing up on a spouse's record); and your W-2 forms for the past two years or tax returns if you are self-employed. Call ahead and ask your Social Security office if you need to bring other documents. Look under United States Government in your phone book for your local Social Security office number. It's a good idea to ask for the least busy times to come in, so that you will not have to wait long when you do go.

Laws governing eligibility, as well as how benefits are calculated, have been changed several times in the past and will undoubtedly be changed again, so you need to keep track of changes and how they affect you.

2. Retirement Plans and Other Benefits

Retirement plans are important benefits provided by private and public employers, unions, and the military. If you have rights to a retirement benefit, you are fortunate. In 2000, 47 percent of men over age 65 received a pension (average: $11,460 per year), compared to 27 percent of women ($6,684) according to the Social Security Administration. Many people work in jobs where no pensions are provided or they have not worked long enough in any one job to earn vested rights to a pension. ("Vesting" refers to the date when you are entitled to the money you and your employer have contributed to your account, even if you leave the job before you retire. If your pension rights are not vested, you will get back only your own contributions.) Many women over age 65 do not have survivor's rights to their husbands' pensions, either because their husband has not chosen a survivor annuity from his employer's pension plan, or because divorce or early death of the husband gave no rights to his widow.

If you do have rights to a pension, what kind is it? Defined-benefit plans use a specific formula to determine how much you will get, usually based on your years of service and salary level. Defined-contribution plans are ones where you and/or your employer contribute a specific amount to your account, but the amount of your pension is determined by the investment performance of the total dollars contributed.

If you have a retirement plan, you will need to ask several questions to fully understand your benefits. Some of these questions are:

- How will your pension be calculated?
- How much will your pension be?
- How does your pension plan define "a year of service"?
- Will your pension be integrated with Social Security? This means a certain percentage of your Social Security benefit will be subtracted from your pension, thus reducing your pension income.
- What pension payment options will you have?
- Will your pension be a fixed number of dollars?
- Will your pension be indexed to inflation?
- Are options offered for lump sum payments that you then invest, or for regular monthly or annual checks?
- What are the rules for figuring the income tax you will have on your pension income?
- Does your pension plan provide for early retirement benefits if you quit work before age 65?
- Does you pension plan provide disability benefits for fully vested participants?
- At your death, what type of benefit will your beneficiary receive — your contributions plus interest, monthly benefit checks, or a lump sum?
- Does your beneficiary collect all or part of your accumulated benefits if you die before retirement?
- If you die after you retire, does your beneficiary continue to receive benefits? If so, how much and for how long?

For details about your pension rights and pension plan, talk to someone in your employer's benefits or human resources office. If you worked at other jobs long enough to earn a vested pension, inquire there, too, about what pension income you can expect.

Spouses should talk over this information before making irrevocable decisions. The 1974 Employee Retirement Income Security Act (ERISA) requires pension plans to contain an option that pays a surviving spouse at least half the pension of the retired married worker; but this usually reduces the basic worker's pension in what is called a "joint-and-survivor annuity." To protect dependent, non-employed spouses, ERISA requires the signature of both the worker and the dependent spouse before waiving survivor's pension rights.

When you retire, will you be eligible to continue other employee benefits? Can you continue your health and life insurance coverage? Can you continue other job benefits, such as employee discounts, profit sharing and stock purchase plans, union membership, or dental and vision insurance? Military veterans have rights to certain benefits that they can inquire about through the Veterans Administration office. Find out exactly what you have rights to and can count on for income or savings in retirement.

3. Savings and Investments

There are tax-deferred financial products that you can invest in to save for retirement. These include Individual Retirement Accounts (IRAs or Roth IRAs), 403(b) plans (if you work for certain nonprofits such as schools, hospitals or churches); 401(k) plans, deferred compensation, thrift or personal savings plans, simplified employee pension plans (SEPs), or a Keogh Plan if you are self-employed.

Will you use all the earnings from these investments for annual income? Or will you continue to put at least part of these earnings back into investments and savings accounts to further build up your capital?

Consider changes you might make in your current savings/investment plan to yield more income for retirement, if needed. Can you save more out of current income? Can you shift your funds to higher yielding or better growth investments? Consider safety of the principal, liquidity and flexibility, and the investment's ability to keep ahead of inflation; and don't "put all your eggs in one basket."

4. Earnings

Do you plan to "retire" to a new career? Do you plan to work part-time in retirement to add to your income? Do you have an interest in a business or in starting a small business? Remember that if you retire before your full retirement age, earning too much will result in a deduction of $1 from your Social Security check for each $2 you earn above your annual exempt amount. Check with your Social Security office for the amount you are allowed to earn without a penalty.

