75 RETIREMENT TIPS FROM PETR BURUNOV

Ambassador Wealth Management, LLC ®

1. Save as much money as you can, and let it work for you. If you are still working, the best thing to do is start stowing away money now. Even if it doesn't feel like it, it's much easier to live below your means while you're still earning income than when you start taking income distributions from your investments. Don't hold all your savings in easily accessible cash. Instead, invest in stocks and bonds. This is the best time to have your money work for you.

2. Max out your 401(k) and/or Roth 401(k) if there is one. Don't miss out on the opportunity to save your money using tax-advantaged accounts. From the contributions you make, there's a good chance your employer will match a certain portion of your earnings. Don't leave free money on the table.

3. Max out your IRA if you qualify. Talk to your accountant, as some investors can qualify for IRA contributions even if they participate in a 401(k) plan. Contributing to an IRA can lower your taxable income and give you another avenue to save more for retirement.

4. Max out your Roth IRA if you qualify. If you don't qualify for traditional IRA contributions due to high income, a Roth IRA might be another avenue to explore. Even though you might have to pay taxes now, your investments will be free of income tax later.

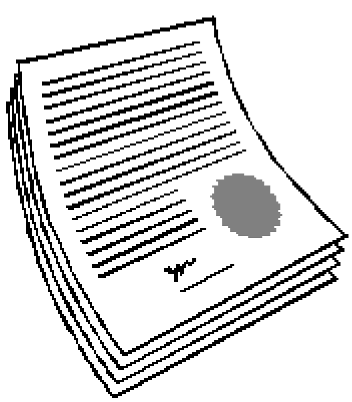
5. Check beneficiaries on your retirement accounts. Make sure you keep your beneficiary forms updated. Otherwise, once you pass away, your inheritance might not go to the family members to whom you intended.

6. Consider conversions to Roth accounts. There are benefits to converting traditional retirement assets to a Roth IRA. Although you have to pay tax on your conversion, the longer-term benefits can be significant. You won't have to deal with required minimum distributions in a Roth IRA. Additionally, your distributions and Roth IRA will pass on to your beneficiaries, tax free.

7. Understand Social Security benefits. One of the most challenging decisions you can make regarding retirement is when to take Social Security. There are many pros and cons of taking your Social Security early, or even delaying it. Consult with a qualified professional to fully understand your options.

8. Understand Medicare benefits and timing. As you plan out your financial independence, understanding Medicare timing and the various options available to you will help you make decisions. Understanding the importance of supplemental insurance can protect you in retirement.

9. Review supplemental insurance options. Medicare doesn't cover everything. Having a conversation with a professional will help you to understand how to get the best coverage to protect your assets.



10. Review Will documents – often. Part of having a current will in place is making sure that your wishes are carried out. As there are changes in your life, your wishes might change as well. Keeping this document current will to ensure your wishes are followed.

11. Review long-term care options. Think about the possibility of institutional or home care. You might need this sometime in your future. Ask your advisors if long-term care insurance is a good fit for you. As you consider where you'd like to retire, recognizing that different levels of care require different resources. Planning for these expenses now, will save you and your family heartache later on.

12. Include long-term care for family members in your planning. Once you have evaluated your long-term care options—consider your family. What if someone else needs long-term care? Will you step in? Under which circumstances? Think through all possible scenarios.

13. Work with trusted professional(s) to guide you through retirement planning. Our clients rely on us for the investment portion of their assets, but there are other issues that can come up requiring other specialties. Consider seeking advice from a financial coach, attorney, accountant, or a financially knowledgeable friend who can play this role to keep you accountable. No matter where you end up finding one, it's important to have someone you trust help you evaluate financial decisions.

14. Understand various types of income you will have in retirement. When planning for retirement, it's important to know what sources of income are available to you and how to maximize them. Talk to your financial specialist to gain a better understanding of what types of income can hurt or help you once you stop working.

15. If you have a Pension, understand what your options are. Pensions are complicated. Payout options are confusing. Talk to your advisor to make sure that you and your family are maximizing the benefits and potential income your pension can generate.

16. Build a monthly budget. Set up a spreadsheet to track your expenses. *Non-discretionary* expenses include the things you must spend on each month: mortgage payment, groceries, insurance, etc. Just about everything else falls into the *discretionary* expenses; things like cruises, antiques, or golf lessons. When you set up your budget, include two levels: 1) everything you will spend money on, and 2) the most barebone expenses you will have when/if money gets tight. It's important to understand that what you define as "required expenses" will change over time.

17. Beware of Annuities. Ambassador Wealth is cautious on most annuities, and with good reason. We believe many annuities have contracts that are complex and difficult to understand. High commissions and expenses for many annuities are another drawback. Commissions come right off the top of your investment portfolios. If someone claims to guarantee you a certain level of income in an uncertain world, we fear that the odds potentially might fall in their company's favor - not necessarily yours.

