

Episode #344 - The 3 Secret Considerations for Retirement Success

Hello Sal Mendoza here and welcome back to Money Script Monday. Today, we're diving into a crucial topic, the three considerations for retirement success. I want to start with a personal story that underscores the importance of planning for long term care. My mother worked tirelessly for her entire life while raising four children on her own, including my brother, who required special assistance. Despite this immense demand on her time and energy, she managed to provide for all of us. My brothers and I had agreed that I would take on the responsibility of caring for her when the time came. However, that day never arrived as my mother lived a remarkably healthy life until age 93, when she suddenly passed away.

While my experience is unique, the reality for many is different. In fact, 70% of Americans aged 65 and over will need some form of long term care, averaging at least three and a half years, and a smaller percentage will require care for at least five or more years. Most families are willing to step in, but that's not always the ideal or feasible solution. This brings us to the three secret considerations for retirement success.

One, where would you prefer to receive long term care? Your options typically include a nursing home, care in home care, or assisted living. For instance, here in the state of California, in home care costs around \$73,000 per year, assisted living is \$63,000 per year, and the nursing home care can be about \$11,000. The costs for in home care and assisted living are substantial and can quickly deplete your savings if not planned for.

Number two, the question we have to ask is which assets would you liquidate to cover these costs? This big red bucket right here, imagine all your assets being in that large bucket containing your IRA, your annuities, stocks, bonds, mutual funds, checking, savings, cash life insurance. The best strategy often involves using and liquidating your IRA, particularly because

of the Pension Protection Act. This act allows you to move your IRA funds into a long term care insurance, which benefits are tax-free if used for long term care. Plus if you don't use these benefits, the funds pass to your beneficiaries tax-free.

Lastly, are you interested in solution that includes the long term care benefits? What if you could pay only 25 cents on the dollar for long term care expenses instead of paying dollar for dollar? This could represent a savings of 75%, a significant reduction in potential costs. By planning today, you could see how this could impact your retirement strategy and ensure that you're prepared for any eventuality. In addition, this type of planning can provide a monthly benefit for you and your spouse that will pay forever, including inflation increases if so desired. This will provide home care assisted living, which is what most people would prefer.

I encourage you to reach out to your financial advisor and ask for a free, personalized, long term care illustration. This will help you understand how you can plan effectively and make informed decisions about your retirement and the potential benefits you can enjoy by thinking ahead. Thank you for joining me on this Money Script Monday. I hope these three considerations help you as you plan for a secure and successful retirement. My name is Sal Mendoza, and I'm honored to be part of your journey.