



Is Retirement Right Around the Corner?

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Emotionally Adjusting to Retirement

Retirement is something most of us look forward to. As relaxing as retirement sounds, however, it can be difficult to adjust emotionally to this life change. Consider these tips to help ease the transition.

Finding Purpose

A person's job is a big part of his or her identity. Many people have trouble adjusting to retirement because most of their support system is aligned with their schedule and friends at work. Prior to retirement, it is wise to prepare yourself for the emotions that may arise once you take the step.

One avenue that may help is the exact thing you retired from in the first place: work. Many experts recommend finding a part-time job in an area of interest. A person who enjoys woodworking or fixing things around the house, for example, may find a sense of fulfillment working part-time at a hardware or home improvement store.

Working part-time can bring back those feelings of accomplishment, yet still allows an individual the freedom to enjoy leisure time. Many employers are thrilled to hire retired individuals because of their experience and work ethic.

If picking up a part-time job seems unappealing, taking classes at the local community college or volunteering can provide a sense of fulfillment as well. Think about what matters most to you; retirement is a time to explore one's self.

Coping Emotionally

Some people go through a honeymoon period after retirement: The first month is great, but the subsequent months are when

those negative emotions start to arise. Conversely, others may become depressed prior to retirement in anticipation of the change about to take place. Everyone experiences retirement differently, but it is important to know that sadness, depression, anxiety and grief are very common reactions.

Keeping physically fit is not only beneficial to physical health; it also releases endorphins, a chemical in the brain that can help overcome feelings of loss or sadness during this transition.

Additionally, going from having a set schedule every day to suddenly having nothing but free time can be jarring for many people. Consider creating a mini-schedule to give your days more structure. Doing so can help an individual visualize how he or she is going to spend his or her time.

Redefine Yourself

From an emotional standpoint, retirees must learn to redefine themselves. All of our working lives, people ask what we do. That tends to tie our identity with our career. That's no longer true, or at least less true, once we've retired.

To counter any sense of lacking an identity or life purpose in retirement, retirees should consider taking up activities such as gardening, painting, volunteering, writing or woodworking. These hobbies may even evolve into a small business. Some may find purpose in helping with extended family, including kids and grandkids, while others may hand-craft gifts such as pillows, blankets and bird houses for future generations to enjoy.

Retirement is synonymous with freedom from work, but retirees often are disappointed to discover that retirement is not an instant key to happiness. Understand that there are phases to retirement and that it may take some time to fully make the emotional transition.

Pre-retirement Checklist

Don't wait until the last minute to start planning for your retirement. Here are nine things you need to do prior to retirement to make your golden years shine.

The Checklist

1. Pay off your mortgage and any other debt: Reduced debt will ease your stress in retirement. Open a home equity line of credit to provide access to tax-deductible credit when and if you need it.
2. Talk with your spouse or partner: Discuss what your vision of a perfect retirement looks like. Don't wait until you have retired to find out your spouse wants to continue working or expects you to continue working.
3. Determine your vision for retirement: Do you want to relax? Do you want to spoil your grandchildren? Would you like to see the world or spend your days playing golf? Your vision will determine your budget in retirement.
4. Create a realistic retirement budget: Common wisdom says you won't spend as much money in retirement as during your working years. That may be true if your idea of retirement is sitting on your porch drinking lemonade. But if you intend to have an active retirement, you may need as much money or more as when you were working.
5. Assess the resources available to fund your retirement: When are you able to start drawing your pension? Is your 401(k) fully vested? How much will your Social Security benefit be? Do you have an IRA to draw on?
6. Test drive your retirement: Take a two-week vacation and act like you are retired. You may realize that sitting around the house drinking lemonade is not as fulfilling as you thought.
7. Assess your asset allocation: Assuming you have saved enough for retirement, your money should probably be in more conservative investments than it was when you were younger. With retirement right around the corner, you don't have time to weather a correction in the market.

8. Determine how you will cover health care costs: If you are younger than 65, you will have to find health care coverage or remain on your employer's plan or the plan of your spouse's employer. At age 65, you are able to enroll in Medicare. There are some medical expenses, however, that are not covered by Medicare. So you may want to look for a Medigap insurance policy to cover those additional expenses.
9. Protect yourself and your assets with long term-care insurance: Most of the costs associated with nursing home stays are not covered by Medicare. The average cost of a nursing home room in the United States is \$70,080 per year, or \$192 per day. Without long term-care insurance, you may have to pay for nursing home expenses out of pocket.

Resources

- › AARP: www.aarp.org
- › Social Security Administration: www.ssa.gov
- › Medicare.gov: www.medicare.gov
- › HealthCare.gov: www.healthcare.gov
- › Internal Revenue Service: www.irs.gov
- › U.S. Department of Labor: www.dol.gov

Tips for a Happy, Healthy Retirement

Many in the "Baby Boomer" generation have already reached age 65, meaning many of them are preparing for retirement or already have retired. They and the rest of the 78 million Boomers face a variety of changes and challenges during their retirement. The following are a few tips current and future retirees can use to better enjoy their golden years.

Keep Physically Fit

Regular exercise is important for everybody, including seniors. Try to incorporate physical activity into your everyday life:

- › Speak with your doctor or health care professional before beginning any new exercise routine.
- › Working out can take many forms and does not have to be done in a gym. Gardening, climbing stairs or taking your grandchildren to the park are just a few examples of non-traditional workouts.
- › Consider taking up an activity like golf or bowling that requires some (but not a lot of) physical exertion.
- › Ask your spouse, significant other or a friend to join you in your exercising. Having someone else to exercise with can provide the extra motivation you need on days when you do not feel up to it.

Keep Fiscally Fit

Financial planning is as important after you retire as it was before. Here are some ideas for keeping your financial situation sound as you progress through retirement:

- › Be diligent in keeping track of your savings, IRAs, 401(k), pension, Social Security and other sources of income.
- › Be aware of movement in the stock market if you still have investments in publicly traded companies.
- › Make and stick to a budget that does not draw too heavily on your savings and investments.
- › If you find yourself with more money than you need for regular expenses, save some of it for unexpected events, good or bad.

Keep Learning

Many retired adults enjoy learning skills or taking up hobbies they did not have time for in the past. Some take classes at local community colleges or join community clubs and organizations. Here are just a few leisure interest you can learn more about:

- › Fishing, learning to use computers, photography, playing card games, scrapbook making, sewing, needlepoint and other handicrafts, starting or building a collection (stamps, coins, sports memorabilia), traveling, woodcarving, writing, yoga or meditation

Keep..Working?

Recent studies indicate that more than one-third of all people who retire from their careers end up taking a new job. Many people take jobs that have absolutely nothing to do with their prior careers. Others even try to go into business for themselves. Some of the reasons to work during retirement include:

- › Extra money
- › Medical benefits
- › Making new friends
- › Getting to do something you've always wanted to do
- › The personal satisfaction of a job well done



Writing a Will

We plan for the future, we plan for retirement, but few people adequately plan their estate. The best way to do so is with a will. As a legal document, a will protects your assets and helps minimize the chances of a dispute over your estate. A will can make life a lot simpler for those who survive you, and dying without one means that your estate will be distributed according to a rigid legal formula, not as you may have wished.

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2. Locate the “How much should I save each month” calculator and calculate the monthly deposit needed to reach your savings goal.
3. Discover the Career Finances Resource Guide within the Resource Guides section.
4. Within the Career Finances Resource Guide, read three articles that are applicable to the point where you are in your career.
5. If you do not have a will created, write yours today using the EstateGuidance® program on the GuidanceResources Online homepage.

