United Pentecostal Foundation

RETIREMENT READINESS CHECKLIST

A Comprehensive Planning Guide for Those Approaching Retirement

Prepared as a resource for your retirement planning conversation

This checklist is organized into eight key areas of retirement planning. Work through each section with your financial advisor, attorney, and tax professional. Items marked with a star (★) have important charitable giving or legacy implications — consider discussing these with your foundation advisor as well.

1. Financial Inventory & Retirement Income

Know what you have, where it is, and how it will work together in retirement.

Retirement Accounts & Savings

- ☐ Locate and list all retirement accounts *— 401(k), 403(b), IRA, Roth IRA, pension, TSP*
- ☐ Calculate total retirement savings against your target goal
- ☐ Consolidate accounts where appropriate to simplify management
- ☐ Review and rebalance investment allocations *— Shift to lower risk as retirement approaches*
- ☐ Maximize contributions — including catch-up contributions *— Ages 60–63 may contribute up to $34,750/year in 2025*
- ☐ Open or fund an HSA if eligible *— Triple tax advantage; deadline April 15 for prior year*

Income Planning

- ☐ Estimate total monthly income from all sources *— Social Security, pension, investments, rental, part-time work*
- ☐ Decide when to begin collecting Social Security *— Earliest: age 62; full retirement age: 67; maximum benefit: age 70*
- ☐ Create a withdrawal/drawdown strategy for accounts *— Sequence matters — consult a tax professional for order of withdrawals*
- ☐ Identify Required Minimum Distribution (RMD) start dates *— RMDs begin at age 73 (age 75 starting in 2033)*
- ☐ Explore pension options *— Lump sum vs. annuity — understand survivor benefit elections*
- ☐ Build a retirement budget *— Housing, food, transportation, taxes, healthcare, travel, hobbies*

2. Healthcare & Long-Term Care Planning

Healthcare is one of the largest and most unpredictable retirement expenses.

Medicare & Health Coverage
☐ Enroll in Medicare Part A and Part B at age 65 *— Late enrollment carries a permanent premium penalty*
☐ Compare Medicare Advantage vs. Original Medicare + Medigap + Part D
☐ Understand IRMAA surcharges *— Higher income triggers higher Medicare premiums; plan income accordingly*
☐ Review coverage if retiring before age 65 *— COBRA, spouse's plan, or ACA marketplace options — subsidies vary in 2026*
☐ Get a comprehensive physical before retirement *— Establish care relationships before coverage changes*
☐ Estimate lifetime healthcare costs *— Vanguard and Fidelity tools available; average couple may need $300,000+*

Long-Term Care
☐ Evaluate long-term care insurance options
☐ Consider hybrid life insurance/LTC policies
☐ Research continuing care retirement communities (CCRCs) if applicable
☐ Document wishes for future care in advance directives

3. Estate Planning & Legal Documents

Ensure your assets go where you intend, efficiently and without unnecessary delay.

Core Legal Documents
☐ Review or create a current Will
☐ Establish or update a Revocable Living Trust if appropriate
☐ Execute a Durable Power of Attorney — financial
☐ Execute a Healthcare Power of Attorney / Healthcare Proxy
☐ Complete a Living Will / Advance Healthcare Directive
☐ Prepare a HIPAA Authorization form for trusted individuals

Beneficiary Designations
☐ Review all retirement account beneficiaries *— IRA, 401(k), 403(b) — these pass outside the will*
☐ Review life insurance beneficiary designations
☐ Review TOD/POD designations on bank and brokerage accounts

- ☐ Confirm beneficiary elections align with overall estate plan
- ☐ ★ Consider naming a charity or Donor Advised Fund as a beneficiary *— Retirement accounts are highly tax-efficient charitable gifts — charities pay no income tax on distributions*

4. Tax Planning

Proactive tax strategy in the years before and after retirement can save tens of thousands of dollars.

Pre-Retirement Tax Actions

- ☐ Evaluate Roth conversion opportunities *— Converting traditional IRA to Roth in lower-income years can reduce future RMDs*
- ☐ Strategically realize capital gains or losses
- ☐ Coordinate charitable giving for maximum deductibility *— Bunching gifts or using a DAF can optimize itemized deductions*
- ☐ Plan for 2025 tax law sunset implications *— Key provisions expire; review estate tax exemption and income tax brackets*

In-Retirement Tax Management

- ☐ Build an income withdrawal sequence to manage tax brackets
- ☐ Monitor Adjusted Gross Income (AGI) for IRMAA thresholds and Social Security taxation
- ☐ Plan RMDs as strategic giving vehicles *— QCDs can satisfy RMDs without increasing taxable income*
- ☐ Work with a CPA to file quarterly estimated taxes if needed

5. ★ Charitable Giving & Legacy Planning

Retirement is one of the most significant moments to intentionally integrate generosity into your financial and estate plan.

