



Sieze today. Shape tomorrow.

Retirement savings checklist

live your
best life



Saving for retirement is important if you want to live your best life into your golden years. The earlier you get started, the easier the road can be, but it's never too late to start saving for the financial future you and your family deserve. Following these simple steps may lead to meaningful change.

☐ **Create a budget and stick to it**

Get a picture of your current situation. There are endless ways to save on everyday splurges, which will add up quickly. Consider packing a lunch for work or making your morning coffee at home.

☐ **Build an emergency fund**

Save enough to cover three to six months of expenses. This is an essential part of a solid financial foundation.

☐ **Eliminate debt and remain debt-free**

Start with high interest credit card debt. Then, work toward paying off other revolving debt, like home equity lines of credit and personal lines of credit. Lastly, look at paying off any installment loans or amortized debt such as auto loans, student loans, and home loans.

☐ **Don't fear the unexpected. Plan for it.**

Protecting your wealth can be as important as growing it for your retirement journey. Determine the appropriate types and amounts of insurance for you:

- | | |
|------------------------------------|--|
| <input type="checkbox"/> Health | <input type="checkbox"/> Long term care |
| <input type="checkbox"/> Homeowner | <input type="checkbox"/> Short term/long term disability |
| <input type="checkbox"/> Life | <input type="checkbox"/> Liability |

☐ **Review your employer's qualified retirement plan**

If you haven't already, start deferring some of your income. Contribute at least as much as your employer's match, if one is offered.

- ☐ Know the difference between contribution types (pretax, Roth, or after-tax) and what the tax status will be upon distribution for each.
- ☐ Consider increasing your contribution percentage before your bonus check is paid, or after you receive a salary increase.
- ☐ Setting up annual auto-increase to your contribution percentage is another smart step to take on the road to retirement savings.

Contribute to a traditional or Roth IRA

- ☐ Know the contribution limits and how your tax filing status, modified adjusted gross income, and coverage from an employer-sponsored retirement plan affect your deductibility for traditional IRA contributions.
- ☐ If you're completely phased out of deducting a traditional IRA contribution, keep in mind you may always make a nondeductible traditional IRA contribution.
- ☐ Talk to your financial professional to ask about the backdoor Roth conversion strategy.
- ☐ Understand the five-year rule around Roth IRA qualified distributions.



Consider this

Take advantage of catch-up contributions. The IRS allows for additional amounts to be contributed to IRAs and qualified retirement plans once you reach age 50. This is a great financial strategy to catch up to your retirement savings goal, if you started late.

Invest your extra money

Once you have a hold on your monthly budget, consider investing any extra money without impacting your current standard of living. Windfalls, bonuses, tax refunds, or increases in pay due to a raise or promotion can all help. One tax efficient way to take full advantage of this is making the maximum annual contributions allowed to your qualified retirement plans and IRAs. After that, you can invest any additional money in an after-tax, or taxable, account.



Consider this

Check your employer's qualified plan summary plan description (SPD) to see if it allows after-tax contributions. If so, your after-tax contributions will not count toward your annual contribution limits, but will be capped at the defined contribution maximum dollar allocation limit.

Get to know your Social Security picture

It's important to factor your Social Security scenario into your retirement income plan.

- ☐ Set up your free online account at ssa.gov/myaccount to confirm what, if any, income has been reported to the Social Security Administration to determine what your retirement benefit could be when you retire.
- ☐ Understand the additional benefit you could receive by delaying filing for your Social Security benefit. You can file for your own, or spousal, retirement benefit as early as age 62. However, knowing your current health situation and family history of longevity, it may make sense to delay until, at the latest, age 70.



Consider this

Do you work for the government? If you're employed by a government or public service employer, you'll need to consult with your payroll department to see if Social Security taxes are being withheld from your paycheck.

☐ Prepare for healthcare expenses in retirement

Helping protect your health may pay dividends for your future. Consider these points:

- ☐ Waiting until at least age 65 to retire means you will be eligible to enroll in Medicare.
- ☐ If you or your spouse paid Medicare taxes for a certain amount of time while working, you'll have premium-free Part A (Hospital Insurance) coverage.
- ☐ It's important to understand how your Part B (Medical Insurance) and Part D (Prescription Drug Coverage) premiums are assessed by looking at your tax filing status and modified adjusted gross income from two years prior.
- ☐ Because Medicare doesn't cover everything, you may want to look at including a Medicare Supplement Insurance (Medigap) policy.
- ☐ An alternative to original Medicare could be a Medicare Advantage Plan. Consult with an experienced health insurance expert to see what option is best for your individual situation.

☐ Create your retirement income plan

What do you want your lifestyle to look like in 10 years? Are you taking the financial steps necessary to make your vision a reality? This is where a financial professional may come in handy.

- ☐ A financial professional will evaluate your demographic, qualitative, and quantitative data to create a balance sheet and cash flow statement.
- ☐ You could also use online software programs or personal finance calculators. You can visit transamerica.com/portal/home to see where your Transamerica retirement account stands and use the calculators there to make estimates for the future.

No matter where you are in the process, always keep in mind that retirement is a journey, not a destination. Remember, small steps can add up over time.

Let us be your guide.



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