

5 COMMON RETIREMENT MYTHS



Philip J. Capell

One of the main goals we all share is to retire one day. However, many people have certain misconceptions that stand in the way of preparing for retirement. When planning for the day you no longer must work ever again, it is important to have the correct information for your situation.

Myth #1: It's Too Late to Start Planning and Saving for Retirement

While it is wise to start planning and saving for retirement early in your career, you should never assume that the ship has sailed. While you might have to continue working longer than your peers who started earlier, there is still time to save. Additionally, once you turn 50 years old, you may be able to make additional catch-up contributions to your retirement accounts or employer-sponsored 401(k) plan.

Myth #2: My Cost of Living Will Be Reduced in Retirement

Although you may live a modest lifestyle in your later years, you may spend the early years of your retirement living your life to the fullest, especially if you are in good health. You may want to travel to different countries, go on more adventures, and bring your family and friends along for the ride. Being able to do many of these things would mean saving more before you retire.

Myth #3: I Can Rely on Social Security and Medicaid for Retirement

Relying on Social Security income will generally not result in a financially comfortable life after retirement, especially if your full retirement age is many years away and you run the risk of the social security rules changing to your detriment. You must build your retirement nest egg in addition to any government benefit you may receive in the future.

Myth #4: I Will Not Have to Pay as Many Taxes in Retirement

While you may be placed in a lower tax bracket when you earn less from your investments than you did from your salary, that is not always the case. In certain instances, if you are required to take minimum distributions from your individual retirement account, which is taxable, you may be in a higher tax bracket than when you were employed. Furthermore, some tax breaks you were able to take advantage of during your working years may end.

Myth #5: I Will Never Work Again

While retirement may convert your lifestyle from full-time work to full-time leisure, many retirees are choosing to re-enter the workforce either in a part-time position or a career field they are passionate about. The truth is that many people live past the average life expectancy and may need to re-enter the workforce to cover their cash flow needs.

Discuss Your Retirement Options with the Piermont Team at the Wealth Enhancement Group Today

Therefore, the more prepared you are for retirement, the better position you will be in to enjoy living out the rest of your life. Since no two situations are alike, believing in retirement myths can be detrimental to your financial future. The Piermont Team can help you create a comprehensive and personalized retirement plan. We will thoroughly examine your income and finances, review all your investment options, and help you fulfill your retirement objectives.

If you need professional help with your retirement plan, call (561) 680-6625 or email pcapell@wealthenhancement.com today to schedule an initial consultation!