

Finance for Seniors



It's Never Too Late to Plan

A big part of enjoying your golden years is ensuring that you have your finances in order.

With smart money management, your retirement savings can help fulfill any aspirations you may have — whether that means a quiet retirement or circling the globe on adventure after adventure.

CONTACT A PRO

Planning for your financial future, particularly in post-retirement, is a critical undertaking that is best handled by experienced professionals. Go beyond a simple web search to choose the right financial planner. Ask for recommendations from friends and family, or consult the National Association of Personal Financial Advisors at www.napfa.org. Key qualifications include designations as a Certified Public Accountant or Certified Financial Planner.

Next, consider what you'll ask. Essential questions to pose to potential financial planners include: What are your educational qualifications and certifications? How long have you been providing financial services? Can you furnish references from former clients and financial colleagues? Have you ever received disciplinary action from a professional organization or regulatory authority? How is your firm compensated?

Before you decide, interview several potential advisers to make sure you find someone

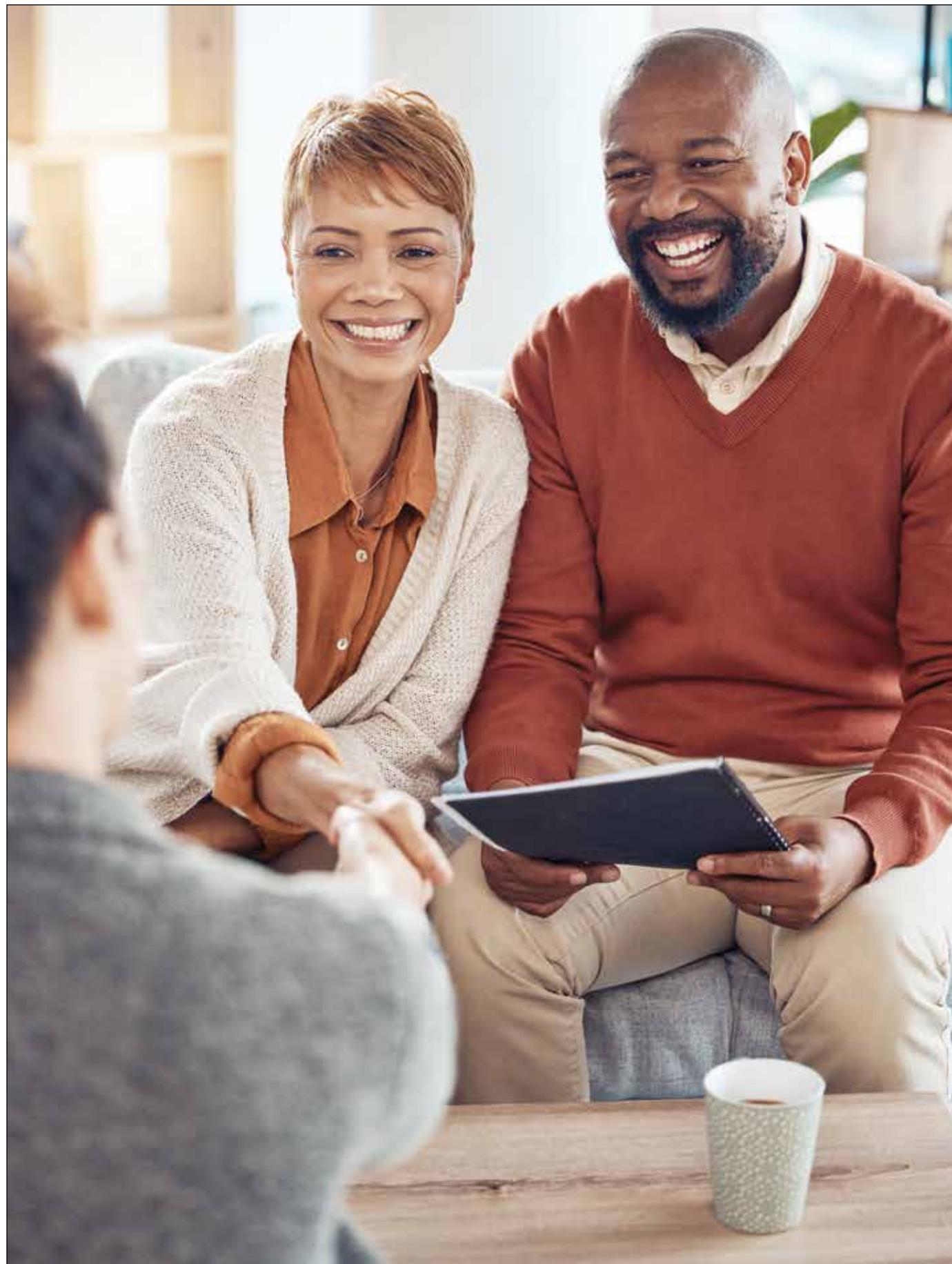
who's the best personal fit.