Consider additional expenses you might have if you go back to work, such as the costs of special clothing, transportation to and from the job, meals out, union fees or dues, and income and Social Security taxes. Balance your net income against the psychological benefits of working before deciding whether or not to work and how much to work after you retire.

5. Assets That Could Be Liquidated

Do you have assets that you could turn into extra income if you needed it? Could you sell an asset and invest the proceeds to yield regular interest or dividend income?

Home equity is the most important asset for many elderly people. Seventy-five percent of households headed by elderly persons are owner-occupied, and of these, 80 percent own their homes free and clear. Many homeowners could benefit from converting some or all of their home equity into income. There are reverse mortgages, sale/leaseback arrangements, and other methods for tapping into home equity while continuing to live in the home. Look at your net worth statement. Assets such as coin or stamp collections, china, silver, and crystal could be converted into cash that can then be invested to create additional retirement income.

Total Income

On Worksheet 7, "Estimated Annual Income After Retirement" (page 19), enter all the sources of income you can count on, and add up the amounts. This will give you an estimate of your total gross income. You may have to pay income tax on at least part of that income, and Social Security taxes as well. In the bottom section of Worksheet 7, enter your best estimate of the amounts of income and Social Security taxes you might owe under present tax law. Subtract these estimates from your gross income to get an estimate of the net annual income you can expect in retirement. Major changes in the tax law were made in 1997 and 2001. Expect future changes in tax law that will change your tax liability estimates.

Where to Go for Information

Social Security: Get information and an estimate of your future Social Security income from your local Social Security office. If you have access to the Internet, the address is www.ssa.gov/

Pension: Get information from your employer's benefits or human resources office. If you earned vested rights to a pension from an earlier job, check with that benefit office, also.

Savings and investments: There are a number of financially oriented newspapers, magazines, books, and Internet sites that will give you information. You also can consult your financial advisor or financial institution.

Earnings: Check what income you might earn in a job after you retire.

Assets: Talk to an appropriate appraiser and/or financial advisor on what income might be obtained from liquidating assets and reinvesting the proceeds.

Balancing Income with Expenses

Compare the total net income you estimated you would have when you retire (see Worksheet 7, "Estimated Annual Income After Retirement") with the total expenses you estimated you would have the year you retire (column one on Worksheet 4). Will you have enough income to cover all your expenses? You may be fortunate to have more than enough income to take that big trip or tackle that desired special project. Or, your income may not even cover your basic estimated expenses. If that is the case, start planning now how to either increase your retirement income or cut your expenses, or both.

And take inflation into account! Look at the third column on Worksheet 4, your estimated expenses 10 years into retirement, and the rate of inflation you selected. Will your income at that time be enough to cover your expenses? Use Worksheet 8, "Estimated Annual Income 10 Years After Retirement" (page 20) to identify your expected sources of income then, and consider how each source might be affected by inflation. How much will your income grow with inflation? Your Social Security payments are currently indexed to inflation. But is your pension? Will your savings/investment plans provide income that keeps up with inflation, grows faster, or falls behind?

Increasing Income

The farther away retirement is, the more opportunity you have to increase your retirement income. But you need to start now. Your Social Security pension formulas are fixed. But your employer may provide options for you to make additional contributions to your pension plan. Or your job may allow you to purchase a Supplement Retirement Annuity (SRA) with before-tax dollars, or make contributions to a 401(k) plan.

Do you already have a traditional Individual Retirement Account (IRA) or Roth IRA? Have you contributed the maximum allowable amount each year? Is it earning and growing fast enough? Should you transfer it to another financial institution, or open this year's IRA somewhere else? Is a Roth IRA, which

Worksheet 7 – Estimated Annual Income After Retirement

Enter all the sources of income you can count on and add up the amounts. Add up the estimates of income taxes you may have to pay and subtract them from your gross income to get an estimate of the net annual income you can expect in retirement.

