

A Checklist for Retiring in 2025

Our checklist for retiring this year includes everything you need to do before the retirement party.

Only you can know if you're ready for a checklist for retiring. If you're 60 or getting there, retirement is no longer a hazy concept in the distance. It's a real deadline. In five or six years, or maybe just a year. Or six months. Or even six weeks. You are going to leave your full-time job, not for a new phase in a working career, but for a largely unknown future.

Ideally, you've prepared financially and otherwise ahead of this looming date to ensure a calm, rather than chaotic, transition. If you're hyper-organized, you may have already ticked off most of the 10-year checklist for retirement planning tasks. But the lead-up to the last day requires a sharpened focus. What do you need to know about your finances? Your health insurance? When do you tell your boss and colleagues? And how do you leave your job looking forward to a new phase, rather than looking back and longing?

Money and health

Line 'em up. Presumably, you've been accruing money in some combination of retirement accounts, pensions, money markets and brokerage accounts to fund a fairly confident retirement. It's time to decide the best way to use those accounts before the last paycheck stops.

First, figure out the total funds in all accounts. On top of that, know what you will accrue monthly with Social Security; that can be easily found by signing up with the Social Security Administration, says David John, a senior strategic policy advisor with AARP Public Policy Institute.

If you want a sense of how your retirement savings measure up to that of your peers, read up on the average IRA balance by age and the average 401(k) balance by age.

Also, speak to your company's human resources department about claiming pension benefits, if offered.

Balance withdrawals. Once you have a handle on all the different pots of money, decide before retirement how much you will take from which account, which means understanding the implications of tax brackets. The goal is to balance what you take from different sources to utilize the low 10% and 12% tax brackets, says Carolyn McClanahan, a doctor and founder of the financial advising firm Life Planning Partners.

The idea, she says, is to spend a mix of taxable income (capital gains, dividends and interest) and tax-deferred incomes (IRAs and 401Ks) earlier in retirement. Then, if you have a Roth IRA, save it for last because it's tax-free. A Roth also doesn't burden you with required minimum distributions (RMDs), which IRAs and 401Ks do starting at age 73.

"I can't stress this enough," McClanahan says. "People think they're not supposed to touch their retirement accounts, but it's all one big piece, so your money market account is just as much of a safety net as your IRA. Decide what's going to be the most tax-efficient way to pull it out so your money lasts as long as possible. Never let low tax brackets go to waste in creating your income in early retirement."

Pay those debts. It's a great idea to go into retirement debt-free — if you can manage it and still have some liquidity. It's critical to have a healthy savings account that can be drawn on in an emergency, McClanhan says. And you don't want to pay off the mortgage and then be living on your IRA, with the taxes that will accrue.

“If you are one of those lucky people that has an old mortgage at 2.5% interest, it's crazy to pay off the mortgage,” she adds. “But if your mortgage interest rate is higher than what you can earn in a savings account, you probably should pay it off.”

Unused vacation? If your company has a policy of paying for unused vacation days, consider delaying any vacations until after retirement and collecting the money.

Health insurance maze. Retirement at 65 years or older makes things much easier in the health insurance arena since Medicare will be available.

If you retire before 65, that's another matter. The federal law known as COBRA allows someone leaving a company to stay on the company's health care plan for up to 18 months — but it is expensive, McClanhan warns

Other options are joining a spouse or partner's health insurance if available or buying it through the Affordable Care Act on the open market; there's a limited sign-up period after retirement, so there's no need to wait until the special enrollment period.

Life, disability insurance? If your employer offers life insurance and disability insurance, decide whether it makes sense to replace it out of your own pocket. Life insurance often isn't necessary if both you and a partner are retired with enough savings and don't have dependents, experts say. And since disability insurance only covers lost income, it's unnecessary once retired.

Visit your doctors. Don't delay doctors' appointments until after retirement, even if it seems to make sense because you'll have more time. Rather, catch up on all your doctors' visits and routine screenings before leaving your job.

That's what Carolyn Bodkin, 61, of Branford, Conn., decided to do when she retired in August after working at a major publishing house for 39 years — because she wasn't sure exactly what her health insurance would look like after leaving work.

