

Successful Retirement Planning

Enjoying financial security during retirement takes investment planning and action. To succeed, you must build enough savings and investments to supplement other sources of income (such as Social Security).



Social Security is no longer enough to cover expenses in later years. And retirement planning has changed dramatically through the years. For example, most employers offer voluntary retirement plans instead of pensions. Below are a few steps to follow to make sure you save enough:

- 1. Start early and save continuously** at least the amount required to obtain the full matching contribution in a tax-sheltered employer-sponsored plan. **Remember:** Compound interest is your friend. The earlier you begin saving, the better off you will be. Also, increase your savings as your income rises.
- 2. Diversify your portfolio** through mutual plans and limit company stock to no more than 10%. Accept enough risk to meet your retirement needs.
- 3. Contribute to ROTH IRAs** to supplement your employer-sponsored plan.
- 4. Hands off your retirement.** Do not borrow against it; do not withdraw from it. When changing jobs, roll over the funds into the new employer's plan or a rollover IRA.
- 5. Pay attention to your investment account fees.** Make sure your returns aren't being eaten away by charges.

TOPDOLLAR DICTIONARY: REFINANCING

When interest rates drop, refinancing your existing home mortgage may be advantageous. When you refinance, you get a new mortgage to pay off your existing mortgage or make a lower monthly payment. However, there are costs to keep in mind. These usually include paying closing costs again and possibly a prepayment penalty on your old mortgage. Do the math to see if these costs exceed the monthly savings of the new mortgage.



Outsmart SSN Scammers

Watch out for thieves posing as Social Security Administration (SSA) employees trying to interrupt benefits or steal personal information for identity theft. Thieves use multiple angles for stealing information. Scammers call to warn people that their information has been linked to fraud. They ask for personal data, including Social Security numbers (SSNs), to “protect” consumers. They also robocall, leaving numbers for consumers to call to correct the problem. SSN thieves are so savvy that most individuals don't realize they are victims until it is too late.

Dos and Don'ts:

Do use caution if a person claims to be from the SSA. Rarely will the SSA call to initiate a claim or report an issue. You will likely get a letter in the mail first about an issue or problem.

Don't call a number left on your voicemail claiming to be from the SSA. If you need to contact the SSA, call **800-772-1213**.

Do set up an online account at **ssa.gov** and check your information monthly.

Don't give your personal information, including your SSN, to anyone by email or phone if you didn't initiate the call.

Do examine emails for the correct destination address. The address will end in **.gov**. Anything different is fake.

Remember: The SSA will mail any official correspondence. Be wary of calls or emails, especially if the caller or sender requires your personal information immediately.



So, You're an Executor, Now What?

An executor carries out the provisions of a will and manages the assets until the estate is passed on to the heirs. It isn't a responsibility to take lightly. It is okay to turn down the request of being an executor, but if you are willing to serve, here are a few things to remember:



- ➔ **Order** multiple copies of death certificates as soon as possible and send them to key parties promptly. Bank accounts and other financial accounts will require copies of the death certificate to disburse funds.
- ➔ **Estimate** the value of the estate. Is it solvent (assets are greater than liabilities)?
- ➔ **Notify** the Social Security Administration (in the town where the person lived) of the person's death.
- ➔ **Notify** potential creditors of the person's death to stop accruing interest on accounts and to verify remaining balances.
- ➔ **File** the death certificate and will with the probate clerk. The probate clerk must legally certify the executor of an estate. The clerk will require an original will, death certificate, and the names and addresses of all beneficiaries.
- ➔ **Keep** detailed records of any transactions or communication regarding the estate. The executor oversees managing and paying debts of the estate.
- ➔ **Know** the state laws. Laws vary among states.

TOPDOLLAR TIP: EXTENDED WARRANTY PLANS

Almost all products have warranties (assurances that the product will work as promised and that certain steps will be taken to rectify problems). Sellers offer extended warranties, maintenance agreements and buyer protection plans for covered components of the product for a specified period. These warranties are purchased separately from the product and act like insurance. Extended warranties are overpriced and do not make financial sense. They aren't a good choice when buying electronics because the products rarely have problems beyond the warranty period. **The smarter option:** Use the money for an emergency fund instead.



Are Coupons Still Worth It?

Couponing can take time, but it saves you money. It depends on whether the effort is worth it for you. Below are a few pros and cons to help decide whether to use coupons, be they paper or digital.



Pros:

- 1 **You save money.** Even if you don't spend hours each week couponing and driving to different stores, you will save a decent amount of money on your bill.
- 2 **Coupon users are usually more price conscious** and more aware of what they are spending, which leads to increased savings.
- 3 **You can try new items for less.** When brands release new products, they provide a manufacturer's coupon. Also, many stores will discount the item when it's first released, so combining the coupon and a discount often leads to trying the item with a deep discount or free.



- 4 **You can get items for free.** This savings is store specific. Some stores will provide coupons that offer a certain amount of an item for less than the regular price per item. For example, your grocery store might offer 5 boxes of elbow pasta for \$4 (normally sold for \$1 each).

Cons:

- 1 **Clipping, sorting and organizing paper coupons can take time.** And while printed coupons may seem like dinosaurs to some age groups, Kantar Media found that manufacturers gave out about 34 times more print than digital coupons in the first half of 2018.
- 2 **Grocery coupons are usually for processed foods.** If you are trying to enjoy a healthier diet or have a restricted diet, you may not find coupons that work for your needs.
- 3 **Coupons can tempt you to buy items you normally wouldn't.** For some, having a coupon turns that item into a need instead of a want. You could end up spending more than you would have without the coupon.
- 4 **It is harder to maintain brand loyalty.** Your favorite brand might not offer coupons. Are you willing to change to a cheaper version of your favorite paper towels because you have a coupon?



The Smart Moves Toolkit including this issue's printable download, **Boost Your Mood With Exercise**, is at personalbest.com/extras/20V3tools.

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