Your 50’s - Accumulate

Earnings

- The 50s, particularly from the mid-50s onward, is a transitional period from a retirement perspective. It’s a time to conduct one last assessment and recalibration of the retirement outcome being targeted.
- These are the peak earning years for many. Maintain savings and investing discipline, and manage bonuses and stock options with an eye toward the retirement target.
- The chance of experiencing a disability increases with age. Consider long-term disability insurance to protect your earnings if not already enrolled.
- Take advantage of retirement plans’ catch-up provisions. Individuals age 50 and older can contribute an additional $1,000 to Traditional and Roth IRAs, $3,000 to SIMPLE IRAs, $6,000 to 401(k)/Profit Sharing/403(b) plans.

Spending

- For some, the expense of college education may be behind you.
- Individuals may be tempted to spend on themselves. Rewards are necessary in the budgeting process, but too many of them can deplete savings and derail desired retirement outcomes.
- When possible, former tuition payments and other additional funds should be redirected to retirement investments.

Investing

- These are typically prime earning years, which means now is the time for an investing print. Maximize contributions to various investment vehicles.
- When beginning the transition period to retirement, reassess investment risk tolerance and portfolio positioning and begin a steady de-risking of the portfolio.
- Consider consolidating various retirement and brokerage accounts if appropriate.
- If retiring from a company at age 55 or older, penalty-free distributions from that company’s defined contribution plan may begin.
- Penalty-free distributions from IRAs and other retirement plans may begin at age 59 ½.
- At age 50, you can begin to contribute an additional $6,000 per year to many employer retirement plans and an additional $1,000 to IRAs.

Insuring

- Empty-nesters with kids out of college should have more disposable income at this point and may consider purchasing a permanent life (whole or universal) policy as a way to accumulate tax-favored cash value in addition to the death benefit.

Legacy Planning

- Will, Living Will, Healthcare Power of Attorney, Durable Power of Attorney, potential trust planning.
- Beneficiary Review, Transfer on Death (TOD).