

# 1: ITEMS REQUIRING YOUR IMMEDIATE ATTENTION!

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Hopefully, you have already checked off your list all of these tasks. If not, we suggest you make them a priority. Should a crisis occur in the very near future—and they usually unfold without notice—you will be better positioned to respond.

Think of these To Do's as a “finger in the dike”, or as a head start on larger tasks listed under other topics you will need to undertake.

- Execute an Advanced Health Care Directive**
- Both spouses to become knowledgeable about household finances and investments**
- Initiate conversations about the topics within this Checklist—even if you are not the Fourth Ager**
- Identify a Trusted Contact**
- Review Beneficiary Designations and titles to property**
- Implement a password manager for Internet access**
- Create a list of assets and accounts**
- Organize important papers**
- Schedule appointments with your doctor and professional advisors**

## 2: EMBRACE A HEALTHY LIFESTYLE

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*The greatest wealth is health.*  
Virgil

Wealth means little if your health doesn't allow you to enjoy it. Our bodies wear down as we age, but with exercise and good eating, we can forestall, and in some cases, reverse the effects of aging.

A healthy lifestyle requires engagement with family, friends, community. Cultivate interests and pursue your favorite activities with the luxury of leisure Our Fourth Age can afford. Live the dream!

- Physical**
  - Eat healthy and get plenty of sleep
  - Exercise regularly
  - Get help developing an exercise routine
  - Use a trainer
  - See your doctor regularly
- Mental**
  - Be engaged with family and friends
  - Have outside pursuits
  - Become involved in some sort of community
  - Remain intellectually curious
  - Read!
- Spiritual**
  - Embrace your faith
  - Regardless of religious belief, contemplate the great miracle that is life
- Personal Relationships**
  - Hold tighter the ones you love
  - Don't let anything go unsaid
  - Mend broken relationships

## 3: REVIEW/EXECUTE HEALTH CARE LEGAL FORMS

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These tasks are not just for ensuring your wishes are carried out when you can't speak for yourself medically. Advanced directives help your family attend to their pain, heal hurt or broken relationships, care for your spiritual needs and ultimately say goodbye.

- Advanced Health Care Directive**
  - Who will be your Health Care Representative?
  - Have you completed the Health Care Instructions AKA Living Will?
- Be certain health care instructions are readily accessible in the time of crisis**
- Is a Portable Order for Life-Sustaining Treatment (POLST) appropriate?**
  - File your POLST with the State
  - Make it visible for times of emergency in a red envelope
  - Talk to personal healthcare representative (and your family) about your health care choices
- Consider executing an Organ Donor Form**

## 4: PLAN YOUR LEGACY

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This may be harder than you think: *Who is to receive your estate?* The answer can be compounded by gifts you give while still alive. *Are all your children being treated equally? Should they be?*

You need to be sure that lifetime gifting doesn't result in you outliving your resources! Often the answers to your gifting requires the calculations and projections you'll undertake in Topic 6

- Family**
  - Children
    - ◇ Evaluate continuing financial support, if any
    - ◇ Special need trusts
    - ◇ Spendthrift trusts
  - Identify non-financial assets which have special meaning or value not easily recognized
  - Testamentary bequests
- Lifetime gifting to family**
- Charitable gifting**
  - While living and/or testamentary
  - Tax-efficient methods to affect gifting
  - Income opportunities with Charitable Remainder or Lead Trusts
- Project your federal and state estate tax liability**
  - Estate tax vs. "income with respect to decedent" tax

## 5: ATTEND TO THE MECHANICS OF ESTATE ADMINISTRATION

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Come prepared to a meeting with an estate planning attorney. Know what you own, and have an idea as to whom you would like to give your estate.

Good legal advice can save you and your estate in taxes many multiples of the cost of planning.

Tax laws change, and so too may a well-designed estate plan. Periodically review estate documents with your legal advisor.

Your bequests are not necessarily limited to provisions in a will or trust; “will substitutes” must be evaluated.