	Yearly Income
1. Social Security:	
Man's at age____	______________
Woman's at age ____	______________
2. Pensions and Employer Benefits:	
Company	______________
State or federal government	______________
Veteran's	______________
Union or other	______________
Profit sharing	______________
Deferred pay	______________
Other	______________
3. Savings and Investments:	
IRA/Roth IRA	______________
Keogh or SEP	______________
Savings account (interest)	______________
Money market (interest)	______________
Treasury securities (interest)	______________
Mutual funds (dividends, capital gains)	______________
Stocks (dividends)	______________
Bonds (dividends)	______________
Real estate	______________
Farm/business rent or installment payments	______________
Home equity conversion	______________
Annuities	______________
Other	______________
4. Earnings:	
Salary, wages	______________
Commissions, royalties, fees	______________
Partnership income	______________
5. Income from Assets That Could Be Liquidated	
Real estate	______________
Mutual funds	______________
Stocks	______________
Bonds	______________
Antiques, collectibles	______________
Farm/business	______________
Anticipated gifts or inheritance	______________
ESTIMATED TOTAL GROSS INCOME	______________
6. Possible Deductions from Income	
Federal income tax	______________
State/county tax	______________
Social Security tax	______________
ESTIMATED TOTAL DEDUCTIONS	______________

(Subtract total tax deductions from total gross income to estimate your total net income.)

TOTAL ESTIMATED NET INCOME ______________

Adapted from *Financial Planning for Retirement*, NCR-264, Field and Hathaway, Michigan State University CES, 5/87.

Worksheet 8 – Estimated Annual Income 10 Years After Retirement

Look 10 years into retirement and see how your estimated income will keep up with inflation. In the first column, copy your figures from Worksheet 7, "Estimated Annual Income After Retirement." Then, for each source of income, estimate how it will grow over the next 10 years. Some sources, like a pension or fixed annuity, will not change. For those sources that could change, use the same inflation rate from the table on page 7 that was used for completing Worksheet 4. Compare your estimated income 10 years after retirement with your estimated expenses 10 years after retirement.

Inflation Rate = ______% (same as on Worksheet 4)

	Yearly Income at Retirement	**Inflation Factor**	**Yearly Income 10 Years After Retirement**
1. Social Security:			
Man's at age ______	______	______	______
Woman's at age ______	______	______	______
2. Pensions and Employer Benefits:			
Company	______	______	______
State or federal government	______	______	______
Veteran's	______	______	______
Union or other	______	______	______
Profit sharing	______	______	______
Deferred pay	______	______	______
Other	______	______	______
3. Savings and Investments:			
IRA/Roth IRA	______	______	______
Keogh or SEP	______	______	______
Savings account (interest)	______	______	______
Money market (interest)	______	______	______
Treasury securities (interest)	______	______	______
Mutual funds (dividends, capital gains)			
Stocks (dividends)	______	______	______
Bonds (dividends)	______	______	______
Real estate	______	______	______
Farm/business rent or installment payments	______	______	______
Home equity conversion	______	______	______
Annuities	______	______	______
Other	______	______	______
4. Earnings:			
Salary, wages	______	______	______
Commissions, royalties, fees	______	______	______
Partnership income	______	______	______

Continued on next page

Worksheet 8 – *continued from previous page*

5. Income from Assets That Could Be Liquidated			
Real estate	________	______	________
Mutual funds	________	______	________
Stocks	________	______	________
Bonds	________	______	________
Antiques, collectibles	________	______	________
Farm/business	________	______	________
Anticipated gifts or inheritance	________	______	________
ESTIMATED TOTAL GROSS INCOME	________	______	________
6. Possible Deductions from Income			
Federal income tax	________	______	________
State/county tax	________	______	________
Social Security tax	________	______	________
ESTIMATED TOTAL DEDUCTIONS	________	______	________

(Subtract total tax deductions from total gross income to estimate your total net income.)

TOTAL ESTIMATED NET INCOME	________	______	________

Compare estimated income 10 years after retirement $ ________
to estimated expenses 10 years after retirement (Worksheet 4) (calculated at inflation rate ______% with inflation factor of ______). $ ________

Will you have a positive balance of $ ________ extra income?

OR

A negative balance of $ ________ less income than expenses?

Adapted from *Financial Planning for Retirement*, NCR-264, Field and Hathaway, Michigan State University CES, 5/87.

allows you to accumulate all earnings tax-free, more compatible with your savings goals?

It has always been a good idea to save for retirement by utilizing tax-advantaged investment vehicles such as the traditional IRA or Roth IRA, or an employer-sponsored plan such as a 401(k) or 403(b). It is hard to match the benefits that come with tax-deferred investing, multiplied over time by compounding interest.

The 2001 tax act dramatically increased the contribution limits for Americans investing for retirement. The new law gradually raises the maximum annual IRA contribution limits for both traditional and Roth IRAs. The limit climbs to $3,000 for the years 2002 to 2004. The limit will then be $4,000 for the years 2005 through 2007, and then $5,000 by the year 2008. There will be no change to the income limits of those who can participate. The 2001 tax act also dramatically increased the "catch-up" amounts that older workers can contribute to their IRAs.