DON'T DELAY

In the best-case scenario, we all would begin planning for retirement well in advance. Unfortunately, research indicates that more than a third of Americans don't currently have any retirement savings. An even larger proportion anticipates a reality where they continue to work indefinitely. Even if you currently fall into one of these categories, a qualified professional can help get you back on track, quickly establishing financial objectives that will ease your worries about retirement.

COMMON PITFALLS

Focus on creating a comprehensive plan. Unexpected needs and emergencies can disrupt anyone's financial stability, and they might be financially devastating on a fixed income. Work closely with a financial advisor or trusted relative to define and carry out your plan. You want to make sure there are sufficient resources for your later years. As you develop this plan, prioritize lowering expenses, find critical areas to save, and continue educating yourself on sound financial strategy. Research potential changes to your investment portfolio or stock plans that might give you more bang for your buck.



Get the Most out of Social Security

Maximizing your Social Security might just come down to your approach.

Rather than viewing it as a complete source of income for retirement, look at Social Security as a valuable foundation for your later years. Be aware, however, that there's an often-complex application process and specific guidelines that must be followed.

WHEN TO START

Eligible individuals can begin receiving benefits as early as 62, although this will result in reduced payouts. For most Americans, retirement age is set at 66, and your monthly benefit is determined by your income. If you choose to delay your benefits until age 70, your monthly payout will increase. This option may be particularly appealing for those who enjoy their careers or have started their own businesses. Remember, however, that your benefit amount may decrease if you begin receiving Social Security benefits and then decide to return to work.

For more information, check out the U.S. Social Security Administration's website, where you'll find a retirement estimating tool that allows users to find an estimate of their monthly payments and to determine the age at which they will qualify for full benefits.

HOW TO APPLY

To apply for Social Security, you will need to provide your birth certificate and Social Security number; as well as documentation of your income from the previous year, such as a W-2 form or self-employed tax return. Update your information with

the Social Security Administration if you move, get married or divorced, change your name, receive additional retirement income like a pension, experience a change in citizenship or adopt a child. The national toll-free number is (800) 772-1213; you can also visit your local Social Security

office for assistance.

OTHER BENEFITS

If you qualify for benefits due to disability, certain family members may be eligible to receive their own benefits without reducing your payments. Eligible children include minors, those with a



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childhood disability and full-time students ages 18-19. Spouses may qualify if they are age 62 or older but benefits may be lower if they are receiving their own payments. Spouses who have reached retirement age but have not contributed to the Social Security system may still qualify.

If You Want to Keep Working

While many seniors see themselves enjoying a relaxing retirement by age 65, the reality for a great many others is that they'll continue working well beyond the traditional retirement age.

There can be both financial and practical factors involved in this decision. Either way, there are critical considerations if you want to keep working.

SOCIAL SECURITY

Social Security, the federal government's retirement safety net, typically becomes available at age 65. But you can continue to work and still receive benefits. The Social Security Administration provides a calculator that makes it easy to see how any additional income might affect your potential benefits.

