

such as housing, food and health care, says Marc Sarner, president of Wake Up

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- **Plan for a long life.** In 1955, when the Social Security Act was passed, 65-year-old beneficiaries received payouts for an average of 12 to 15 years. Now, however, a couple aged 65 has a 70 percent chance that at least one of them will live to 85 – which can mean providing for 20 years or more of income once you qualify for Social Security benefits. More importantly, Social Security is not intended to be a retiree's sole form of income.
- **Health care expenses may increase.** The longer you live, the more likely you'll experience chronic health conditions such as diabetes, arthritis and/or heart disease, according to the Centers for Disease Control and Prevention. While some credit goes to more active, health-conscious and smoke-free lifestyles, it may be safe to say that today's retirees owe their longer lifespans to prescription drugs and medical advances. And as we all know, health care can be expensive. In 2011, 74 percent of American employees had not considered a plan to cover health care expenses in retirement, according to a survey by Sun Life Financial Unretirement.
- **Plan for long-term care assistance.** With a longer life comes the greater likelihood of needing assisted living or long-term care. For a couple, this kind of care can be costly and is important to consider when developing a long-term care strategy. Medicare pays for acute care, not long-term residency. Medicaid pays for long-term care, but requires that you "spend down" your assets before coverage kicks in. Individuals who delay buying long-term coverage may be considered high risk and may be denied coverage or charged higher premiums.
- **Better understand Social Security benefits.** The age in which you elect to receive Social Security benefits may be the most important factor in this area. Delaying benefits as long as you can will increase the monthly amount you receive. However, spousal benefits may factor into your retirement in a big way. Once you reach full retirement age, you may claim either your own benefit or a derivative (up to 50 percent) of your spouse's benefit – whichever is higher. When it comes to Social Security benefits for spouses, the determining factors are the length of marriage, work history and the age of both spouses.

- **Appreciate the role of insurance products and strategies in retirement.** The

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“Now that we are nearing the end of the year, planning for conversion from existing IRAs to Roth IRAs is a topic of conversation,” Sarner says. “We help our clients discover the best ways to convert without paying the full tax on the conversion. The deadline is approaching and being proactive is critical.”

As president of Wake Up Financial and Insurance Services, Inc.

(www.wakeupretirement.net) for nearly two decades, Marc Sarner provides retirement solutions for retirees and pre-retirees that focus on reducing taxes, increasing income and managing risks. He earned his Bachelor of Business Administration from California Polytechnic State University.

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