Giving During Your Lifetime

- ☐ ★ Establish or fund a Donor Advised Fund (DAF) *— Make an irrevocable charitable gift now; grant to organizations over time at your pace*
- ☐ ★ Utilize Qualified Charitable Distributions (QCDs) from your IRA *— Ages 70½+: direct up to $111,000/year (2026) to charity tax-free; counts toward RMD*
- ☐ ★ Donate appreciated securities instead of cash *— Avoid capital gains tax; charity receives full market value*
- ☐ Explore a Charitable Gift Annuity (CGA) *— Make a gift; receive income for life — favorable rates for deferred start*
- ☐ Consider a Charitable Remainder Trust (CRT) *— Convert appreciated assets to lifetime income; remainder to charity*
- ☐ Consider a Charitable Lead Trust (CLT) *— Charity receives income for a set period; heirs inherit remaining assets*

Legacy & Estate Philanthropy

- ☐ ★ Define your legacy vision and philanthropic values in writing
- ☐ ★ Name a charity or DAF as beneficiary of retirement accounts *— Most tax-efficient asset to leave to charity; save Roth or taxable assets for heirs*
- ☐ Include charitable bequests in your Will or Trust *— Specific dollar amount, percentage of estate, or residual gift*
- ☐ Consider United Pentecostal Foundation as beneficiary of a life insurance policy and include directions in your will how to structure the gift. *(ie. General endowment fund? New endowment benefiting multiple ministries? Consult UPF staff for further options.)*
- ☐ Engage your family in the conversation *— Shared values and legacy goals build generational alignment*
- ☐ Partner with United Pentecostal Foundation for gift administration *— Planned giving officers can assist with CRTs, CGAs, real property, and complex gifts*

Gift Vehicle	Key Benefit	Best Suited For	Requires Age
Qualified Charitable Distribution (QCD)	Excluded from taxable income; counts toward RMD	IRA owners wanting tax-free giving	Age 70½+
Donor Advised Fund (DAF)	Immediate deduction; flexible grantmaking over time	Donors wanting structured, ongoing giving	Any age
Charitable Gift Annuity (CGA)	Income for life + charitable deduction	Donors wanting lifetime income and a legacy	Typically 60+
Charitable Remainder Trust (CRT)	Income stream + avoid capital gains + estate reduction	Donors with appreciated assets	Any age
Retirement Account Bequest	Charity pays no income tax on distribution	Estate giving — most tax-efficient asset	Any age
Appreciated Securities Gift	Avoid capital gains; deduct full fair market value	Donors with low-basis investments	Any age

6. Lifestyle, Housing & Retirement Vision

Financial readiness is only part of the picture — clarity about how you want to live matters just as much.

Lifestyle Planning

- ☐ Define what a fulfilling retirement looks like for you *— Purpose, relationships, contribution, and activity*
- ☐ Identify volunteer, ministry, or encore career opportunities
- ☐ Plan for a healthy daily routine: physical, social, and spiritual activity
- ☐ Build a social network that is not dependent solely on workplace relationships

Housing
☐ Assess current home — will you stay, downsize, or relocate?
☐ Consider tax implications of selling a primary residence *— $250,000/$500,000 capital gains exclusion if requirements are met*
☐ Evaluate mortgage payoff vs. investment allocation trade-off
☐ Research retirement community options if applicable *— Independent living, assisted living, CCRCs*
☐ Research state income tax treatment of retirement income *— Some states exempt Social Security, pension, or IRA distributions*

7. Insurance Review

Consolidate, right-size, and ensure your coverage reflects your retirement reality.

Insurance Audit
☐ Review life insurance need in retirement *— Needs often change — term policies may be expiring*
☐ Evaluate disability insurance *— Typically ends at 65 but confirm coverage*
☐ Review homeowner's and auto policies for appropriate coverage levels
☐ Consider umbrella liability policy
☐ Evaluate long-term care insurance or hybrid life/LTC products
☐ Confirm that life insurance beneficiaries reflect current intentions
☐ ★ Explore using a life insurance policy as a charitable gift vehicle

8. Professional Advisors & Personal Organization

The right team and organized records make every other part of this checklist more manageable.

Professional Advisory Team
☐ Engage a fee-only financial planner or retirement income specialist
☐ Work with an estate planning attorney to review / create documents
☐ Consult a CPA or tax advisor experienced with retirement distributions
☐ Connect with a planned giving officer or foundation advisor *— For charitable vehicles, legacy gifting, and tax-efficient philanthropy*
☐ Consider a Medicare advisor or insurance broker for healthcare decisions

Document Organization
☐ Locate and organize all financial account statements and login credentials
☐ Store estate documents in a secure, accessible location — inform trusted family members

- ☐ Create a 'Letter of Instruction' for your executor / family — *Location of documents, accounts, digital assets, and wishes*
- ☐ Review and update digital asset inventory and password vault
- ☐ Confirm your advisor team has each other's contact information

★ **Items marked with a star have charitable or legacy giving implications.**

This checklist is a planning resource and does not constitute legal, tax, or financial advice. Please work with qualified professionals to implement strategies appropriate for your individual situation. For information about charitable gift vehicles including Donor Advised Funds, Charitable Gift Annuities, and Charitable Remainder Trusts, contact United Pentecostal Foundation.