Steps to protect investments and sources of retirement income

The main goal of the Thinking Ahead Roadmap is to help you select a financial advocate who can assist you in managing your money and property at a time in your life when you might need help. As you transition into retirement, you can take additional steps to protect your retirement savings and sources of retirement income against losses later in your life. It's beyond the scope of the Roadmap to discuss all the planning considerations when you retire, but this brief summary will give you an idea of where to start.

- Many people can significantly increase their Social Security monthly income by delaying the start of their benefits as long as they can, but no later than age 70. This is because Social Security increases your monthly benefit for each month that you delay benefits until you turn 70. There are various ways to enable delaying your benefits. To read about the best time for you to claim your benefits, find information from the Social Security Administration at https://www.ssa.gov/pubs/EN-05-10147.pdf and from the Consumer Financial Protection Bureau at https://www.consumerfinance.gov/consumer-tools/retirement/before-you-claim/

- When you retire, consider leaving your retirement savings at employer-sponsored plans, such as 401(k) plans. These plans are managed by fiduciaries, who are required by law to act in your best interests. The same standards are not required for other investment accounts, such as IRAs at banks or brokers.

- If you decide to move your retirement accounts from employer-sponsored savings plans, look for financial advisors or institutions that typically agree to act in your best interests.

- If you participate in a pension plan or cash balance plan, it's generally best to stick with the monthly pension payment, even if they offer a lump sum cash-out of your earned monthly pension benefits. This provides a guaranteed stream of monthly income and protects you from fraud, exploitation, and investment mistakes.
- Financial institutions offer ways to protect your money from financial exploitation, identity theft and other types of loss. Here are some examples:

  Alerts. For example, you could set an alert on a bank account so that you get notified when a transaction over a specified amount occurs, or when money is transferred beyond a specific geographic area.

  Account lockdowns for investment accounts. With such a lockdown, you pre-approve the only authorized withdrawals that can be made from your account. A typical example is a periodic electronic transfer from your investment to your checking account. If anyone wants to change these withdrawals, the financial institution makes them go through additional security steps.

  Account monitoring with third party alerts. There are services that permit trusted third parties to receive alerts when a transaction appears suspicious.

- Consider using some of your retirement savings to buy an annuity which will generate guaranteed monthly income. An annuity can provide a stream of monthly retirement income that lasts the rest of your life. Annuities typically protect you from investment losses resulting from mistakes or a plunge in the stock market. With most annuities, it is difficult or even impossible to withdraw all your money at once; this feature protects you against catastrophic losses if you withdraw all of your money. Buying an annuity may be confusing, and some annuities have high fees. Shop around to find a cost-effective annuity, or work with a professional who has your best interests at heart.

These are just a few considerations for choosing a smart retirement income strategy and protecting your money. If you or your financial advocate need additional information, seek out a qualified financial professional or a knowledgeable person you trust.