

RETIREMENT

Congratulations on your retirement!

You've worked for many years to get to this point, and we hope that your retirement is everything you dreamed it could be. Retiring means many changes – and many decisions about this next step of your life.

That's why FORUM Credit Union created this kit. Our goal is to help you become familiar with some of the things you'll need to consider, and the opportunities that are available to you. Inside, you'll find a variety of helpful resources and suggested sources for more information. And don't forget that answers to your questions are as close as your nearby FORUM location.

Financial Resources

FORUM Credit Union offers products and services for every aspect of your financial life. Some you may find to be especially helpful as you transition into retirement are:

FORUM Private Client Group

You want to be certain that your hard-earned savings provides the lifestyle you want for many years to come. Our professionals can help you develop an investment plan built around your own objectives, making the most of what you've saved, as well as any retirement plans from your employer.

Insurance

Even if you're not ready to receive Medicare benefits, being retired means that your insurance needs have probably changed significantly. FORUM Representatives can refer you to trusted insurance professionals that will sit down with you, review your present coverage, and ensure that you have the right insurance for your current and future needs.

NEED TO KNOW

Some things you need to know about retirement.

Most people spend a lot of time dreaming about retirement, but far too few take the right steps to financially prepare for it. In fact, experts say that the average American household has saved just \$18,750 for retirement – and 16 percent of working Americans have not yet started saving for retirement.

The time to start planning for retirement is long before you're ready to retire. If you've been working at it for a while, good for you! If not, and if retirement is approaching quickly, you should probably sit down with an investment professional to determine the steps you'll need to take.

Won't Social Security Take Care Of My Needs?

Social Security was created as a supplement for workers' own retirement savings, not as a sole source. Benefits may not keep pace with inflation, and if you retire early, the amount of benefits you'll receive will be considerably less. You can request a free statement of your expected Social Security benefits at www.socialsecurity.gov.

What If I'm Planning To Keep Working?

Keeping active is a great thing. However, while you're planning to stay healthy, many people face unexpected illnesses or a disability that prevents them from working (or working as much as they'd like). About 2 in every 5 retirees had to stop working earlier than they wanted to. If your employer downsizes or goes out of business, it may be difficult to find a job that provides a comparable income. In any case, having a solid retirement fund will mean you can worry less about day-to-day expenses.

Should I Take Early Retirement, Even Though I'm 60?

If your employer is offering an early retirement package to encourage workers to leave, you probably won't get a better offer. Early retirement incentives can put you in better financial shape than waiting for normal retirement age. If you do take such an offer, resist the temptation to splurge. It's tempting to spend a buyout on that dream RV or vacation, but that money should offset the income that won't be coming in. Invest as much as you can, because you could easily need to support yourself for another 25 to 30 years.

How Much Retirement Income Will I Need?

That depends on you and the kind of lifestyle you want to enjoy. You probably won't have work-related costs such as commuting or keeping up your wardrobe, and most experts recommend that you try to receive at least 70 percent of your pre-retirement income during retirement. While you'll want much of your savings in safe, predictable investments, keep at least part in more aggressive investments to ensure that you won't outlive your savings. Finally, be sure to pay attention to tax issues. You may earn less with a tax-advantaged investment, but the savings on taxes may actually put you farther ahead.

What About Long-Term Care Insurance?

With the cost of nursing home care continuing to climb, many people choose to purchase Long-Term Care Insurance policies. Most plans help to cover the cost of receiving care in a nursing home, as well as the cost of special care received at home (such as visiting nurses or physical therapy). Long-term care policies can be complicated, so it helps to have an expert recommend the one that's best for your needs.

Here are some things you can do after retirement.

Over the past two generations, the concept of retirement has changed dramatically. Your grandparents' friends and neighbors tended to view retirement as a brief rest after decades of hard work. That's where the image of seniors sitting in rocking chairs and playing shuffleboard originated.

Today, retirement doesn't represent the end of a busy life – instead, it's the beginning of a transition to new ways of being active. Thanks to advances in health care and greater interest in staying in better shape, most retirees are able to remain active and can expect to live decades beyond retirement. That creates a new question for retirees: how will you spend all that time?

