

# Retirement *in Sight*

MONTHLY NEWS AND INFORMATION FOR CURRENT AND FUTURE RETIREES  
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## QUOTE OF THE MONTH

*“Know how to listen, and you will profit even from those who talk badly.”*

PLUTARCH

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## THREE YEARS OR LESS TO RETIREMENT? GET READY

If retirement feels less like a possibility and more like an oncoming certainty, then it is time to respond. This is the time to firmly decide whether you want to “age in place” in your current home or relocate. This is when you work on sustaining the friendships you have made in your career, while also figuring out how to move into new social circles. Two important questions need answers: what do you want to do next, and how can you begin doing it?

This is also the moment to crunch the numbers, with new focus. How much can you live on per month in retirement, and how do the costs of living break down in your budget? Recurring health care expenses must also be included. Can you erase any major debts before retiring? How cautiously do you need to invest now, given that it could take your retirement fund several years to recover from a bear market as you are drawing it down? These questions may seem dizzying, but they need to be addressed. You may have had conversations about them in the past with financial professionals, and those conversations are worth continuing today, strengthened by a new perspective. Those talks may help you to determine the best course of action for your IRAs and workplace retirement plan accounts and just when to claim Social Security retirement benefits (you may apply four months prior to when you want to start receiving your benefits or three months prior to when you turn 62).<sup>1</sup>



## TRAVEL TIP

### *Avoiding the crowds may not require rising at the crack of dawn*

Some longstanding travel wisdom says that to really experience a great natural landmark or iconic tourist attraction, you should get up with the dawn and arrive there early in the morning. That way, you will have the place all to yourself. In some cases, this is true; in other cases, thousands of tourists have heard the exact same advice about the place and have the exact same idea, and a morning crush occurs. Often, early afternoon is a less crowded time, and that gives you more time to sleep in and have a good breakfast or lunch.

## SOCIAL SECURITY BENEFITS SET TO GROW 2.8% NEXT YEAR

In 2019, seniors collecting Social Security will get their biggest “raise” since 2012. Benefits are of course keeping up with the rise of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) that the federal government uses as a guide for cost-of-living adjustments (COLAs). This 2019 adjustment follows a 2.0% boost in 2018. The last time benefits increased 2% or more in consecutive years was 2008-09.

Will this COLA be effectively eaten up by higher Medicare premiums? The non-partisan Senior Citizens League (which correctly predicted the amount of the 2019 benefits enlargement) thinks that will not be as common in 2019 as it was in 2018. Most of the approximately 5 million retirees with monthly benefits ranging from \$600-634 could see their Medicare Part B premium consume their whole 2019 COLA, according to the SCL’s projections. In many retiree households, much of the 2019 benefits boost may go toward paying out-of-pocket medical expenses, higher Part B premiums, or both; the SCL notes that for about 30% of retirees, those two costs are absorbing 33-50% of Social Security benefits.<sup>2</sup>



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## DID YOU KNOW?

### *Sleep cleans the mind*

As you rest, greater levels of cerebrospinal fluid act to rinse away toxins and proteins that amass across the hours when you are awake.<sup>3</sup>

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## ON THE *BRIGHT SIDE*

Fidelity Investments finds that fewer workers are borrowing from the employer-sponsored retirement plans it provides. In 2014, 22.3% of its retirement plan participants had outstanding loans. That fell to 20.6% this year.<sup>4</sup>



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## BRAIN TEASER

*Mountains will crumble and temples will fall, and no one can survive its endless call. What is it?*

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CITATIONS.

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2 - [cnbc.com/2018/10/11/your-social-security-check-will-get-a-2point8percent-boost-in-2019.html](https://cnbc.com/2018/10/11/your-social-security-check-will-get-a-2point8percent-boost-in-2019.html) [10/11/18]

3 - [mentalfloss.com/amazingfactgenerator](https://mentalfloss.com/amazingfactgenerator) [10/11/18]

4 - [fool.com/retirement/2018/09/24/4-encouraging-retirement-savings-trends-in-2018-an.aspx](https://fool.com/retirement/2018/09/24/4-encouraging-retirement-savings-trends-in-2018-an.aspx) [9/24/18]