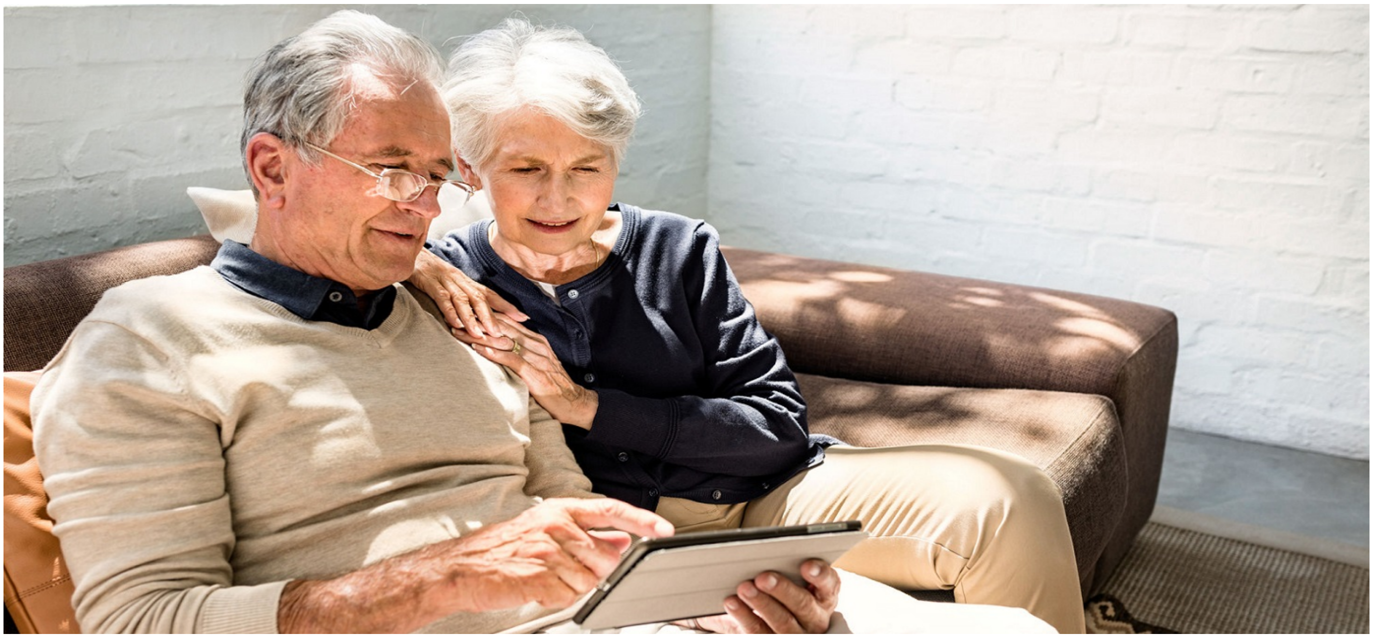

Achieving a successful retirement requires careful planning and proactive management across your lifetime. (UBS)

# Planning steps for a successful retirement

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**Whether you are receiving your first paycheck or getting ready to collect your last one, it's not always clear what you need to do to stay on track to retire comfortably. The UBS Chief Investment Office (CIO) breaks the process down into a 10-step checklist, divided by three stages of life.**

## Saving for Retirement

- **Get organized**

To start your journey toward financial freedom, you need to understand your financial situation. Start by reviewing your income and your spending habits. It may help to separate your spending needs into "needs," "wants," and "wishes." Build an emergency fund that will help you maintain your lifestyle if you have an unexpected expense or an interruption to your income. Develop a habit of regularly reviewing your balance sheet to identify any important changes that may impact your financial plan.

- **Maximize your savings potential**

To get the most out of your hard-earned savings, we recommend building a savings strategy that prioritizes savings based on each account type's after-tax growth potential. Study your company's benefits to learn about their retirement saving offering, such as a company match on your retirement account contributions and/or student loan payments, as well as any company stock option or purchase plan that you can access.

Once you understand your options, use the **Savings waterfall worksheet** to determine how much you plan to save in each account type in the current year, then set up direct deposits and automatic investment strategies so that your contributions are put to work quickly. Revisit your savings plan each year to make sure that you're taking full advantage of all of your contribution opportunities, including "catch up contributions" as you get older.

