

THE NEXT STEPS ON YOUR NEXT CHAPTER

You need to do these 5 things to successfully retire early.



Retirement is more than setting a date and then not showing up at work that day—especially if you want to do it before age 65. Planning is crucial, but it doesn't have to be overwhelming. Follow these five tips to show early retirement who's boss!



1

FIND HEALTH INSURANCE

There are a lot of unknowns about the overall landscape of the health care system. But no matter what, costs continue to rise. Determining how you'll get your health insurance is an important part of early retirement strategy. Here are a few options.

- Continue with a plan through work. Only some companies offer this and if they do, you probably need to be there for a while before you're eligible. Cost and coverage are typically comparable to if you were still an employee.
- Cobra coverage. This only lasts for a limited time. It's traditionally quite expensive.
- Marketplace insurance. This provides more flexibility for you to choose the coverage and cost. By strategizing annual income, you could qualify for low-cost insurance through the Health Insurance Marketplace.
- Spouse's plan. This is only available while he/she is still working.
- Faith-based group coverage. Options include Medi-Share and Samaritan's Feet.

2

CREATE ASSET BUCKETS

The earlier you retire, the less you can take out of social security and/or a pension. So it's important to have your assets separated for when you'll need them—in different buckets. This approach hinges on having enough cash to cover your expenses for your first couple years of retirement, while your other buckets remain invested at your appropriate risk tolerance. What are some ways to add to the buckets? Get creative.

- Consider part-time work or another passive income stream.
- Examine your 401k, especially if it's tax deferred. There are opportunities to potentially get to those assets if specific rules are followed (i.e., the 55-year rule).
- Look for ways now to cut down on spending and put the money toward investments. Over time, that reallocation (even if it seems small when you're doing it) could make a big difference.

3

UNDERSTAND YOUR RETIREMENT LIFESTYLE

Take a passion inventory. What's most important to you in retirement? Traveling? Moving somewhere or buying a second home? Volunteering? Factoring these dreams into your retirement plan is vital for making them a reality, because they each come at a price.

4

MINIMIZE DEBT

Paying down and ridding yourself of debt is a critical part of financial planning no matter what stage of life you're in. Owing too much on high interest rates can cripple a retirement plan, both in the short and long-term. The best course is to have a debt strategy in place prior to retirement. That will ease your fixed expenses when you make the transition and free up that money to be used in other (more fun) ways.

5

TALK TO AN EXPERT

Don't let fear paralyze you! Many people hesitate to take the early-retirement plunge because they don't know exactly what will happen. The truth is, retirement is a fluid state where things constantly change. What will help you feel better about it is to have a plan. A trusted advisor or certified financial planner can help you map out your next 30+ years and turn your uncertainty into confidence.