

## Help! I'm a Practice Owner and I Want to Retire, But I'm Off Track!

Sometime around the age of 50, we may start to think more seriously about retirement. After all, the kids (if we have them) are out of the house, or at least relatively self-sufficient, we're at the peak earning stage of our careers, and thoughts of soon having time for whatever we please are becoming more and more pervasive.

But those daydreams of freedom and folly are often interrupted with anxiety and doubt. *Can I even afford to retire at all? Will selling my practice provide enough income? Will I be able to sustain my lifestyle? Why didn't I do more? Is it too late?*

### If You've Fallen off Track

Perhaps you always intended to save more, but just didn't have a solid plan in place or the extra money to follow through. Intentions are commendable, but if life has gotten in the way of saving enough, there's no time like the present to get back on track, especially if you're a successful practice owner. It is not too late, but you need to act quickly.

To have a well-rounded retirement where you can maintain and help protect the lifestyle you and your family have become accustomed to, you need to consider income, health care costs, long-term care, and other factors, such as leaving a legacy, if it is important to you. As a practice owner, you can begin to address income management by establishing or reviewing your retirement savings plan to ensure that it meets your objectives. It's possible that you may have established a plan years ago, which meets what your objectives once were, but must be updated today.

### Income Management

The income you'll need during retirement is dependent on the lifestyle you plan to enjoy. Will you relocate or stay where you are? What hobbies or activities do you intend to pursue? Do you plan to work part-time or not at all? All of these variables should be examined as you create your overall budget. Typically, retirees need to replace all or most of their pre-retirement income. Consider this: you may not need as much in the first few years of retirement, but as inflation bites into the dollar's buying power year after year, it will eventually cost more to buy the same things. Make sure your budget takes inflation into account. Social Security will meet part of your income requirement, but not enough to rely on exclusively. To create an adequate cash-flow, use tax-advantaged retirement savings accounts such as 401(k) plans or Individual Retirement Accounts (IRAs). Keep in mind that if you are over 50 years of age, you may be eligible to make additional contributions to retirement accounts through a catch-up provision. For 2016, the regular contribution limit to 401(k) plans, as set by the IRS, is \$18,000, and the catch-up limit is an additional \$6,000.<sup>1</sup> Additional personal investments and/or annuities may also help generate a retirement income.

When it comes to saving for retirement, time is of the essence. The longer your investment horizon, the more time your money has to work for you. Therefore, if you've fallen off track, you shouldn't delay any longer.

AOAExcel partners with AXA to offer retirement planning services to AOA members. Call **1-800-523-1125** to speak with a Retirement Program specialist or visit us at [axa2plan.com](http://axa2plan.com) to learn how you can start saving today.

Before you know it, those daydreams of retirement will no longer dissolve into anxiety and worry because you'll feel confident that you are back on track just in time.

### **About AXA Equitable**

AXA Equitable has been helping members of associations plan for an independent retirement for over 45 years. We are committed to delivering a comprehensive "bundled" service to AOA members to help minimize the time needed to establish and manage a retirement savings plan. There's a plan for every scenario, and it's important to know it can be changed to meet your retirement plan needs now and in the future.

Please be advised that this document is not intended as legal or tax advice. Accordingly, any tax information provided in this document is not intended or written to be used, and cannot be used, by any taxpayer for the purpose of avoiding penalties that may be imposed on the taxpayer. The tax information was written to support the promotion or the marketing of the transaction(s) or matter(s) addressed and you should seek advice based on your particular circumstances from an independent tax advisor.

GE-109419 (3/16) (exp. 3/18)

1. <https://www.irs.gov/Retirement-Plans/Plan-Participant,-Employee/Retirement-Topics-Catch-Up-Contributions>