

## 50 THINGS EVERY 50-SOMETHING SHOULD KNOW ABOUT RETIREMENT



By: Ashley Redmond - April 14, 2016

People in their 50s who are nearing retirement have a lot on their plates. Many are trying to pay off their mortgage, get their kids out of the house, and some might even be taking care of their elderly parents.

It's no surprise, then, that many Americans age 50 and over are behind in retirement savings. In fact, according to a recent GOBankingRates survey, nearly three in 10 of respondents age 55 and over have no retirement savings. Moreover, about 80 percent of people in their 50s are behind on their retirement savings.

However, it's never too late to implement some retirement tips and tweak your retirement savings strategy. Click through to learn the 50 things every 50-something should know about retirement (to read the entire article, visit <http://www.msn.com/en-us/money/retirement/50-things-every-50-something-should-know-about-retirement/ss-BBrJVEA>).

### Creating a budget now is essential.

Look at your spending to figure out where your money is going and if you need to start budgeting so you'll have enough savings for retirement.

"I often see couples unaware of each other's spending habits until they create a budget," said Dolph Janis, income strategist at Clear Income Strategies Group.

### You should have a retirement goal age.

It's important to have an end goal in sight, meaning you should pick an ideal age of when you would like to retire. According to Janis, you should double-check and see if your desired retirement age matches with your employer's ideal retirement age for you to ensure that you're both on the same page.

### Living debt-free means living stress-free in retirement.

"Focus on paying down all debt [mortgage, credit cards, auto loans, etc.] and downsizing — if necessary — because living debt-free in retirement means living stress-free," said Janis.

### A 401k offers tax benefits as well.

You might be able to save for retirement using a 401k. Although different from IRAs, 401ks have their own tax benefits as well.

For example, the money you put in a 401k is considered "pretax dollars," which can lower your current taxable income. But although your contributions from your paycheck won't be deducted for income taxes right away, you will pay taxes on your withdrawals when you retire.

### Not meeting a 401k match is like saying 'no' to free money.

Sign up for your employer's 401k match program if it's offered. For example, let's say your employer offers to match 50 percent of employees' contributions up to 5 percent. If you earn a \$50,000 salary and contribute \$2,500 to your retirement plan, then your employer will put in \$1,250, according to Merrill Edge. That's free money you can't pass up.

### Pensions or 401ks from old jobs come in handy.

"Go through paperwork of old jobs because you may have started a 401k or have a pension plan that you are not aware of," said Janis. This is money that you can potentially use now throughout the retirement planning phase.

### Retirement accounts have early withdrawal rules.

Get to know the rules of IRAs and 401ks to avoid penalties.

For example, when it comes to 401ks, "distributions received before age 59½ are subject to an additional 10 percent tax unless an exception applies," states the IRS. In addition, your plan administrator might withhold 20 percent of your distribution and send it to the IRS, according to Fidelity Investments.

As far as IRAs go, you will likely be subject to a 10 percent penalty in addition to applicable federal and state income taxes.

### You can qualify for Medicare when you turn 65.

Once you turn 65 years old, you are eligible for Medicare. That should take care of most of your medical needs, but certainly not all of them. This eligibility and premium calculator can help determine the premium you'll pay.

### Getting a reverse mortgage can help pay for healthcare.

According to the Federal Trade Commission, people who are 62 or older can get a reverse mortgage to pay off their mortgages, supplement their retirement income, pay for medical expenses and more. This is something you'll want to keep in mind if you're in your late 50s and if you predict you'll have trouble covering these expenses in retirement.

A reverse mortgage is when you convert some of your home's equity into cash payments. However, it isn't for everyone and you should talk to a professional before taking the plunge.



Randall "Dolph" Janis, founder and owner of Clear Income Strategies Group, has been in the retirement services industry for more than 11 years, building a strong network of satisfied clients in Charlotte, N.C. and surrounding areas. Dolph's goal is to provide fulfillment for the visions, hopes and dreams from baby boomers to seniors by providing common sense solutions for their retirement needs.

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