18. Establish your Family Barometer Number.

Your Family Barometer Number is uniquely designed to help you and your financial advisor define and track your fiscal goals. It provides a holistic picture of your dreams and aspirations. Ambassador Wealth strives to help clients maintain or improve their lifestyles throughout retirement. This number incorporates potential returns and risk tolerance that might help you to reach your goals.

19. Don’t ignore inflation in your planning.

You might need $50,000 a year to cover your living expenses. With inflation, however, that number can jump to $90,000 in just 20 years. Don’t underestimate the amount of money you will need in retirement. Otherwise, you’ll invest too conservatively.

20. If you like to invest, self-manage a small portion of your portfolio.

Many clients like to manage a small portion of their money by themselves. Typically amounts from $10,000 to $100,000—depending on the size of their portfolio. This keeps them interested and involved with their portfolios, but doesn’t make or break their retirement accounts.

21. Prioritize long-term financial goals.

It’s a lot easier to make investment decisions when you know where you want to be. Long-term goals tend to follow one of two paths: 1) end your life with enough money to pass down to your heirs and leave a legacy, or 2) spend as much as you are able—ending with nothing. Most clients fall somewhere in the middle. It’s important to know what your goals are—then invest and plan appropriately.

22. Don’t allocate your assets solely based on how long you expect to live.

Brokers often suggest to use your age as the percentage of your portfolio to put in bonds. For example, they might recommend all 70-year old clients should have a fixed equity/fixed income allocation. However, this analysis is one-sided and overlooks other important issues. One issue often overlooked is how you ultimately want to use that money. Are you relying on those investments for income to support your lifestyle? What if your goal is simply to leave your heirs a legacy down the road? The answers could be quite different even for two people of the same age. A fiduciary advisor can help you think the issues through holistically.

23. Be very clear about limits for supporting extended family members. Take some time to talk with your spouse about what you are willing to do to financially support your family. If you are willing, under what conditions? And, to what extent? Don't wait to have this conversation until an issue is looking you square in the face. You'll be too emotional and you might regret your impulsive decisions.

24. Evaluate your current debt regularly. Even more often than evaluating your mortgage, look at the debts you owe such as: credit cards, auto loans, etc. You need to decide what's right for you and your financial situation as it relates to your current/ongoing debt. Monthly debt payments can have a significant impact on your retirement cash flow.

25. Don't pay down your mortgage as a knee-jerk reaction. Be smart with your mortgage. People have a natural tendency to pay down or pay off their house at retirement or right after losing a spouse. Before you decide, seek out professional advice to ensure you aren't missing out on some useful liquidity.

26. Consider downsizing. Sometimes, downsizing is a great option. If the costs and/or physical maintenance of a large home are more than you'd like to deal with or can afford—consider buying a smaller home.

27. Consider upsizing. Depending on your situation, you might want a larger home to host big gatherings of extended family. As long as this decision would last an extended period of time and you don't need steady income to invest into it, real estate might be a good investment for you. Even more so if it makes you happy.

28. Consider involving your children in your financial decisions. Your financial decisions could affect your children's future too. Consider including them in these conversations.

29. Carefully consider transitioning assets to your spouse. One of the biggest issues advisors deal with are inherited IRAs—along with other accounts. Make sure you fully map out how you want your spouse to inherit your money and work with a professional to make those necessary plans.

30. Review all of your Real Estate holdings. Over the years, people tend to accumulate real estate. Reviewing how those properties are helping to achieve your financial goals will help you in taking advantage of any tax benefits available to you.

31. Consider renting. Depending on how much you'd like to spend and where you want to live, renting might be a good fit for you. If you like the flexibility and don't want to invest into real estate, renting gives you that freedom.

32. Living abroad could be a great option. It could finally be time to put your second language skills into practice—or pick up a new one! The cost of living in many foreign countries is often more affordable than in the US. Check with your insurance to find out what coverage you have internationally along with other health-care options.

33. Consider single level living. If you're planning to move anyway, you might be thankful down the road for settling in a one-story home. As you continue to age, the lack of stairs may allow you to stay in your home longer.

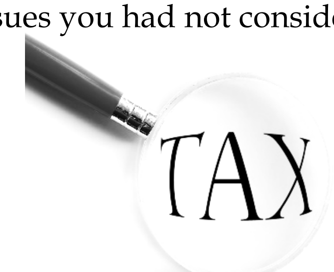
34. Try city living. Remote locations tend to be more scenic—but consider moving to the city for the sake of convenience. Local retail, medical resources, and cultural opportunities can make for a better life.

35. Move closer to grandchildren, family, and friends. While you were working, you may have been satisfied with the seasonal trip to visit your kids and grandchildren. Once you have more time on your hands, consider moving closer to make prioritizing those relationships easier.

