



Fee-Only Financial and Investment Planning
(888) 320-9993



On Course

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Welcome! This fall we'll be talking about everyone's favorite subject – retirement. Over September, October, and November, we'll be covering retirement savings, social security, and investment withdrawals and rebalancing. For September, we're tackling retirement savings and planning. Read on to learn more.

If you would like help in your retirement planning, remember we're here to help you stay *On Course!*

-Jennifer Lane, CFP

In This Issue

[Retirement Savings](#)

[Question & Answer](#)

[What's New](#)

[Monthly Tip](#)

Retirement Savings

Working toward retirement can be challenging. Below are some helpful tips about how to plan for saving enough money to enjoy those years worry free.

First things first

In order to know how much money you need in retirement, take some time to think through these questions.

- What activities and interests will you be involved in?
- What kind of home do you want? And where will that home be?
- What hobbies or activities will you do with more free time?
- What transitions or changes do you foresee once you retire?

Saving for retirement

In order to know what you will need, track what you spend now.

- Measure your current expenses. Use [Mint.com](#), Quicken, or good old pencil and paper to track what you spend for your home, your health, and your hobbies.
- While you want to make sure you have money for unexpected expenses, by tracking what you spend now, you may see that you can predict most expenses you will have in retirement.

Traditional 401(k) vs. Roth 401(k)



Jennifer's Hint

Remember that you can make penalty-free withdrawals from 401(k) accounts sooner than you can from IRAs. This is called making a separation from service withdrawal. If you're planning to retire no later than the year you turn 55, keeping your money in your last employer's 401(k) will give you access without the 10 percent early withdrawal penalty.

Get more tips in Jennifer's book

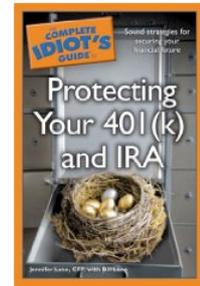
Should your employer offer a Roth 401(k) option, here are some things to consider.

- Check your tax bracket. Believe it or not, it's likely you will be in the same bracket or higher (!) when you retire.
- If that's the case, then a Roth 401(k) makes sense because while you miss out on the deduction now, you won't pay tax on any withdrawals later.

Making the transition

When you retire, you will change from having a regular paycheck coming in to taking money out of savings **because, for most people, this is the hardest part of retirement.**

- Look at how you spend money now, which will be easy because you're tracking your spending (see above).
- Then add in what new expenses you might have such as travel and hobbies.
- Schedule when you'll be spending on a monthly basis so you have time to withdraw or transfer monies as you need them. We'll be talking about how to withdraw from and rebalance your savings and investments in our November issue.



[\(click here for link\)](#)

Helpful Websites

[AARP](#)

[IRS.gov](#)

[Mint.com](#)

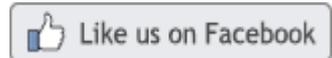


Q&A

Q: I have just joined a company that offers a health savings account (HSA). What is this?

-- Alice, Brighton

A: Alice, an HSA (also known as a medical IRA) is a relatively new benefit that companies offer. However, don't confuse it with a flexible spending account (FSA). If you have a high-deductible health insurance policy, you can deposit pre-tax money into the HSA to pay for medical expenses at some future date. Contributions are capped for each tax year but are not taxable when you make withdrawals to pay for medical expenses. There are no minimum withdrawal requirements. Check out this [IRS notice](#) for more details.



The Pan Mass Challenge

Thank you! The Pan Mass ride was a great success -- and Jennifer and Bill raised over \$8,400! 100 percent of every rider-raised dollar goes to the Dana-Farber Cancer Institute. Jennifer's rider profile page is [here](#) if you would like to donate.



What's New

- Jennifer answered viewer questions about credit cards on NECN. Click [here](#) to watch the segment on her blog.
- Follow us on Facebook! Visit www.facebook.com/AskJennifer and like us!
- Jennifer appears on NECN every other Monday morning at 9:30 am in addition to her Tuesday 6:30 pm appearance.

Compass Planning Associates helps families, individuals, and small-business clients achieve financial security, knowledge, and control over their money. Our **fee-only, client-centered approach** provides education and guidance for achieving financial goals and dreams.

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