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 need to decide what they'll do with their businesses after they retire.

Ideally, small business owners should plan well in advance. Here are two big questions to answer as early as possible:

- **How will you fund your retirement?** Do you have a SIMPLE IRA, a SEP IRA or a Solo 401(k)? Or, 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. So, 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, or is it wishful thinking on your part? Allow plenty of time to educate your successors on all aspects of your business.

So, you've planned well and now you're ready to bask in the glow of your golden years. In the last months and weeks before you call it quits, make sure you check off these tasks:

- **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 (e.g., savings or money market).

- **Get health insurance in place.** You're eligible to sign up for Medicare three months before your 65th birthday, so 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.
- **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 till 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, take your name off the company insurance policy, rip that nameplate off your office door. 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 your new "retired" status on LinkedIn and other social media.

You're bound to feel nostalgic as you say goodbye to the company you've built, but a few sunny days on the golf course or the beach works wonders for that. So, congratulations, retiree – you made it!

Want to be even more prepared? Read our blog post: Retiring? 6 insurance questions to ask yourself.