Continue Working

Many retirees plan to continue working. Some have to keep working, so they can enjoy the lifestyles they've dreamed about. Others choose to work because it keeps them busy and provides an opportunity to interact with other people. Still others see retirement as the chance to explore a new career that seems to be interesting.

Whether you want to work part- or full-time, there are opportunities for retirees. While some businesses may not be eager to hire older workers, others recognize that people of retirement age tend to have a better work ethic and a strong appreciation for customer service. If you do choose to work, be careful that you don't earn enough money to reduce any Social Security benefits you'll receive.

Keep Learning

For others, retirement means the freedom to learn about new things. Whether you decide to pursue a college degree or just take some classes, you'll find plenty of opportunities. If you also enjoy travel, explore programs such as Elderhostel. It's a nonprofit organization that brings people age 55 and over together at locations throughout the world to learn more about a subject, or to participate in research.

Help Out

Another great way to put your extra time to work is to become a volunteer in your community. If you'd like to be around other people, but don't have a need (or the desire) to work, volunteering offers many of the same advantages. It may even give you the opportunity to use the skills you've gained to help others in need. Where can you volunteer?

Museums. Central Indiana has many museums and recreational facilities that welcome help from volunteers. Many of them use volunteers as docents, who help visitors better understand the exhibits.

Social Service Groups. From feeding hungry families to reassuring small children, volunteers provide additional support to the local agencies that help those in need. Your church or your local United Way office may be able to point you to the right place.

Schools. Most school systems welcome volunteers to help classroom teachers, and some elementary schools even have formal "grandpartner" programs. Your role may be as simple as listening to first-graders read, but your contribution to their lives will mean more than you realize.

Hospitals. Hospitals work with volunteers in many ways, from staffing reception desks, to delivering flowers to patients. Most hospitals have a volunteer services office that can provide more information.

Not sure? Visit www.volunteermatch.org, a nationwide clearinghouse for volunteer opportunities.

Looking for some expert advice about retirement?

While most people eagerly await retirement, taking that step involves many decisions and financial considerations. To help you prepare for all the choices you'll make, we've listed some websites and books that we've found to be helpful and informative.

Helpful Websites

Social Security Administration — www.ssa.gov

Information about what you can expect and answers to common questions about Social Security.

AARP — www.aarp.org

The nation's largest organization of retirement-age folks has a wealth of information on their site.

Senior Job Bank — www.seniorjobbank.org

Facts and resources for seniors who would like to keep working.

Tomorrow's Money — www.tomorrowmoney.org

No-nonsense financial advice and answers to tough questions from the Bond Market Foundation.

Financial Literacy Resources Center — www.smartaboutmoney.org

Courses, workshops, and tools to help you with retirement planning.

American Savings Education Council — www.choosetosave.org

Calculators and tips to help you save for the future.

The Motley Fool — www.fool.com/retirement

Advice from the witty and popular public radio investment program.

Bankrate — www.bankrate.com

Extensive information on retirement planning and strategies.

The Dollar Stretcher — www.stretcher.com

Folksy advice on retirement planning and other subjects.

Books

The New Retirement: The Ultimate Guide to the Rest of Your Life by Jan Cullinane and Cathy Fitzgerald

America's 100 Best Places to Retire: The Only Guide You Need to Today's Top Retirement Towns by Elizabeth Armstrong

Looking Forward: An Optimist's Guide to Retirement by Ellen Freudenheim and Stephen Quinlan

My Next Phase: The Personality-Based Guide to Your Best Retirement by Eric Sundstrom, Michael Burnham, and Randy Burnham

Retirement Places Rated: What You Need to Know to Plan the Retirement You Deserve by David Savageau

Social Security, Medicare and Government Pensions: Get the Most out of Your Retirement and Medical Benefits by Joseph L. Matthews and Dorothy Matthews Berman

Wall Street Journal. Complete Retirement Guidebook: How to Plan It, Live It and Enjoy It by Glenn Ruffenach and Kelly Greene