36. Look at "active" retirement communities. These communities are geared towards people 55+ or 60+. They are centered around common interest and group activities. To qualify, at least one member of the couple must meet their age criteria (among others).

37. Estimate your taxes in advance. Before you even retire, plan out your potential tax scenarios. For example, what taxable income will you have during retirement and what taxes will you have to pay. If selling more stocks to buy bonds is one of your priorities, consider the capital gains tax you'll have to pay. Other things to think about are collected income on investments and any work you'd be paid for. A tax specialist can help you map out your retirement estimates so you are never hit with surprises.

38. Have a tax advisor. Relating to tip #37, hiring a professional tax advisor can save you some headache and confusion. It's helpful to talk things out with someone knowledgeable and whom you trust. During your transition into retirement, you may deal with issues you had not considered.



39. Develop your own financial services network. These are your advisors. Very few professionals do it all, so you will need to spend some time finding people you can trust to work with. It's a good idea for them to know each other—make sure you share their contact information with all your advisors. Some specialties to include are attorneys, accountants, financial advisors, investment managers, etc. They can all work together to make sure you reach your goals.

40. Conduct an annual review. Once you have developed your own financial services network, use them. Set up regular, scheduled meetings with them. Be sure to check in once a year and whenever there's any life changes (i.e. family, assets, etc.).

41. Consolidate assets. Over your lifetime, chances are you have investments with several different firms. As you head into retirement, however, you might consider consolidating your assets—fewer stocks, bonds, and funds. Reducing the number of brokerage firms you work with has its benefits. It might potentially lower your expenses and give your advisor a more holistic understanding of your situation. Many of our clients potentially benefit from a deeper relationship with us for their long-term planning.

42. Review your asset allocation regularly. Asset allocation is deciding what allotment of your portfolio to keep in stocks, bonds, fixed-income securities, real estate or cash. Planning out your allocation is foundational—and you're never finished making these choices. It can be done once a year, but you should talk to your advisor whenever something changes that might affect your time horizon.

43. Get ready for difficult conversations about money. In retirement, you will face many uncomfortable conversations. Most often it's with your children, spouse, or other dependents. When these conversations come up, try to stay level-headed and open to sharing how the situation makes you feel. Getting these heavy topics off your chest will, in turn, help you make long-term financial decisions.

44. Business owner? Define a succession plan for your business. Even though you have a manager to cover when you're out of the office, who will run your business when you're gone? This plan should be deep and thorough. Don't leave a mess for your successor. Lay out who will come in, for what positions, and a detailed compensation plan. Your successor should be able to run your company smoothly without you. This will also reduce the stress levels for your family members who might not understand your business.

45. Consider semi-retirement. There are many reasons people will wait a little while before completely retiring—and some choose a flexible position. That's to say, you can "semi-retire." Depending on the field you work in, you could choose to work part-time or take a board position that doesn't require day-to-day involvement. Or try getting incomes with your favorite charity(s).

46. Travel early in your retirement. Don't wait to travel until you can't. Travel is most enjoyable when you are still strong and healthy.

47. Try a cruise. Cruises are a fun and relaxing way to travel—especially if you have health issues. If you're social, invite your family or friends to join!

48. Family-centered vacations can be great. It's not any surprise that traveling to or with family is the most satisfying vacation. Consider treating your loved ones to a family getaway.

49. Consider pet(s). Pets can be the perfect replacement to your coworkers once you retire. In some cases, your pet is superior in listening and loyalty.

50. Be proactive about your health. Establish a good relationship with a health care provider you trust. Visit regularly for checkups and follow their recommended preventative care.

51. Exercise more and eat better (healthier). Once you've retired, you will have access to the best weather each day has to offer. Take advantage of it. You can also spend more time planning out wholesome and healthy meals for your week. Taking advantage of both privileges will help you enjoy and extend your retirement years.

52. Walk. Walking is the most common form of exercise for retirees. If you haven't started yet, check with your doctor and then start out slow. Build up to quicker paces and longer distances. Invite your friends. Walk-talks are much better for you than a lunch full of carbs.

53. Stay active. Look for ways to stay active and moving. Explore various classes and group exercises. Pay special attention to classes for seniors—they will be geared towards what your body can handle and will be a great place to meet others like yourself.

54. Look at charitable giving (donating). Finding a donor-advised fund or a private foundation is a great way to take advantage of an immediate tax deduction—and decide where you want the funds to go later on. This also allows you to give back to a local or regional cause you believe in.

55. Get involved with a charity you like. As you consider charitable opportunities, investigate organizations that you stand for and agree with. Consider giving more than your money and volunteer with various projects. Getting involved with your community is satisfying for both parties involved.

56. Keep your mind sharp (mind activities). Do activities that stimulate your brain and mind. Bridge and crossword puzzles are some great examples. You just stopped working…make sure you are engaging your mind to pick up the slack.