That's especially true with vision and dental care because traditional Medicare and many plans offered under the ACA don't offer such coverage. However, most Medicare Advantage plans include them as extras. If your plan doesn't have dental and vision coverage, you might want to buy it separately, but McClanahan says this coverage is generally “not worth it because it's expensive and barely covers anything.”

Another reason to make sure you're up-to-date with all your health needs: the administrative work related to COBRA can take a while to kick in, and during that period, you will have to pay for everything out of pocket, although COBRA does retroactively cover medical costs from the day your company insurance expires, she adds. Also, make sure you have extra medication on hand in case it takes longer than expected to move to a new plan.

Social and emotional preparation

Anticipate the future. If there's a universal piece of advice from retirement experts, it's this: don't put off thinking about what your retirement will look like until the day you've left work. That can be a recipe for some unhappy months or years.

There's a reason that a TED Talk by Riley Moynes, a former financial adviser, has been viewed more than 3 million times online. It's about struggling with retirement.

"I thought I had a pretty good idea of what success looked like in a working career, but when it came to retirement, it was fuzzier for me," he says in his presentation. After interviewing dozens of retirees, he says he discovered that most people move through retirement in four phases — a concept he turned into a book, *The Four Phases of Retirement: What to Expect When You're Retiring*.

The first is the vacation phase — sleeping in, lounging, taking those long-delayed trips. This, he says, lasts for about a year.

Then, in phase two, boredom can set in, and people can feel "loss and lost," Moynes says in his talk. They might face fear, anxiety and depression.

Many people struggle in phase two, but find a way out by entering phase three, he says: Figuring out what you like to do and what you do well by trial and error.

Moynes speaks about how he investigated becoming a paralegal, which didn't go anywhere. He also started a program on writing memoirs that he says "met with limited success."

Not everyone gets to phase four, which is finding a meaningful purpose in life, perhaps by volunteering, starting a nonprofit or caring for family or friends. Those who do, however, "are some of the happiest people I've met," he says.

Game plan. One way to minimize phase two can be to think seriously about how you will replace some of the more intangible benefits of the workplace before you're out the door.

Once you know you've got the money you need to retire, "instead of rehashing the numbers, focus on the non-financial benefits that you're getting at work, which a lot of people don't even recognize," said Fritz Gilbert, founder of the website *The Retirement Manifesto*.

Gilbert has identified five benefits that many people get from their jobs and may miss deeply when they retire:

- A sense of identity. "No one cares if you're vice-president of operations now," Gilbert says. "Now you're just another retired person."
- A sense of accomplishment by starting and finishing projects, for example.
- A structured day.
- Social interactions. Even if you didn't hang out with colleagues outside of work hours, there's usually ongoing interactions during the day that help you avoid loneliness. That can feel like a real loss when it disappears, Gilbert adds.

- A sense of purpose. That is bigger than simply finishing a project and is more about contributing to something larger than yourself.

“In the work I do, I see a big difference between people who go all in the last year of work versus those who say, ‘Well, I’m going to really take maybe 10% to 20% of my time and shift it toward things I can do to get a head start on,’” says Joe Casey, an executive and retirement coach and host of the podcast Retirement Wisdom.

Use the last year to develop a game plan, he says; one way to start thinking about it is like managing a portfolio. But instead of it being financial, it’s a time portfolio with the same principles of diversification and rebalancing.

That could involve participating in a new activity or with groups that might broaden social connections, he says. “I see people who look back and regret they didn’t do that” before retirement.

Change the narrative. How we think about retirement is often connected to how we think about age, says Mary Jo Saavedra, a gerontologist who helps people plan for retirement.

“What the broader culture has trained us to think about retirement is decline,” she says. “It’s really important that we change the narrative that the media, movies and that culture would have us believe — that you become invisible as you age.” Saavedra is the author of *Eldercare 101: A Practical Guide to Later Life Planning, Care and Wellbeing*.

A research study of 14,000 adults over 50 found that feeling better about one’s own aging is associated with fewer physical and mental health problems.

You do you

Be yourself. With all that said, the most important thing is to know there are many variations of retirement.

Howard Mizrachi, 68, of Larchmont, N.Y., who worked as a surgical pathologist for almost 35 years, prepared intensively for retiring and understood that the social and emotional part was as important as the financial side.