- **Invest for growth**

During your working years, market volatility is your friend. As you actively add to your investment accounts, market dips are opportunities to put your savings to work at a temporary discount. With this in mind, we recommend investing in a growth-oriented portfolio with a large allocation to stocks, diversified across various styles, sectors, and geographies.

**<u>Transitioning to Retirement</u>**

- **Build your retirement plan**

If you haven't already engaged with a financial advisor, seek one out about 10 years before you plan to retire. Work with them to build a comprehensive financial plan that incorporates any anticipated lifestyle changes, health care and long-term care expenses, charitable gifting, and inheritance objectives. Once you have a clear picture of your retirement spending needs and your retirement income (from sources such as Social Security, pensions, and annuities), you can evaluate how much wealth you need to fund your lifetime spending and begin to think about how you want to allocate any excess wealth for philanthropy and inheritance goals.

- **Realign your investments**

As you move within three to five years of retirement, your relationship with risk will begin to change. In retirement, you will be actively withdrawing from your portfolio; to the extent that your withdrawals overlap with a market decline, you will be forced to lock in otherwise-temporary losses and this will deplete your portfolio's ability to participate in the market rebound. To better accommodate your retirement spending needs, we recommend using the Liquidity. Longevity. Legacy. framework, to keep your portfolio aligned with your goals and purpose. Please see our report: **<u>UBS Wealth Way: A purpose-based approach to managing your wealth.</u>**

- **Develop a withdrawal strategy**

Create a tax-efficient income stream to replace your salary during retirement. Strategically tapping into your various investment accounts (e.g., tax-deferred, tax-exempt, and taxable), can help you to spread your taxable income across your retirement years. During your early retirement years, you may also want to implement a series of partial Roth conversions to take advantage of lower income taxes and boost your after-tax growth potential.

- **Evaluate your insurance needs**

During your working years, life insurance and disability insurance policies can help to protect your family against income loss, while property and casualty insurance safeguards your home and assets. As you transition into retirement, you will need to weigh your health care options including Medicare, supplemental insurance plans, and long-term care insurance. Additionally, life insurance can play a strategic role by providing liquidity and an income tax-free inheritance for your heirs, enhancing your estate-planning efforts.

**<u>Living in Retirement</u>**

- **Stay engaged and active**

Retirement offers an opportunity to pursue personal interests and maintain social connections that you were not able to give adequate attention to during your working years. To enjoy a fulfilling retirement, it's important to stay engaged through hobbies, volunteer work, and community involvement.

- **Monitor and adjust spending**

As you move through your retirement years, your spending and priorities will likely change. For example, you may spend more on travel during your retirement years and increase your charitable and intra-family gifting as you enter your later retirement years. Work with your financial advisor to keep your portfolio and your financial plan up to date.

- **Develop a gift and estate plan**

After developing your philanthropy and inheritance objectives with your family, update your wills, trusts, and beneficiary designations to reflect your desires. If you expect your wealth to be subject to state or federal estate taxes, you may want to implement trust strategies, taking advantage of your lifetime gift and estate tax exemption as well as your annual gift tax exclusion, to move assets (and their future growth potential) out of your taxable estate.

The UBS Advanced Planning team's **Planning Guide 2025** and **Charitable Giving** reports are a great place to start as you weigh your options.

**Conclusion**

Achieving a successful retirement requires careful planning and proactive management across your lifetime. Following these 10 steps will help you to build a solid foundation for financial security and personal fulfillment during retirement. It's never too early to get started; in fact, the earlier you start on this journey, the more options you will have. To get started, reach out to a financial advisor to learn about your retirement readiness and get a second opinion of your plan.

Original report: **Ten steps to a successful retirement, 28 March 2025.**

*UBS Wealth Way is an approach incorporating Liquidity. Longevity. Legacy. strategies that UBS Financial Services Inc. and our Financial Advisors can use to assist clients in exploring and pursuing their wealth management needs and goals over different timeframes. This approach is not a promise or guarantee that wealth, or any financial results, can or will be achieved. All investments involve the risk of loss, including the risk of loss of the entire investment.*