THE RETIREMENT RED ZONE CHECKLIST

The 5 years before and the 5 years after you retire.

STEP ZERO — BEFORE ANYTHING ELSE:

DO YOU HAVE A WRITTEN, STRESS-TESTED RETIREMENT PLAN?

Because if you don't, every other retirement decision is being made in isolation. Possibly optimized on its own, but with nothing tying the pieces together into a cohesive plan.

A	L	I	E
ASSETS	LIABILITIES	INCOME	EXPENSES

A proper plan does one thing consistently: it accounts for ALIE: Assets, Liabilities, Income, and Expenses — not just for today, but for the rest of your life. This is your financial foundation, your financial vital signs. Most people know what they have right now. Far fewer know what that picture looks like in 10, 20, or 30 years, as assets get drawn down, liabilities shift, income turns on and off, expenses change with health and lifestyle, and inflation quietly erodes the purchasing power of every dollar along the way.

HOPE IS NOT A RETIREMENT STRATEGY. CONFIDENCE COMES FROM EVIDENCE.

Have you run a SWOT analysis of your situation (Strengths, Weaknesses, Opportunities, Threats) and stress-tested the plan against the Big 3: inflation, taxes, and market crashes? A plan isn't meant to work only when life cooperates. It's meant to survive the scenarios that show up as your 2am thoughts.

UNTIL THAT'S IN PLACE, EVERYTHING ELSE IS *Step One.*

5 YEARS BEFORE · 5 YEARS AFTER

10 MOVES THAT DEFINE THE RED ZONE

The 5 years before and 5 years after you retire.

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01 ☐ **BUILD A REAL RETIREMENT BUDGET.**

Estimate actual monthly expenses (not current spending), separating essentials (housing, food, insurance) from discretionary (travel, hobbies). Rule of thumb: plan for roughly 80% of your working-years expenses, though your actual number depends on lifestyle, health, and how you plan to spend your time. And don't forget inflation, the silent killer that can quietly erode a “fixed” budget over a 20-30 year retirement.

02 ☐ **MAP YOUR INCOME SOURCES AND GAPS.**

Now that you know your number, in retirement you become the paycheck. Lay out Social Security, pensions, annuities, portfolio withdrawals, and any other income streams (rental properties, part-time work, royalties, business income) side by side, and see if they actually cover it.

03 ☐ **BUILD A WITHDRAWAL STRATEGY THAT CAN SURVIVE A BAD MARKET.**

Shifting from accumulation to withdrawal means choosing a sustainable approach (the 4% rule, bucket strategy, guardrails) and which accounts to draw from first for tax efficiency. Just don't forget inflation's tagging along for the whole ride, quietly asking for a raise every year. And because a market downturn right before or after you retire can do outsized damage to how long your money lasts, that strategy needs to be built to absorb the hit. For example, keeping a few years of expenses set aside in cash so you're never forced to sell stocks at a loss.

04 ☐ **BUILD A TAX STRATEGY FOR RETIREMENT, NOT JUST WORKING YEARS.**

Look at Roth conversion opportunities in lower-income years, the implications of future RMDs, withdrawal order across taxable/tax-deferred/Roth accounts (“asset location”), and charitable giving strategies like Qualified Charitable Distributions that can reduce your taxable income.

05 ☐ **DECIDE ON A SOCIAL SECURITY CLAIMING STRATEGY.**

Claiming between 62–70 changes lifetime benefits significantly. With 96 possible claiming months across those 8 years (12 months × 8 years), the number of ways to time this is bigger than most people realize, so choose wisely. Other factors worth understanding before you file: spousal and survivor benefits, how continuing to work before full retirement age can temporarily reduce your check, and how much of your benefit ends up taxable.

06 ☐ **PLAN FOR HEALTHCARE BEFORE MEDICARE ELIGIBILITY (AGE 65).**

If retiring early, price out bridge coverage (COBRA, ACA marketplace, private insurance). This is a commonly overlooked & underestimated cost.

07 ☐ **GET A MEDICARE ENROLLMENT PLAN IN PLACE.**

You have a 7-month window to enroll: it opens 3 months before the month you turn 65, includes your birthday month, and closes 3 months after. Miss it without qualifying for an exception (like still being covered by an employer plan) and you risk lifelong late-enrollment penalties. Within that window, compare Original Medicare + a supplemental plan (Medigap) vs. Medicare Advantage based on your health needs and providers.

08 ☐ **ADDRESS LONG-TERM CARE RISK.**

Decide whether to self-insure, buy LTC insurance, or use a hybrid life/LTC policy. Cost and eligibility get worse (usually more costly) the older you get.

09 ☐ **UPDATE ESTATE DOCUMENTS AND BENEFICIARY DESIGNATIONS.**

In California, a revocable living trust is generally preferred over a will alone, since it avoids the state's costly and time-consuming probate process. Work with an estate planning attorney to set up or review your trust, powers of attorney, and healthcare directives, and make sure your account beneficiaries are up to date. These often go stale and can override your intentions if left unchecked.

10 ☐ **GET CLEAR ON YOUR "WHY".**

Retirement isn't just a financial transition, it's an identity one. What are you retiring to, not just from? Without a sense of purpose, whether that's family, travel, part-time work, hobbies, or community, many retirees find the adjustment tougher than they expected. The money was never really the hard part. A good plan accounts for how you'll spend your time and what will make it feel meaningful, not just how you'll pay for it.



Ready to plan your home stretch?

BOOK A DISCOVERY CALL

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