But he decided he didn’t have to figure it all out at once. “I gave myself permission not to know what I was going to do.”

His two years of retirement so far have been wonderful. Gardening, running, taking walks with his wife, playing bridge, helping take care of his grandchild, reading and doing projects around the house have been very fulfilling. He hasn’t felt the need to create more of a schedule or line up activities.

“I’m very fortunate,” he says. “I had a real sense of purpose and fulfillment with my career. I’m thankful to have been able to do that and in this part of retirement I’m not focused so much on that. I spent my whole life being structured.”

Alicia Munnell, who founded the Center for Retirement Research at Boston College in 1998, may know more than just about anyone about retirement. So, when the college recently announced her retirement at age 82, she was more than ready.

“People look at me very earnestly and ask, ‘What are you going to do?’” she says. “I plan to take goofing off very seriously. I’m not worried about being bored at all. If I am, maybe I’ll become a ballerina.”

The last few months and weeks

Tell the boss. You’ve got everything lined up and now you need to tell the boss. How much notice should you give? Teresa Amabile, a professor emerita at Harvard Business School, and her co-authors interviewed 120 people — 83 of them 55 years and older — for their book, *Retiring: Creating a Life That Works for You*. They were all knowledge workers relatively high up on the career ladder, leaving successful companies.

One employee gave five years' notice. Another, a weekend.

Those were the extremes, Amabile says, and many had contracts that specified how much notice one had to give. But the average, she says, seemed to be about two months.

Much depends on the type of job and expectations. The rule of thumb tends to be the more senior position, the more notice is given; in all jobs, at least two-weeks' notice is considered common courtesy even if not mandated, writes Jamie Birt, a career counselor.

Those who have been at their jobs for many years often want to give more than the required minimum. That was the case with Mizrachi.

“My contract said I had to give three months, but I thought I had better give six months to give them more time to replace me,” he says.

'Please stay.' Also, be prepared to respond to common questions, such as whether you’re willing to stay longer or work part-time. Bodkin, who worked in publishing, agreed to stay a few more months past her chosen retirement date. Mizrachi, who was asked if he’d continue part-time, declined. He was ready to move on.

Goodbye, office mates. When should you tell your colleagues and clients? People often worry co-workers will treat them differently once they say they’re leaving; Amabile says that one person interviewed for her book waited until the last minute “because he didn’t want to be yesterday’s news.”

There is no set time frame for letting coworkers know. It depends, she says, “on whether a person has sufficient trust that their colleagues will not ignore them or completely sideline them once they know about retirement.” If you have faith that particularly close colleagues can keep it to themselves, experts say, you might want to tell them earlier than others so they don’t feel blindsided.

Also, be sure to let your professional network know of your retirement and, if you want, include a personal email where you can be reached.

Transfer the personal stuff. While there’s the big picture in disentangling from work life, there are also the little details. You may not have access to your work computer and files once you walk out the door, so be sure to take anything you (legally) can and want. Don’t forget your list of professional contacts you may want to reach out to in the future.

If you use a work email for your personal contacts, set up a separate email at least several weeks before leaving and move your non-work contacts into it. This part proved particularly important for Bodkin, who solely used her work email and cell phone for her personal life. “I had to contact everyone I know and change the email and phone numbers — our doctors, stockbroker, the local club where I play tennis. It was very time-consuming.”

Just chill. Tell your family and friends what your plans are in the immediate weeks before retiring — before they make them for you.

“I made it really clear to my husband that I was going to decompress for the first couple of months,” says Bodkin, who worked full-time while raising four children. “And I didn’t want him to ask, ‘What did you do today?’ I play a lot of tennis, read and love going to the library. I’m meeting new people and getting to know old friends better. “

There are bound to be a number of issues that come up as you’re winding down a major portion of your life. But with the proper preparation, by the time the last day at work arrives, the only remaining question is what type of wine to serve for your retirement toast.

This information is not intended to be a substitute for specific individualized tax advice. We suggest that you discuss your specific tax issues with a qualified tax advisor.

By Alina Tugend for Kiplinger.com; last updated February 21, 2025