

Tax Season Guide #8 – Retirement

Today's article introduces financial retirement issues.

The key to retiring comfortably is simple, no matter how you define “comfortably”. Getting there is not quite as simple. In order to accomplish retiring comfortably, you will want to project your needs and implement a plan. Track your performance and you'll hit your financial goal.

The formula would look like this:

project + plan + performance = position

PROJECT

Ask yourself some questions about what you are going to need in the future. Use any current data you have. If you've kept a budget, review your history.

- What is your average income?
- Where do you spend your money?

Take an educated guess about the changes you expect will occur.

- Will your retired cost of living be lower?
- If you plan on traveling more, how will those expenses change?

AARP is a great resource for retirement planning. Their website has a module specifically for [financial retirement planning](#). You'll find retirement planning calculators and other useful money management tools. My favorite is their [Retirement Roadmap](#). It is a simple questionnaire and the result helps you gauge how realistic your retirement dreams are.

PLAN

You'll put money aside for your future--in a place that earns money. Put it to work! Spread your assets around. Place your retirement funds in at least two of the following options. (Ideally, one in each category.)

INVESTMENTS:

Real Estate investments
Mutual Funds
Stocks
Bonds

RETIREMENT ACCOUNTS:

IRAs
401(k)s
403(b)s
Sep IRAs
Keoghs
SIMPLEs

I also advise hiring a financial planner. Even one consultation at a reasonable rate, can provide you with guidance and much needed peace of mind. Ask questions about your specific retirement scenarios. Empower yourself by understanding your financial position.

PERFORMANCE

Check in with your actual performance. Micro-managing your retirement account might not be necessary. Sit down with your statements a couple times each year. Look for changes, hopefully growth. Consider how your expenses during retirement might not be what you originally anticipated. Make adjustments to your plan as you go along.

Keep abreast of financial trends. By reading Queercents, you've taken a solid step to make your finances a priority. Follow your favorite publications and money gurus!

POSITION

When retirement day comes, have a huge party. Celebrate in style knowing you've prepared yourself as best as you can. Relax! The energy you've spent getting to this point is behind you. Continue to review your plan and expenses, budget your resources accordingly, and enjoy the rewards of life.