MEDICARE

If you are over 65 and have job-based health insurance for yourself or your spouse, you aren't required to enroll in Medicare — unless you lose that coverage because of retirement or other reasons. The size of your company matters, too. If your employer has fewer than 20 employees, you may need to sign up for Medicare when you turn 65 to



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avoid gaps in coverage. Check with your employer. Medicare can complement your existing insurance. Which plan pays first — Medicare or your employer's insurance — may depend on the size of the company.

Remember that Medicare has various parts designed to address different healthcare needs: Medicare Part A offers hospital insurance, providing

coverage for hospital stays, nursing care, certain home health care needs and hospice services.

Part B includes medical services such as doctor visits, preventive services and outpatient care. Medicare Part C, or Medicare Advantage, provides coverage through private-sector health insurers, while Part D addresses prescription drug coverage.

OTHER CONCERNS

Beyond your Social Security benefits and Medicare options, those planning for continued work beyond age 65 should be aware of their rights concerning age discrimination. As we grow older, there may be increasing concerns about discrimination in the workplace. Thankfully, the federal Age Discrimination in Employment Act protects

those age 40 and older from unfair practices in hiring and termination, job assignments, compensation, promotions, training, layoffs and benefits. The act prohibits harassment based on age, including having to endure offensive or derogatory remarks. Repeated comments that contribute to a hostile or offensive work environment are considered violations.

Before You Make a Real Estate Deal

Retirement might affect more than your work life. Many older Americans choose to move, hoping to downsize, be closer to family or simply to seek out new adventures.

Realty experts say about one-sixth of all homebuyers are over the age of 50. The trend has opened new opportunities in the real estate market as some agents now specialize in serving this expanding demographic. But there are inherent risks involved for older sellers and buyers.

Various laws prohibit age-based discrimination and there is no upper age limit for applying for a mortgage. Still, you'll need to check that your savings and retirement income will cover expenses once you transition out of the workforce. Talk to a financial planner or trusted lender first. Timing is critical, since lenders typically don't qualify applicants whose sole income is from IRAs, 401(k)s, or similar distributions — especially since withdrawing from these accounts usually involves penalties.

Consider seeking a senior real estate specialist, as designated by the National Association of Realtors. They get additional training to assist



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in the sometimes more complicated decision-making and financial planning involved with purchasing a home later in life. Their expertise includes tax implications, estate planning, and various benefit programs designed to support seniors who are making these transactions. They may recommend properties that are

conveniently located near essential amenities like senior centers, medical facilities and other community services.

Before proceeding with a purchase, consider your particular stage in life. Not every property may be appropriate for seniors. Educate yourself on the lending options available for older homebuyers in

your area with the assistance of a trustworthy lender or real estate professional. Once you secure a pre-approval, your home search should be tailored to meet your specific needs. For instance, the property should ideally demonstrate the potential for quick appreciation, since you might not complete a 30-year

mortgage term. For those considering a condominium, keep in mind that ownership typically comes with additional association fees and they will affect your monthly expenses. Finally, it's smart to require that all potential showings are move-in ready, requiring minimal or no repairs.

The Critical Importance of a Will

Experts say that nearly two-thirds of Americans don't have a will.

