

I HAVEN'T BEEN ABLE TO START PLANNING FOR RETIREMENT

If you've done little to no planning for retirement, there's no better time to get started than the present. While preparing for retirement may seem daunting at the outset, with a little effort you'll be on the right path in no time. As you begin planning, focus your efforts on the following six key factors.

Starting Your Plan: 6 Factors to Consider

1 Retirement System—CSRS vs. FERS

Are you in the Civil Service Retirement System (CSRS) or the Federal Employees Retirement System (FERS)? As a federal employee, your retirement journey begins by knowing your retirement system. Since 1987, new Federal civilian employees who have retirement coverage are covered by FERS. If you joined the federal government in the last two decades, you're likely in FERS.

For more information, read "CSRS vs. FERS" at GovExec.com.

2 Budget—Expenses & Income

In order to save for retirement, you first need to know how much income you have to invest. Take your current expenses—meaning things like rent, utilities, groceries, etc.—and compare it to your income. Are your expenses less than your income? If so, you should begin saving a portion of your monthly income for retirement.

For help creating a budget, use a free tool like the [CNN Money Budget Maker](#).

3 Savings—TSP, IRAs & Benefits

Once you know your budget, there are several ways to invest. The TSP is one source of your retirement income. Other major sources of retirement income include your FERS Basic Annuity or CSRS annuity (or retired pay if you are a member of the uniformed services), Social Security benefits, individual retirement accounts (IRAs), and other savings. If you're just starting to save for retirement, ask your personnel office about available retirement planning resources or recommendations for a financial planner.

How much should you save? Use the [Federal Government Employees Ballpark Estimate calculator](#).

4 Lifestyle—What Are You Saving For?

Retirement can last as long as, if not longer than, your career. How do you want to spend your retirement? As you save, it's important to remember why, and for whom, you're saving. Are you saving to support a parent, child or grandchild? In retirement, what activities will fill your time? Where will you live? Long term, will you live at home or in assisted living?

For help planning life in retirement, read "[The New Retirement: The Ultimate Guide to the Rest of Your Life](#)" by Jan Cullinane and Cathy Fitzgerald.

5 Health—Advance Directives & Wellness

To ensure you're prepared, keep an easily accessible list of your medical history, physicians and current medications. In the event of the unexpected, prepare your advance directives (power of attorney, health care proxy, etc.) and create a living will to ensure your next of kin are protected. Most importantly, as you age, make a habit of eating a healthy diet and exercising regularly—nothing is more important for a happy and healthy retirement.

For more information, read AARP's "[Legal Documents You Need Now](#)."

6 Insurance—Your Benefits & Long Term Care

As you prepare to leave the workforce, catalog your insurance providers and be sure you have the coverage you need. Starting no later than five years before retirement, make sure you're eligible to keep your FEGLI and FEHB benefits. Also, take the time to understand your Medicare benefits at [Medicare & You](#). Finally, look into long term care insurance to make sure you have the coverage you need to remain protected and secure in the event of a sudden illness, home care or assisted living.

Use the [Federal Long Term Care Online Consultant Tool and Webinar Library](#) to assess your long term care needs. For more information, [read page 5 of "Your Total Retirement Readiness Guide."](#)

