
WHEN YOU SHOULD NOT RETIRE



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Determining the right time to retire can be stressful and complex when you consider all of the personal and financial factors that come into play. You might pick a certain age, or after X number of years of service, or perhaps when the last child is married. Sometimes if these events are the determining factor, there can be a backlash of financial consequences in the future.

If you're not sure when to retire, you're not alone. Consider the following as warning signs **not** to retire:

- A. Retiring when you reach a certain age.** You can withdraw qualified (IRA, 403b, 401k) money without a 10% penalty once you reach 59-1/2. But, Social Security won't be available yet and you may be walking away from a sizable income that you may never see again once you pull the trigger to retire.
- B. You plan on working part-time.** So are the other 10,000 people that are turning 65 every day. What if you can't find work? Adding a few more years of contributions to your retirement plan and having a salary will make a big difference in your nest egg.
- C. Your spouse says no!** – Find out why and get it resolved by a counselor or a professional retirement planner. A successful retirement starts with a mutual consent to retire.
- D. You don't have hobbies or a plan to stay busy.** You may have more time on your hands than you planned. Learning how to stay active, relax and enjoy yourself are key components to consider. You must have a meaningful answer to what you're going to do with your free time.
- E. You're counting on your investments to carry you through retirement.** This is dangerous. Speculation should not be your solution. The market is unpredictable and goes through corrections. Then there's inflation, healthcare costs, loss of income when a spouse dies, living into your 90s, rising taxes, etc. The 4% withdrawal rule is obsolete in many cases. Know exactly how

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much money you'll need, create a guaranteed income plan and control spending. Consulting an expert retirement planner to help you is advised.

F. You think you'll never be critically ill. Health insurance costs can be astronomical. Rates and copays can increase. Unexpected medical expenses can wipe you out in a few years. Don't think that you'll never need assisted living or a nursing home. You must create a plan before you retire on how to afford this as if it is going to happen.

G. Life's situations: Don't retire if –

- You have major expenses (house to payoff, costly home improvements)
- You have credit card debt or college loans
- Your kids are still living at home or are still in college
- You don't have enough saved
- You're depending on an inheritance

Deciding when to retire is more than picking an age or years of service. Develop a comprehensive plan prior to retirement. Commit to the plan and you should be able to retire with peace of mind.
