



Motley Fool Rule Your Retirement™

Retirement Ruler Checklist

The RYR 2014 Financial Checklist

The times listed below are guidelines only; yours will vary according to your situation. No matter what, though, we're confident you have the time you need to change your finances for the better — starting now.

Protect What You Have

Must Do

30 minutes

Build an emergency fund. Move cash to a savings account or sign up to have an amount automatically transferred from each paycheck.

One hour

Get life insurance if people are relying on your income. Buy term insurance from a company rated A or better.

Update beneficiaries of all accounts, benefits, and insurance policies. Contact your financial-services partners to confirm or update beneficiary designations.

Two to three hours

See an attorney to complete or update your will, power of attorney, or advance medical directive. Choose a local attorney who has experience with estate planning for people in your situation.

Good to Do

One to two hours

Document everything for those left behind. Make two or three copies and distribute to people you trust.

Evaluate your insurance needs and costs. Get rid of policies you no longer need, increase deductibles, and comparison-shop for policies you still need.

Know Your Numbers

Must Do

15 minutes

Request an estimate of your retirement benefits. Find out how much you'll receive from Social Security, a defined-benefit pension, or other retirement benefits.

30 minutes

If you're in or near retirement, choose a safe withdrawal rate. Deciding how much you can take from your portfolio each year is crucial to determining whether you can retire.

30 minutes to one hour

Evaluate your plan with a retirement calculator. Most of the time will be spent gathering the values of your accounts and retirement benefits.

Good to Do

30 minutes

Evaluate the value of aggressively paying down or refinancing your mortgage.

If you're in or near retirement, each year set aside the cash you'll need for the first five years of your retirement.

One hour

Create and follow a budget. Personal finance tools or a spreadsheet will help.

Get Your Financial House in Order

Must Do

30 minutes

Monitor your credit score. Visit annualcreditreport.com for free reports, and look for errors.

One hour

Assemble your financial control center. Clean, clear, de-clutter, equip, and organize the area of your home that will serve as the cockpit of your efficient money-management machine.

Automate your finances. Put your saving, investing, and recurring bills on autopilot.

Good to Do

One hour

Investigate financial software. Whether installed on your computer or Web-based, tools like Mint and Quicken will help you monitor your spending, portfolio, and progress.

Inventory your possessions. Document what you own so you can prove ownership in case of flood, fire, fraud, or filching.

If you're busy, hire a daily money manager. Paying someone to tackle important tasks may be better than not doing them at all.

One to four hours, once a year

Sell or donate what you no longer want. Get some cash or a possible tax deduction while clearing space.

Eight hours

Take a financial health day. Tackle your most important tasks during a work day, when you have more energy and businesses are open.

Invest for the Long Run

Must Do

10 minutes

Revisit your asset allocation. Does it still make sense for where you are in your investing journey?

(Over)

20 to 40 minutes

- Evaluate mutual fund performance. Consider selling those that consistently fail to beat their benchmark and their peers.

30 to 90 minutes

- Check the performance of each of your stocks. Have they hit their price targets? Does your thesis for each holding still apply?

One to two hours, once a year

- Rebalance your portfolio. Sell holdings in areas where you are overweight and channel that money into areas you're light on.

Good to Do

15 minutes

- Review general asset-class performance over the past year and over a longer time frame.

15 to 45 minutes

- Review fund holdings for any funds that you want to learn more about or have questions about.

20 to 40 minutes

- Review any funds not covered in *Champion Funds* for changes in management or investment process.

One hour

- Review past issues of *RJR* and *Champion Funds*. Make sure you didn't miss any buy or sell recommendation changes.

One to three hours, once a year

- Try to read at least one manager commentary a year from each fund you own.

Make the Most of Financial-Services Partners

Must Do

15 minutes

- Contribute to your employer-sponsored retirement account up to the point where you take full advantage of the company match. Saving more is better, of course. But at least get the full match.

- Save more as you get more. Increase your savings rate each time you get a raise, and sock away a portion of each bonus.

30 minutes

- Open and fund an IRA. Visit the Fool's IRA Center at fool.com/retirement/ira/index.aspx.

- If you have advisors, hold them accountable. Compare your year-end account statement to an appropriate benchmark, such as a similarly allocated target retirement fund.

Good to Do

30 minutes

- Transfer assets in employer-sponsored retirement accounts to an IRA. You'll likely have more investment options at lower costs.

- Consolidate your accounts. Go with one financial-services company if you find paperwork and multiple providers a hassle.

30 minutes to one hour

- Consider converting a portion of assets in tax-deferred accounts (e.g., a 401(k) or traditional IRA) into Roth assets. The work is in the decision process. Once you've decided, converting is easy.

One hour

- Find a better bank. Perhaps you'll find lower fees, better rates, and more convenience elsewhere.

One to several hours

- Advocate for a better retirement plan at work. This may require organizing your co-workers and lobbying HR and the boss. But you'll all benefit.

Get Better and Better

Must Do

30 minutes every day

- Get healthier and stronger. Long-term financial planning includes being healthy enough to enjoy the long term.

- Enhance your human capital. Monitor your industry, sharpen your skills, and strategize about future advancement.

One hour a week

- Become a master investor. Study the great investors and evaluate your own progress.

Good to Do

30 minutes

- Plan how you'll spend your time as well as your money. Write down what you'd actually do in retirement on a day-to-day basis.

- Consider investing in a 529 savings plan if you'll go back to school. The money grows tax-free if used for qualified expenses, and some states offer tax deductions.

One hour a week

- Contribute your time and expertise. You might finally have the time and resources to do the charitable work you always wanted to.

One to three hours

- Consider a temporary retirement or sabbatical. Discuss with your boss/clients/spouse, and budget for the income interruption.

- Investigate the options for a "phased" retirement. Discuss with your employer, and understand how this would affect employee and retiree benefits.

Several hours, broken into chunks

- Get your business up and running. A business is a lot of work. Begin investigating the process and market, and take steps while you're still earning an income from your current job.