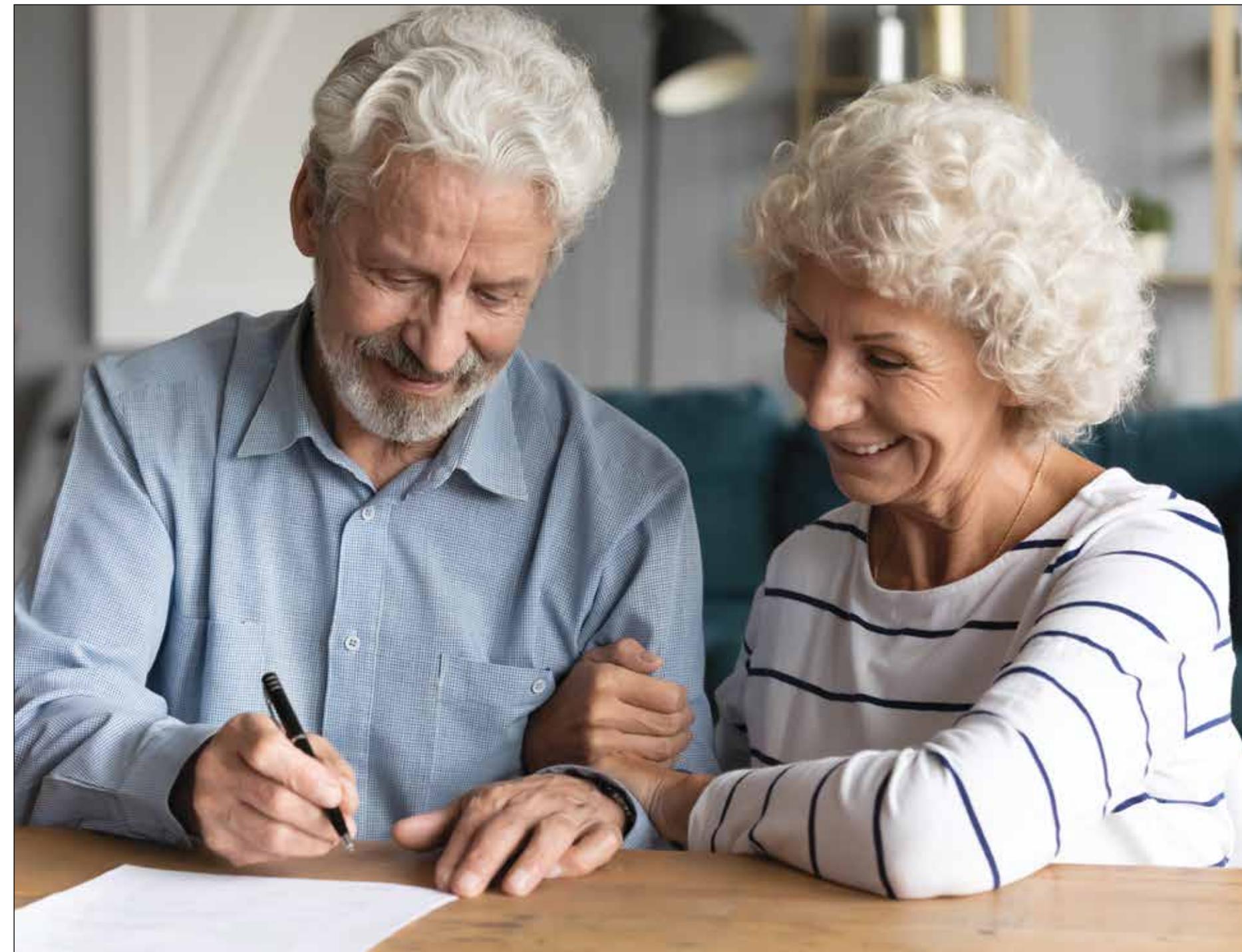
Even if your assets are limited, creating a will can smooth the way for the final distribution of your belongings while ensuring that your intentions are honored. Discussing wills may seem uncomfortable, but dying intestate — or without a will — can result in your estate being managed by a third-party administrator appointed by a probate court. In the end, that's a far less desirable situation than simply having the necessary, but perhaps uncomfortable conversations.

FREE RESOURCES

If you are worried about the cost, there are several pro bono will programs available nationwide. One example is Serving Our Seniors, which provides free wills, living wills, and powers of attorney for seniors in 25 states. AARP also sponsors the Legal Counsel for the Elderly program, collaborating with volunteer lawyers to deliver free wills and various legal and social services. State bar associations and local Wills on Wheels-type programs in your area may help connect seniors with paralegals or attorneys who can draft essential legal documents at no charge.

BIG DECISIONS

Before you begin drafting your will, it's important to



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organize your plan. Begin by selecting an executor and determining beneficiaries. Consistency is important: All beneficiaries should be properly documented across your accounts. Try to take a fair and consistent approach with the distribution of assets, since disputes following a death are

a big reason why some families become estranged. Consider including an explanatory letter with your will. They work as a personal farewell and they help further clarify your wishes.