57. Pick up a hobby. Use your hands and artistic senses—even if you think you don't have any. Hobbies like woodworking, restoring old cars, yardwork and gardening are great ways to stay active and involved in a satisfying project. This fulfillment will keep you healthy and happy.

58. Read more books. This might be a given—but it might be more challenging than you think. A book group could be a great way to get started, plus you'll get more out of your readings. Find a source of reading clubs to keep you motivated.

59. Spend time defining who you are. The only person who gets to decide who you are after you retire is *you*. While you were working, your company, employer, and coworkers limited your self-definition. Use this new time to discover who you want to be.

60. Help family – within your boundaries. Helping your family financially can be extremely fulfilling. That said, make sure you are sticking to your boundaries and only offering what you can afford to give. Don't let it become a burden or obligation. Help where you can, but also allow your family to help themselves—it's more motivating this way.

61. Limit television. The amount of TV Americans watch on the daily is already high. Pick a couple weekly shows to keep tabs on—but fill your time with other things. If you limit your tv-watching you'll spend more time with real people doing real activities.

62. Don't gain a lot of weight. Eating fruits and vegetables is a great start. Limit your portion sizes and try out intermittent fasting. Of course, check with your doctor about any weight-loss exercise programs and recommendations.

63. If your estate is large, consider gifting. Talk to your advisors about gifting options. Consider making monetary gifts to your family each year. You can gift up to the IRS maximum per person per year without paying any gift taxes or reducing your lifetime gift-tax exemption.

64. Pick your money manager carefully. Talk to more than one. Look at their expertise, experience, education, strategy, asset allocation decisions, how they're compensated, and their levels of service. Their past performance is worth looking at, but don't be too easily impressed. This is no indicator of how they will perform in the future.

65. Don't ignore foreign assets as a potential investment in your portfolio. The US is only about half of the world's equity market and a quarter of the global economy. It's a big world out there that comes with equally-sized opportunity. Don't miss out on the diversity and possibilities by limiting yourself to the US markets.

66. Once you are 70 ½ make sure to withdraw at least the minimum from tax deferred accounts. The rules are complicated and a little muddy. Work with a professional to help you with this—even though it should be simple. If you don't take out the minimums, you could be subject to pay a stiff penalty.

67. Consider converting your IRA to a Roth IRA (especially prior to 70 ½). The benefit of a Roth IRA is that you can make contributions with money that you've already paid taxes on. From there, your money can potentially grow tax-free with no taxed withdrawals in retirement. You may or may not be better off converting your IRAs. Check with your advisor.

68. Roll over your 401(k). This is an important one. Set up a rollover account and have the money sent directly to your adviser. If you don't, your employer will have to withhold about 20% of the amount for taxes. You will then have only 60 days to apply to get that money back. Don't bother with all that extra paperwork.

69. Be watchful, avoid financial predators. Some things to watch out for are: advisors who have direct access to investors' funds, firms with numbers that seem "too good to be true," and managers whose fees are way too low.

70. Understand the difference between income and cash flow. Most investors have the same goal in mind: a client's portfolio is to provide income for them in retirement. There are many other ways to generate cash flow—such as harvesting long-term capital gains. This is an important component to keep in mind and one that can open up future possibilities.

71. If you're going to buy funds, consider cheaper options. ETF's and index funds typically offer a lower cost option to gaining exposure to broad asset classes. Mutual funds can potentially be more expensive and do not always beat lower-cost ETF's. However, some portion of your investments might benefit from an allocation to mutual funds. Speak with a fiduciary advisor to consider what might work best for you.

72. Be diversified, but not too diversified. People tend to fall in love with one particular investment—sometimes forgetting that they can get themselves hurt with various economic environmental fluctuations. Others over-diversify, thinking they're helping themselves. If you look at their portfolio, they might be buying the same products from multiple companies.

73. Review your insurance. As you enter retirement, take the opportunity to go over your insurance. Chances are you have too much or too little. You have paid for policies you don't need and would prefer the cash instead. It's a good time to learn what policies and benefits you have/should have.

74. Build a cushion into your financial planning. Most people are not strictly disciplined in their spending habits for even their income forecasts. Planning a little extra can settle your anxieties going into retirement.

75. Don't make emotional purchases. When it comes to money, leaving your emotions at the door is the best way to start. If you have a difficult time making rational financial decisions, seek out help within your network of advisors. They will strategize with you to stay on track and live within your lifestyle means.

Have you ever sat across the table from a financial advisor and could only understand every third word they were saying?

And yet, they were talking about *your* money, *your* life, and *your* future.

At Ambassador Wealth Management, we believe **it is our job to make sure you, as a client, understand everything that is happening with your money.**

Life is complicated, let's simplify it.
Live with Purpose.

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