Catch Up on Your Savings

If retirement is a top priority, make sure you've got a concrete retirement plan. As long as you are still earning income, continue saving as much as you can. Invest the maximum into your retirement plan before retiring. Use the Gap Analysis Calculator to determine if you're saving enough to meet your projected retirement expenses.

Catch-Up Provision

If you are considerably behind where you want to be, you may need to contribute right up to the limit. That includes taking advantage of the catch-up provision: once you are over 50, you can make additional contributions to your company's retirement plan. These limits may rise annually, so check the limits at the beginning of each year.

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You may be close enough to retiring that you can set dates and begin planning your transition. Part of your plan should include determining when you are eligible to begin drawing retirement benefits from sources such as Medicare, Social Security, work-sponsored retirement plans and your IRAs.

How Much Will Your Retirement Cost?

Financial planners say you can expect to spend at least 70 percent to 80 percent of your current income each year. With mortgages paid off and children grown, retirees usually have lower expenses than when they were working, but some of the savings can be offset by medical expenses. If your dreams for retirement include expensive hobbies and activities, such as world traveling, you may want to plan closer to the upper end of the recommended amount.

Delay Retirement?

A longer life span means you could spend 15, 20 or 25 years – or more – in retirement. Working full-time until age 65 and then retiring to a life of leisure isn't necessarily the norm anymore. Recent studies confirm that people's approach to retirement varies widely. According to a recently released report from AARP:

- 70% of mature workers surveyed plan to work into what they view as their retirement years.
- 51% of those interviewed said they plan to work part-time in retirement.

Some folks will continue working for the stimulation it provides. Others will work because they need the income or because they want to delay tapping into their retirement savings. Whatever your plan is, remember that you have options.