A retirement checklist for small business owners.



Planning for retirement is a complex task for anyone, but it's even trickier for business owners. In addition to the usual questions, like "How much do I need?" and "Do I have enough saved?," entrepreneurs also need to decide what they'll do with their businesses after they retire. To help you plan, ask yourself these two questions, then follow our retirement checklist for business owners.

The big questions to ask yourself before retirement.

- **How will you fund your retirement?** Do you have a SIMPLE IRA, a SEP IRA, or a Solo 401(k)? Are you hoping the sale of your business will give you the money you need? If you're planning on selling your company to fund your retirement, you'll want to keep impeccable books, avoid taking on excessive debt, and keep your company relevant to current trends. After all, buyers want a company that's positioned well for the future. Keep an eye on the market and time the sale of your business for maximum profit.
- **Who will take over your business?** You've saved money for retirement, hoping the business will continue after you exit. Are your employees equipped to run the business without you? Have you chosen your successor? If you're planning to leave the business in your children's hands, are they on board with the idea? Allow plenty of time to educate your successors on all aspects of your business.

Now that you've answered the big questions, follow this retirement checklist for business owners.

- **Shift your investments.** The goal now is stability, not growth. You don't want a dip in the market to wipe out a chunk of your savings. If you haven't already, shift investments so that no more than 50 percent of your funds are in the stock market. Also, you'll want to move enough to cover your first year of living expenses into easily accessible accounts, such as savings or money markets.
- **Get health insurance in place.** You're eligible to sign up for Medicare three months before turning 65. If you're old enough, get that done. But you'll also need supplemental coverage for things Medicare doesn't pay for.
- **Decide when you'll take Social Security benefits.** You can claim Social Security as early as 62, but if you wait until age 70, your checks will be 76% larger. If you can afford it, wait.
- **Stay in touch with your insurance agent.** It's important to communicate with your insurance agent as soon as you have any changes to your business. Let them know your plan and who will be taking over. Also, put the business successor in touch with your current agent so they know the ins and outs of your policies.
- **Review life insurance coverage.** Do you have life insurance through your company? You may need to shift to an individual policy now that you're retiring.
- **Plan something fun.** Get ready to kick off your retirement with a trip you've always wanted to take or a project you've never had time for. Don't wait until you're sitting on your couch, saying "What now?"
- **Hand over the reins.** You've sold your business or trained your successors. Now, give them all the keys and take your name off the company insurance policy and any other accounts. Anything that had your name on it as head of the company should now be in the name of the new boss. And don't forget to announce the news on your company website and other social media channels.

Now that you've completed the retirement checklist for business owners, sit back and enjoy this milestone. Congratulations, from all of us. For even more peace of mind in the days ahead, learn about continued coverage from Frankenmuth Insurance by talking to one of our local, independent agents.

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