- Document the important stuff**
  - List of assets
  - Location of assets/accounts
  - Passwords
  - Make accessible important papers
- Establish/update your will**
  - Is a revocable trust a better option for your circumstances?
  - Is a specialized irrevocable trust needed, e.g., Income Cap, Disability, Special Needs or Legacy?
- Evaluate the need for a durable power of attorney**
  - Access during emergencies
- Review existing “will substitutes” that transfer assets and property outside a will or trust**
  - Beneficiary designations
  - Wording associated with title to real property, e.g., joint tenant with right of survivorship, Transfer on Death, Pay on Death, etc.
- Choose successors to act in your best interests and consistent with your decisions**
  - Trustee or Personal Representative
    - ◊ Individual vs. corporate
  - Trust Protector
  - Personal health care representative
  - Trusted contact
  - Conservator? Guardian?
  - “Representative payee” for Social Security purposes
- Power of Attorney**
  - Scope and duration
  - Preapproval by custodians
  - Ready access during crisis
- Implement lifetime gifting, if any**

## 6: UNDERTAKE A RETIREMENT INCOME FEASIBILITY STUDY

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This is often where “the rubber meets the road”: *Can you afford the lifestyle you seek without the risk of outliving your resources?*

The issues are too numerous and calculations too complex to project your lifetime income using a “back of a napkin”. Sophisticated software is a must!

Your analysis will help determine the investment of your portfolio—and as its benchmark of success in future years.

- Project anticipated after-tax expenses based on a review of your recent expenses**
  - Annually recurring (food, utilities, insurance) vs. periodic (travel, auto purchases, major expenditures)
  - Essential vs. discretionary
  - Healthcare costs
  - Maintenance of residence
  - Contingency expenditures
  - Increase expenses for the loss of purchasing power due to inflation
- Evaluate “worst case” scenarios involving prolonged illnesses, home medical care**
- Review Social Security projections**
  - Claiming strategies
  - Options to minimize taxation
- Project an achievable income stream which you cannot outlive**
  - Include income from all sources, e.g., pensions, real estate, etc.
  - Project state and federal income taxes as an additional expense
  - Match income with future expenditures
- If necessary, evaluate your debt for:**
  - Accelerated reduction
  - Elimination

## 7: INVESTING AND DAY-TO-DAY MANAGEMENT

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Topic #6 advises determining an inflation-adjusted, after-tax income you cannot outlive. The tricky part is now to invest your portfolio so as to ensure that income.

Good portfolio management requires day-to-day attention to billpaying, budget review, tax reporting—a myriad of activities that can get more challenging as you age.

### Portfolio management

- Utilize software tools to track your investments regardless of type or custodian
- “Guarantee” income by identifying specific accounts and/or assets which will generate your income in each of the next 10 years
- Income needed in years 11 and on might need the inflation hedge of stocks
- What is portfolio’s asset allocation?
- Are return assumptions realistic and conservative?
- Can you accept the projected investment risk?
- Can you articulate to others the investment strategy being pursued?
- Assess your capacity to self-manage your account vs. using an advisor
- Will a surviving spouse or partner have the same capacity?

### Financial administration

- Regular portfolio review
- Is performance consistent with long-term budgets?
- Utilize tools to track future expenses vs. a budget
- Billpaying
- Tax matters

### Routinely gauge your capacity to undertake financial matters and seek help if it gets challenging

- Know the senior-specific policies of your financial advisor and custodians of your accounts

### Do your investments reflect your philosophical beliefs regarding the environment and social governance?

## 8: MINIMIZE TAXATION

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Minimizing taxes is on everyone's list: before, during and after retirement! Tax-smart strategies encompass the kind of income you receive, when it's received, gifting (both lifetime and testamentary), and "income with respect to a decedent".

And don't forget, tax laws change in Congress' never-ending pursuit to raise revenue.

- Current income strategies**
  - Tax-free municipal bonds
  - Capital gains
  - Charitable giving from appreciated assets
  - Charitable giving from IRAs as an offset to Required Minimum Distributions
  - Charitable Income and Remainder Trusts
  - Annuities
  - 1031 tax-free exchanges
- Estate taxation**
- Lifetime giving to reduce taxable estate**
- Leverage federal and state exemptions
- Stretch IRAs
- Charitable bequests from IRAs vs. assets receiving a stepped-up basis

## 9: REDUCE YOUR RISK

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There are many different types of risk you face: *economic, market, inflation, taxation, longevity, health*—many well beyond your control. There are other risks we can insure against.