FINISHING UP

Executing your will involves

more than just signing your name. Legal requirements state that wills must be signed in the presence of witnesses. Remember, however, that those who witness the signing of a will can't be beneficiaries or anyone under 18 years of age.

Ideally, witnesses should be

those who would likely be available to testify on your behalf in court, should that become necessary.

Lastly, make sure a trusted loved one knows where to find your will and any other critical documents, since that will help simplify a difficult process for your grieving family.

When You Need to Catch Up

Are you starting to worry about your financial situation in retirement? Consider catch-up contributions, which are voluntary deductions made by those age 50 and older.

They may exceed certain established limits like those imposed by the retirement plan, statutory provisions, or other limits that apply to some employees. By ramping up your contributions, you'll have an opportunity to quickly grow your retirement savings. That could provide some peace of mind if you've previously fallen short of recommended contributions or are simply worried about having a comfortable retirement.

Financial advisors recommend that we save 15 percent of our annual earnings. But limitations imposed by your plan or budget may have kept you from living up to that goal. Catch-up contributions can bridge the gap. These contributions may be made to various retirement plans, including 401(k)s, Simplified Employee Pensions (SEPs) and Individual Retirement Accounts (IRAs). They may also offer tax advantages.

There are certain federally mandated contribution limits. Individual plans may have limits beyond these statutory


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guidelines. Changes occur as codes change. For instance, in 2026, workers who are over 50 and earn less than \$145,000 will be allowed to continue making these catch-up contributions to traditional pre-tax 401(k) plans. On the other hand, those earning more than \$145,000 will be required

to make catch-up contributions to Roth 401(k) plans, which shift contributions to after-tax deductions. These changes were initially set to take effect in 2024, but the IRS announced a two-year extension.

Elsewhere, under the new federal provisions, permissible

catch-up contributions for employees who are aged 60 to 63 is set to increase in 2026 by 50%. These changes represent a significant opportunity for anyone hoping to diversify their retirement portfolios. Just remember to discuss your plan to maximize the benefits of upfront contributions to

your 401(k) plans with a financial professional. They may recommend establishing a Roth IRA if you intend to one day transfer funds for use in retirement. Without a Roth IRA, regulations may require you to withdraw both pre-tax and after-tax funds from 401(k) accounts.

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Smart Budgeting for Seniors

Budgeting in old age has some similarities to budgeting at any other life stage, of course, but it can be different in that many seniors operate on a fixed income without the prospect of raises or additional income sources.

Many older Americans rely primarily on Social Security and other benefits, and this can lead to financial challenges following retirement. In that situation, every dollar counts. Sticking to a well-considered budget can make all the difference in the world.

GETTING STARTED

Health care expenses represent a major concern for seniors in their

retirement years. Even as costs continue to soar, experts say that those age 65 or older have a nearly 70% chance of requiring some form of long-term care service during their lifetime.

That's why seniors and their families need to focus on early planning and long-term budgeting, taking into account their specific projected retirement income. Insurance might not be there to fill the financial gaps.

AVAILABLE BENEFITS

Reaching the age of 65 comes with benefits beyond just discounted items at local establishments. Seniors may gain access to community resources such as the Senior Community Service Employment Program and Supplemental Nutrition Assistance Program, which can provide additional help when times are tight. Check on your eligibility for free tax assistance, home maintenance support, utility aid and property tax programs, as well as everyday senior discounts. Some programs are available only in emergency situations, but it's smart to be aware of them. If possible, enroll before a crisis arises. For more information, call for a benefits checkup at 800-677-

1116 or visit benefitscheckup.org.

SENIOR SCAMS

Unfortunately, older people can become targets for scammers who are looking to exploit their financial situations. Seniors and their families should beware of unscrupulous individuals who may attempt to rob them of their savings. Local and national resources from the Council on Aging can provide guidance and support, as needed, to help seniors with safeguarding their finances. For instance, they'll encourage seniors to ignore scam emails regarding a money transfer. They'll provide tips on protecting your credit if your wallet or purse becomes lost or stolen.