ECFA

Countdown to Retirement

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This table can help ministers make the timely decisions that ensure a comfortable retirement. Since only the minister knows when he or she plans to transition, it is organized according to the number of years until then. If plans change, this checklist can be compressed into the time available.

CATEGORY	FIVE YEARS BEFORE RETIREMENT	TWO YEARS BEFORE RETIREMENT	THREE MONTHS BEFORE RETIREMENT	IN RETIREMENT
BUDGET	Draw up two budgets, current expenses and expected expenses in retirement. Plan to pay off debts by retirement.	Update your current and future budgets.	Merge your two budgets, deleting career expenses and adding any new retiree expenses.	Fine-tune your budget every year so that your projected spending matches your actual spending.
PENSION Defined-benefit plan (if applicable)	Ask your pension office to project your pension monthly and in a lump sum.	Decide how to take your pension; if as a lump sum, decide how to invest it.	Set up the investments you have chosen for your lump sum.	Invest your lump sum immediately to avoid the tax consequences.
403(b), 401(k) plans	Put the maximum in your plan. Wait as long as possible to tap the money so earnings grow tax deferred.	Keep contributing the maximum. If you will take a lump sum, ask an accountant how to minimize taxes. (e.g., housing allowance distribution)	Decide how to take your money. At 59½ you may start penalty-free lump-sum withdrawals.	At 70½ you may have to start minimum with-drawals from tax-deferred retirement plans (unless working).
SOCIAL SECURITY	Set up a "my Social Security" account at www.ssa.gov/myaccount/ to check your earnings and be sure your employers contributed the right amounts.	Double-check your "my Social Security" account.	Decide when after age 62 to start receiving social security.	At retirement age, there is no limit on the income you can earn without reducing your social security benefits.
INVESTMENTS	Meet with a financial planner to discuss your goals and adjust your investment selection to meet them.	Adjust the balance between aggressive and conservative investments to reduce your market risk and increase income.	Make further reductions in market risk—more conservative, less aggressive	Generally, keep some of your money in stocks to offset inflation.
EMERGENCY FUND	Stash an amount equal to three months' expenses in a money market fund or fixed account.	Set up (or renew) a home-equity line of credit that you can tap in case of an emergency.	Your cash and home-equity line of credit should amount to one full year of expenses.	Keep one year's expenses in the fund; tap it only when you must.
HOUSE Sell vs. keep	Decide whether to keep your present house or sell it. If you sell, decide whether to buy another or rent.	If you plan to move after retiring, visit potential locations during vacations.	If you are selling, put your house on the market three to six months before retirement.	Your gain on the house is tax-free up to $500,000 (married), $250,000 (single).
Repairs and improvements	Renovate now; it's easier to borrow if you're employed.	Budget now for any big-ticket repairs you may need after you retire.		
MEDICAL INSURANCE	Ask your pension office what your medical benefits will be in retirement.	If you need individual coverage, start shopping for it now.	Apply for the coverage one month prior to retiring.	Medicare starts at Full Retirement Age. Six months before then, shop for Medigap insurance.