IRAs are not the only retirement savings vehicles to benefit from increased contribution limits. Investors who contribute to a 401(k) or 403(b) plan are limited to $11,000 for the year 2002, and that ceiling will rise by $1,000 yearly thereafter, topping out at $15,000 in 2006.

The 2001 tax law also eliminates the percentage of compensation guidelines for 401(k) and 403(b) plans. Beginning in 2002, combined employer and employee contributions can be the lower of up to $40,000 or 100% of compensation.

Starting in 2006, the act creates another potential method of achieving tax-free growth for retirement assets. In that year, 401(k) and 403(b) plans may allow employees to make after-tax contribtions (like a Roth IRA) to a separate account. Withdrawals will not be subject to income tax, provided the participant holds the account at least five years and is age $59\,^{1}/_{2}$ at the time of distribution.

Are your other savings/investments doing as well as they might? Could you earn more by making a change? Check with the people who are handling your savings and investments to see if there are any better alternatives. Are you setting aside enough for saving/investment now to assure a comfortable retirement? That may mean cutting down on current spending so you can invest the difference toward a happier retirement.

If you're hoping to start a new job in retirement for more income, what ideas do you have for this now? What can you do now to prepare for this new job, or find it? If you've built up net worth in such assets as real estate or antiques that you hope to sell later, start thinking how you could most profitably turn them into income.

Reducing Expenses

You may feel you've estimated your retirement budget realistically, but if you don't have enough income, you'll have to cut down. What could you do now to prune future expenses? While you're still working, could you pay for needed maintenance on your house to get it into better shape? Build up a bigger fund to cover replacement of home appliances, your car, or other big items? Examine insurance to be sure you are buying only what you will need? What skills can you learn that will enable you to do some of your own home or car repairs or other jobs around the house? Check Cooperative Extension Service bulletins and other sources for ways to cut the costs of food, energy, etc.

If you're carrying a large debt load now, reduce it before retirement. Credit is a handy tool, but it can cost money that you may not be able to afford once you retire.

Medicare and Other Health Insurance

Medicare is a federal health insurance program for people 65 and older (and some disabled persons). Medicare has two parts: Part A is hospital insurance, which someone eligible for benefits can get without charge at age 65; Part B is medical insurance, which eligible persons can get at age 65, but there is a monthly premium for it.

Health care costs may be a big budget item for some older persons, so know when you are eligible for Medicare and the coverage it gives you. Get basic booklets on Medicare including the "Medicare Handbook" from your local Social Security office, or call toll-free 1-800-772-1213. Check the Medicare Web site for information (www.medicare.gov). Ask questions about anything you don't understand.

Apply for Medicare at least three months before you turn 65 to be sure you get enrolled in time. Apply even if you plan to keep working after age 65. If you wait before applying, your premiums for Part B generally will be higher. If you are enrolled for Part A (hospital insurance) at 65 and are receiving Social Security benefits, you will automatically be enrolled for Part B (medical insurance) also, unless you refuse it.

Medicare was never intended to cover everything. It does not pay anything toward certain items, such as a routine dental care, custodial care in a nursing home, vision or hearing exams, or eyeglasses and hearing aids. See a complete list of noncovered items in the Medicare Handbook, available from your local Social Security office. You pay a deductible before Medicare coverage takes over; in 2003 that deductible is $840 for each benefit period. And you must co-pay a certain part of charges above that deductible. The amounts have been adjusted frequently, so be sure to check with your Social Security office to be sure you have the most recent figures.

Even after you are enrolled in Medicare, it will be important to buy a supplementary health insurance policy, sometimes called "Medigap" insurance. These policies pay some or all of your Medicare co-payments and deductibles, and include benefits for services that Medicare doesn't cover at all. Since 1992, insurers in most states are limited to selling 10 standardized Medigap policies (labeled "A" through "J"), which provide varying levels of benefits. However, the price of premiums for the same policy can vary widely depending on the insurer. Shop carefully, comparing rates from at least three insurers. For assistance in comparing Medigap policies, call your local agency on aging or your state insurance department to find the nearest senior health insurance counseling service. (In Indiana, the toll-free number for the Senior Health Insurance Information program is 1-800-452-4800). If you have access to the Internet, you can use the Medigap Comparison Charts at www.medicare.gov/mgcompare/home.asp.

