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## The earlier you do your financial planning, the greater your chances of a worry-free retirement

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### *Play a little catch-up*

Most people are limited to \$18,500 in yearly contributions to their 401(k) plans. When you reach the age of 50, the IRS allows for an increase. Bryan Beatty, a certified financial planner and partner at Egan, Berger & Weiner, offers some advice: “Take advantage of your over-50 catch-up contributions in each retirement plan, whether it’s a 401(k), where you’re allowed an additional \$6,000 in contributions annually, or if it’s an IRA, where you get to add an extra \$1,000.”

### *Plan for care before you need it*

Long-term assistance may be needed in the future, and it’s important to plan ahead for such a possibility. Care can be costly and it’s often not covered by Medicare, so it’s helpful to develop a long-term plan with an adviser while you’re in your 50s and still healthy. “This means a strategy by which either your plan addresses how you’re going to pay for long-term care (should it arise), or that you’ve done some risk mitigation through insurance or hybrid insurance policies,” Beatty says, “so that your healthy spouse will not be without assets for retirement because the unhealthy spouse spent the money on their care.”

### *Get your affairs in order*

Establishing an estate plan eliminates potential confusion and stress for your loved ones down the road. “A well-balanced estate plan includes documents to prepare not only for what happens in life while you’re alive and incapacitated, but also what happens at your death to distribute your assets,” says elder law and estate planning attorney Elizabeth Gray, a principal at McCandlish Lillard. “Clients call and say ‘I have a simple estate.’ Sometimes they’re right, but my job is to make sure I’m looking at all of their financial information; what their assets are, what their liabilities are, and any special family circumstances.” Gray says that a comprehensive estate plan includes a durable general power of attorney for financial matters, an advanced directive for medical decisions, and either a will-based or trust-based document to get your assets to your loved ones at your death. This is also the time to have a conversation with your family and attorney to pick the right fiduciary—someone who will take care of your assets on your behalf. “People think that just because you’re the spouse you get to make those incapacity decisions for your loved one, and that’s just not true,” says Gray.