

HumbleDollar

Improving with Age

Dennis Friedman

August 21, 2019

WHEN IT COMES to retirement planning, many Americans focus primarily on their portfolio's size. That's understandable. But there are other issues you should also think about, so you get your retirement on the right track and keep it there. Here are 11 steps to a better retirement:

1. **Housing.** As you get older, you become less mobile. Climbing stairs and getting up from a chair become more difficult. Keep this in mind when thinking about what house you'll live in during retirement. A house with no stairs, and easy access to the living quarters and garage, will be easier to navigate as you age. You should also be aware of the type of car you buy. A car that sits too high or low to the ground makes it difficult to get in and out when your knees and back start to fail you.
2. **Home repairs.** Get all needed repairs done before quitting the workforce. You don't want to retire and face large bills that impact your retirement budget. Also try to avoid major home renovations after you retire. The cost of these projects is hard to control and often run over budget.
3. **Required minimum distributions (RMDs).** Delaying Social Security until age 70 increases your monthly benefit—and it could also reduce your tax bill. How so? It can give you additional low-income years to reduce your RMDs, which start at age 70½, by spending down your tax-deferred money and making Roth conversions during your 60s. A large RMD in your 70s can not only put you in a higher tax bracket, but also might increase your Medicare premiums and the taxes you pay on Social Security.
4. **Taxes.** When building your portfolio, focus on how much money you stash in deferred and taxable accounts. Having funds spread among traditional IRAs, Roth IRAs and taxable accounts gives you the ability to control your annual taxable income—and could allow you to avoid a higher tax bracket in retirement.
5. **Dental and vision expenses.** Medicare doesn't cover dental work and routine eye care. If you have insurance through your current employer, try to get all major dental and vision work done before you retire.
6. **Health.** Drink in moderation. Don't smoke. Eat a healthy diet. Exercise daily so you improve your strength and mobility, thus increasing your chances of continuing to live independently. Good health improves your

quality of life, while also potentially saving you thousands of dollars in medical expenses. According to the Department of Health and Human Services, the leading causes of death in the U.S. for people age 65 and older include heart disease, cancer and strokes.

7. Medicare penalties. Unless you're still working and covered by an employer's plan, you are required to sign up for Medicare soon after age 65—or face penalties. Those penalties last for as long as you're enrolled in Medicare.
8. Your doctor. A geriatric doctor is someone who specializes in the care of people age 65 and older. According to DailyCaring.com, "They're doctors of internal or family medicine who have an extra one or two years of training in areas related to elder care. The additional training gives them more experience with conditions like heart disease, arthritis, osteoporosis, mobility issues, or Alzheimer's and dementia." Result: Geriatricians can enhance your quality of life by recommending the right treatment and coordinating care with other health care providers.
9. No debt. Before you retire, pay off all high-cost debt, such as credit card debt. The goal is to quit the workforce with no debt or, failing that, nothing more than a modest mortgage payment. That'll give you the flexibility to reduce spending when necessary.
10. Credit freezes. Seniors are a prime target for fraud because they're assumed to have large sums in their financial accounts and to be more susceptible to scams. One of the best ways to protect against identity theft is to place a freeze on your credit report. This prevents someone from taking out a credit card or loan in your name.
11. Companionship. Retirees are often most focused on life experiences and creating memories—things like traveling and enjoyable dinners out. What better way to experience these occasions than with a loved one or a friend?