

Question: In last weeks column you talked about smart money moves for people in their 50's. What about us folks in our early 60's? I'm 62 and still working full-time.

Answer: First, if you haven't thought about it already, I'd begin to think about a date you'd like to retire. It is really important that you separate the decision of what age to retire from the age you wish to collect Social Security. Realize that these two events do not have to happen at the same time.

Next, meet with a representative from the Social Security Administration. Determine your optimal payout strategy given your age, life expectancy, marital status, goals, employment and tax situation. Coordinate this with your accountant and/or financial advisor.

Third, if you're still planning on working a few more years, try to maximize your contributions to your company retirement plan and/or IRA. If you haven't saved as much as legally possible every year you've been working, you are able to contribute an extra \$5,000 per year to your 401k (\$20,500 in 2008) into your retirement plan. Ask your HR person about "catch-up" contributions.

Forth, consider accumulating up to three years worth of income in savings, CDs, money markets or treasury bills. This is where you should start taking money from when you retire. I use this "safe-money" benchmark strategy with my retired client so the money they need is in the safest yet lowest yielding investments where their principal is protected. It helps to weather the ups and downs of the stock/bond markets where the rest of their long-term money is allocated and diversified properly.

Finally, review your estate plans with an estate planning attorney and consider reducing and eliminating unnecessary insurance coverage to free up cash flow for income in retirement.

Bill's Bottom-line: As a courtesy to *Saratogian* readers, I have prepared a free 30-page report, *The 10 Biggest Mistakes People Make When Retiring & How YOU Can Avoid Them*, that is available for download anytime from my website. Visit www.MyRetirementSuccess.com and download your report today. Enjoy!



Bill Losey, CFP®, CSA, America's Retirement Strategist®, has nearly 20 years experience in the financial planning industry and has been interviewed on the CBS Radio Network, CNNfn, FOX's "Hannity & Colmes", and Bloomberg Business Radio. Bill publishes *Retirement Intelligence*, a free

award-winning weekly newsletter that reaches over 5,000 subscribers worldwide. He is the Author of *Retire in a Weekend!* and can be reached online at www.MyRetirementSuccess.com or by calling 1-866-786-2521.

**Bill Losey Retirement Solutions, LLC is a Registered Investment Advisor.
Call BLRS today at 1-866-786-2521 or visit us online at www.MyRetirementSuccess.com.**