If you retire early, you cannot get Medicare before you reach 65 unless you are disabled. Before you plan retirement, see if your employer's group health insurance coverage can be continued to cover you and your spouse until age 65, even if you have to pay for the coverage. An important issue if you retire before 65 is to determine if you can afford to pay for your portion of group coverage or for private coverage health insurance. If you are not allowed to continue your group coverage, see if it can be converted to a private policy that you can carry until you are covered by Medicare. Otherwise you will need to shop around for private health insurance.

Never drop your private or employer's group health care insurance until you know you have Medicare coverage in place.

Housing Expenses

If you own your house, your net worth statement may show that the house is the most valuable asset you have. Over the years, your house has likely appreciated in value, you have made improvements, and your equity has increased as you paid off the mortgage.

Do you want to stay in the same house after you retire? Move to another home in your community (possibly one smaller, easier and cheaper to maintain)? Or do you plan to move to another community? If you want to move, investigate carefully the pros and cons of all options. Be sure to consider the financial aspects as well as personal preferences. If you plan to stay in your same house, review Worksheet 5, "Large Future Irregular Expenses," and plan for large replacement and repair expenses that may come up in retirement. Also look at ways you can make your house and yard easier to maintain, and your house more efficient to heat and cool.

Looking Ahead

If you find that you have fixed assets that don't change with inflation, or that you don't have enough savings and other assets that could yield income, now is the time to make changes in your retirement plans. It's never too soon to start planning and saving for retirement, because time will work for you. It's never too late to make some changes, but the longer you wait, the fewer options you may have. Can you delay retirement? Can you increase income now for a higher pension and/or more savings? Can you spend less now and save more? Can you change your savings and investments to more productive ones that would yield more income after retirement? Can you prepare for new work after retirement? Begin planning now how you want to live in retirement and how to provide enough income and other resources to do it!

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Worksheet 9 – Monthly Cost of Living Worksheet

Shelter		**Medical and Health**	
Rent or mortgage payments	$_________	Medications	$_________
Real estate taxes	$_________	Physician, dentist, hospital	$_________
Home insurance	$_________	Eyeglasses, hearing aids	$_________
		Health insurance	$_________
Household Operation and Maintenance		**Recreation, Education, and Other**	
Home repair, yard care	$_________	Books, newspapers, magazines	$_________
Water	$_________	Club memberships, dues	$_________
Telephone, TV dish/cable	$_________	Movies, sports events, concerts	$_________
Waste disposal	$_________	Sport and hobby equipment, supplies	$_________
Cleaning and laundry supplies	$_________	Vacations, celebrations, weekend trips	$_________
Electric	$_________	Adult continuing education	$_________
Gas, fuel oil	$_________	Pets: care, food, license	$_________
Furniture, fixtures	$_________	Other	$_________
Garden, yard equipment, supplies	$_________		
Other	$_________		
Food, Beverages		**Contributions**	
Food at home	$_________	Church	$_________
Food away from home	$_________	Charities	$_________
Entertaining expenses	$_________	Gifts	$_________
Automobile and Transportation		**Taxes and Insurance**	
Car payment	$_________	U.S. taxes	$_________
Repairs	$_________	State taxes	$_________
Gasoline and oil	$_________	Local taxes	$_________
License, registration	$_________	Life insurance	$_________
Insurance	$_________	Property insurance (not homeowners)	$_________
Other transportation	$_________		
Clothing		**Savings, Investments**	
New clothing	$_________	Banks, savings and loan, credit union	$_________
Laundry not done at home	$_________	Company pension, profit-sharing plan	$_________
Dry cleaning	$_________	Stocks, bonds, real estate	$_________
Shoe repair	$_________	Retirement: Keogh, IRA	$_________
Personal		**Irregular Expenses**	
Cosmetics and toiletries	$_________		$_________
Barber and beauty shops	$_________		$_________
Smoking supplies, alcohol	$_________		$_________
Stationery, postage	$_________		$_________
TOTAL MONTHLY EXPENSES			$_________

Adapted from *Ready, Set, Retire: Financial Planning*, PM-1167a. Danes, Dippold, Schuchardt, Iowa State University CES, 11/85 (based on information from the original *Financial Planning for Retirement*, NCR-264 by Anne Field and Irene Hathaway.

What You Should Know About Social Security in Retirement. Social Security Administration, September 1997.

For more information, there are many books and other materials covering various aspects of retirement planning, including financial planning. One good source of useful books and booklets is the American Association of Retired Persons (AARP). Anyone age 50 or over can join this organization; non-members may buy their materials, but members get discounted prices. The national headquarters is at 601 E Street, N.W., Washington, D.C. 20049. The URL for their home page is www.aarp.org.

Credits

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