You can positively impact your continued financial security by following "best practices".

- Review of insurance coverage for necessity and adequacy of coverage**
  - Medicare (and the need for timely sign up)
  - Medicare supplemental plans
  - Life
  - Property & Casualty
  - Umbrella liability
  - Long-term care
  - Disaster coverage
- Cybersecurity**
  - Password manager software
  - Multi-factor authentication
  - Recognize email and texting scams (phishing and smishing)
  - Best practices for avoiding malware
- Ignore telephone and email scams**
- Recognize situations that facilitate financial abuse**

## 10: EVALUATE YOUR HOUSING AS A PLACE TO AGE

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Under certain circumstances, a retirement community is highly desirable or necessary.

Aging in your home can also be a viable and preferable option under favorable circumstances. If so, your home must accommodate the probability that you will have some level of physical impairment, if only for the daily chores of bathing, dressing, cooking, eating and getting around.

- Organize and declutter no matter what long-term housing options you pursue**
- Is your current house suitable for life-long living—or could be with remodeling?**
  - Should you consider a move to another house better suited for aging?
- In-home care option**
  - Family caregivers
  - Respite Care and Adult Day Care
  - Housekeepers
  - Nursing care: custodial vs. skilled
  - Home and yard maintenance
  - Compliance with employment law and adequacy of liability insurance
- “Retirement” Communities: Independent Living, Continuing Care, Residential Care and Assisted Living**
  - Scope of care provided
  - Costs
  - Timing vs. necessity for a move
- Contingency Planning**
  - Housing
  - Meals
  - Transportation

## 11: BE A GOOD COMMUNICATOR

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On certain topics, particularly wishes about health care when in crisis, your advance communication with family and your trusted advisors is crucial. We all carry around in our heads information which needs to be shared. At some point, it becomes too late to do so.

- Ready access to important papers and passwords by trustees, executors, family and trusted contacts**
- Put your Successor Trustee/Executor/Trusted Contact on your safety deposit box**
- Family meetings (and with Trusted Contact) regarding**
  - Your current situation
  - Your preferences

## 12: GET SMARTER ABOUT FINANCIAL BASICS

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Topic 12 advises you to acquire the tools you'll need for solo living and being a survivor. Become smarter about the basics—particularly if your spouse or partner currently has the primary responsibility for household finances. The death of a life-long companion is crisis enough if you are ill-prepared to take control of the day-to-day management of your financial life.

- Become familiar with basic financial concepts, sufficiently so that you can understand and evaluate the advice you are getting from your trusted advisors**
- Understand where the money is—and where it goes**
- Engage you spouse/partner in financial management and decision-making**
- Promote financial education and responsibility in your children**
  - Introduce your children to [www.Do12Things.com](http://www.Do12Things.com)

## 13: SOLO LIVING AND BEING A SURVIVOR

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By choice or circumstances, odds can be high that you'll be living alone at some point—particularly if you are a woman. Make sure you have mastered the tasks listed in Topic 12.

Avail yourself of grief counseling.

- How quickly will there be access to liquid funds?**
  - Custodians typically “freeze” accounts upon notice of an owner's death and await confirmation of successor's investment authority
- Pre-determined funeral arrangements**
- Memorial service**
- Estate administration and probate**
- Taking on obligations for financial management**
- Grief counseling**
- Home and yard maintenance**

## 14: LOOK OUT FOR FOURTH AGERS

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Aging is a very personal experience, but it's a journey we share with a larger community. Be attentive to what's happening to parents, siblings and friends. Be proactive in addressing concerns. Pay forward with action the benefits you may someday need yourself.

- Protect family, friends and yourself from financial abuse
- Know the warning signs of diminishing capacity
- Be on the alert for elder abuse
- Stage an intervention if necessary
- Should someone be looking over your shoulder?
- Is a conservator or guardian appropriate—or might be?

## 15: REGULARLY REVIEW THIS CHECKLIST!

**Life happens.** Circumstances and laws change. Ensuring high quality of life in Our Fourth Age is not a “one and done” exercise. It's a process. Regularly review the decisions you've previously made with your trusted advisors. Be proactive in initiating, or responding to, concerns about this miraculous journey we are all on.

