

Title: Retirement Planning

Retirement is something everyone wants to achieve at some point in their life. The problem is, no one knows exactly how much they'll need to save or how long they'll live after retirement.

Retirement planning involves saving enough money to cover expenses during retirement and also provide a comfortable lifestyle. If you don't plan ahead, you might run out of money before you retire.

You should start thinking about retirement now because it takes time to build wealth. In order to reach financial independence, you'll need to save at least \$1 million over 30 years. That means starting early and building savings regularly.

1. Retirement planning

When we think about retirement planning, we often think about how much money we need to save each month to retire comfortably. However, there are many factors involved in determining whether or not you have enough savings to retire comfortably. One factor is the amount of income you receive per year. If you make \$50,000 per year, then you may want to consider retiring at age 65 if you have saved \$500,000. On the other hand, if you only make \$25,000 per year, you may want to consider saving less than \$100,000 to ensure you have enough money to live off of once you stop working. Another factor is inflation. Inflation means that over time, prices increase. When you first start making money, you don't realize how much things cost until later. So, if you plan on retiring at age 65, you should account for future increases in costs. You could even plan on retiring earlier if you know that you will be able to afford to do so.

2. Social Security

Social security is a government program that provides monthly payments to people who have worked their entire lives. These payments vary depending on how long you've been contributing to the

system. If you started contributing before 1982, you'll get a higher payment than someone who started contributing after 1982. There's no way to predict what your payout will be, but it's always best to contribute as early as possible. Your benefit will decrease if you wait too long to begin contributing.

3. Medicare

Medicare is a federal insurance program that helps pay for medical expenses for those aged 65 years old and older. To qualify for Medicare, you must meet certain requirements including being enrolled in social security and having paid into the system for at least 10 years. Once you're eligible, you won't have to worry about paying for any medical bills. You'll still be responsible for premiums though.

4. 401k

401ks are tax-deferred accounts offered by employers where employees can put away money they would otherwise owe in taxes. Employers match some or all of your contributions, meaning you end up with free money! You can choose between traditional and Roth 401ks, but both offer similar benefits. Traditional 401ks let you take withdrawals whenever you'd like without penalty, while Roth 401ks require you to withdraw funds gradually throughout your lifetime.

5. IRA

IRAs (Individual Retirement Accounts) are tax-advantaged accounts that allow individuals to set aside money to use in retirement. Unlike 401ks, IRAs let you decide when to withdraw money and how much you can withdraw annually. You can either invest in stocks or bonds, or you can keep your money in cash.

6. Pension Plan

Pensions are plans offered by companies that guarantee workers a fixed sum of money upon leaving employment. Pensions are great because they provide a steady stream of income and help reduce risk since you know exactly how much you'll earn. However, pensions aren't right for everyone. First, you have to work for a company long enough to

accrue pension credits. Second, you have to continue working long enough to actually collect the money. Third, you have to survive long enough to actually draw down the money.

7. Life Insurance

Life insurance is a type of financial product that pays out a lump sum of money to beneficiaries after you die. Most policies pay out a single premium, although others charge ongoing fees. Policies differ based on the beneficiary, term length, and coverage level. Term lengths range anywhere from 1 week to 30 years, and coverage levels cover everything from whole life to term life.

The information provided herein is the exclusive property of Capital Associates Planners. This material has been prepared for informational and educational purposes only. It is not intended to provide nor should be relied upon for accounting, legal, tax, or investment advice.