Pre-Retirement: A Five-Year Process of Planning Before Retirement (Brief)

Retirement is rarely defined by one decision. The strongest retirements are usually the result of dozens of thoughtful decisions made over several years. This guide highlights the conversations worth having before your last day of work.

Meet Steve

Steve is 60 and has spent three decades building a successful career. His 401(k) is substantial, his mortgage is nearly paid off, and retirement finally feels real. Yet the questions keeping him awake aren't about whether he can retire; they're about when, how, and whether he's overlooking something important. Like many people, Steve discovered that retirement planning isn't about one big decision; it's about coordinating many smaller ones.

1. Define the Retirement You Want

Before calculating how much you'll need, define the life you want to live.

- Separate essential, discretionary, and one-time expenses.
- Consider travel, housing, healthcare, family support, and hobbies.
- Recognize that spending often changes throughout retirement.

Common Mistake We See: *Building a retirement budget before discussing what retirement should actually look like.*

Questions to Ask Yourself

- If you retired next year, what would an ideal week look like?
- Which expenses are optional if markets become difficult?

2. Build Your Retirement Paycheck

Retirement replaces one paycheck with several income sources.

- Coordinate Social Security, pensions, investments, retirement accounts, and part-time income.
- Match reliable income to essential spending.
- Plan withdrawals with taxes in mind.

Common Mistake We See: *Viewing each income source independently instead of as one coordinated strategy.*

Question to Ask Yourself

- Will your essential expenses be covered by dependable income?

3. Prepare Your Portfolio

Your investments should support retirement—not just accumulation.

- Review allocation, diversification, liquidity, and company stock exposure.
- Evaluate 401(k) rollover options carefully.
- Maintain sufficient cash reserves.

Common Mistake We See: *Taking either too much or too little investment risk entering retirement.*

Question to Ask Yourself

- Is your portfolio built for the next decade instead of the last decade?

4. Make the Big Decisions

Several decisions deserve extra attention because they can be difficult to reverse.

- Social Security timing.
- Pension elections.
- Healthcare and Medicare.
- Healthcare before age 65.

Common Mistake We See: *Optimizing one benefit without considering taxes or survivor income.*

Question to Ask Yourself

- Have you evaluated these decisions together rather than individually?

5. Find Tax Opportunities

Retirement often creates valuable tax-planning windows.

- Review Roth conversion opportunities.
- Understand future RMDs.
- Coordinate withdrawals across account types.
- Consider Medicare premium impacts.

Common Mistake We See: *Focusing only on this year's taxes instead of lifetime taxes.*

Question to Ask Yourself

- Could paying some tax today reduce taxes later?

6. Protect Your Family

Retirement planning also means preparing for the unexpected.

- Review insurance.
- Update estate documents.

- Verify beneficiaries.
- Organize important records.

Common Mistake We See: *Assuming old beneficiary forms still reflect your wishes.*

Questions to Ask Yourself

- Would your family know where everything is if something happened tomorrow?

Retirement Readiness Scorecard

Give yourself one point for each item you can confidently answer:

☐ I know what retirement will realistically cost.
☐ I have a coordinated retirement income strategy.
☐ My investments match my retirement goals.
☐ I have reviewed Social Security and pension options.
☐ My healthcare strategy is complete.
☐ My tax strategy extends beyond the current year.
☐ My estate documents and beneficiaries are current.
☐ I know how my first year of retirement will be funded.

A Conversation Before Retirement

Retirement planning is rarely about finding a single “right” answer. It’s about how dozens of important decisions, from Social Security and taxes to investments, healthcare, and estate planning, work together to support the life you want to live.

Whether you’re five years from retirement or preparing to leave work soon, having a coordinated plan can help you move forward with greater clarity and confidence.

If you’d like a second opinion on your retirement strategy or simply want to discuss the opportunities and decisions ahead, we’d be happy to help.

We offer a complimentary introductory consultation to help you evaluate your current plan, identify potential planning opportunities, and determine whether Next Play Wealth is the right partner for your retirement journey.

To schedule a discussion, visit www.nextplaywealth.com/contact or **(866) 251-4875**.

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