

When You're 65



Things to Consider When You're Heading into Your Retirement

By Gregory J. SORCE, CFP®, MSFS
Principal, Senior Financial Advisor

MOST PEOPLE WHO MAKE IT TO 65 wonder how they got there so quickly. John Lennon said, "life is what happens when you're busy making other plans." If you did most of the right things regarding investing for the long run during your working life, you should be comfortable in retirement. If you are reading this you probably have done the right things to prepare you and your family for a long retirement. After all, in 2019 we are living well into our 80s and 90s and beyond.

A few things to keep in mind at this stage.

First, if you plan to work after age 65 and are covered under your company's health plan, you still have to apply for Medicare. If you don't apply at 65 you will be forever penalized for the cost of Part B. Part B is the coverage for seeing your doctor. The penalty is 10 percent for each 12 month period after your 65th birthday! You won't have to pay the Part B premium but you have to apply.

Pay down as much debt as possible before you retire. Zero debt is the best way to enter retirement, or at least debt payments that are easy for the amount of cash flow you will be receiving. Don't worry about mortgage interest that may be three percent or four percent. If you can deduct the interest, the net cost may be two percent or three percent, and hopefully, you have a diversified portfolio that is averaging over the long term at five percent or six percent on an annual basis.

Receiving the most from Social Security during your life can be a tricky calculation. Usually it is best to wait for your full retirement age (66 plus). If you are healthy, each year you wait you get an 8 percent increase in payments for life. So if you plan on living into your 80s, you may want to wait to reach age 66 or even 70 if you have enough money to live comfortably until that age. Probably best to meet with your CFP® when making this decision.

Lastly, I like to tell clients who are 70 years of age and have accumulated a healthy net worth that, if you live 20 more years, the next 10 may be your best, so don't put off that European river cruise!

Pay down as much debt as possible before you retire. Zero debt is the best way to enter retirement

The information included in this document is for general, informational purposes only. It does not contain any investment advice and does not address any individual facts and circumstances. As such, it cannot be relied on as providing any investment advice. If you would like investment advice regarding your specific facts and circumstances, please contact a qualified financial advisor.

Any investment involves some degree of risk, and different types of investments involve varying degrees of risk, including loss of principal. It should not be assumed that future performance of any specific investment, strategy or allocation (including those recommended by HBKS® Wealth Advisors) will be profitable or equal the corresponding indicated or intended results or performance level(s). Past performance of any security, indices, strategy or allocation may not be indicative of future results.

The historical and current information as to rules, laws, guidelines or benefits contained in this document is a summary of information obtained from or prepared by other sources. It has not been independently verified, but was obtained from sources believed to be reliable. HBKS® Wealth Advisors does not guarantee the accuracy of this information and does not assume liability for any errors in information obtained from or prepared by these other sources.

HBKS® Wealth Advisors is not a legal or accounting firm, and does not render legal, accounting or tax advice. You should contact an attorney or CPA if you wish to receive legal, accounting or tax advice.



Gregory J. Sorce, CFP®, MSFS

Principal, Senior Financial Advisor

As principal of HBKS®, Greg collaborates with the firm's partners and senior financial advisors to plan the firm's strategic direction. As a senior financial advisor, he leads a team of HBKS® licensed advisors and administrators working directly with clients in Pennsylvania, Florida and across the country to plot their financial course and to help them achieve their financial objectives.

In 2000, he spearheaded the Sorce Financial Group merger with HBK CPAs & Consultants. He continues his work with clients through his offices in Erie and Pittsburgh for the resulting HBKS® Wealth Advisors.

Insurance products offered through HBK Source Insurance LLC. Investment Advisory Services offered through HBK Sorce Advisory LLC, doing business as HBKS® Wealth Advisors, an SEC registered advisory firm. Not FDIC Insured — Not Bank Guaranteed — May Lose Value, Including Loss of Principal — Not Insured By Any State or Federal Agency.