



Start Now, Benefit Later: Retirement and Succession Planning for You and Your Team

Timing

When is it right for you?

When is it right for you, your family, your office, your superiors? Considerations can include:

- Are you ready emotionally? Can you let work go and hand the reins to someone new? Ask yourself: “Will I be happy and what will I miss about my career and co-workers?”
- How happy are you with the status quo – are you just staying because it is easy?
- How much money will you need in retirement for necessities and lifestyle expenses?
- Is it worth it to work ‘just a little longer’ to build up your financial buffer, or are you putting it off for other reasons?
- Is the timing right financially with respect to your pension, investments, eligibility for governmental support, real estate prices?
- Is there any severance or benefit to staying? Will there be a buy-out in the wings that could spark your decision to retire?
- Are storm clouds brewing in your workplace that might accelerate your retirement decision (e.g. a new hiring partner or dean)?
- Is the timing right for you personally given your health and age, and career-wise?
- Are you willing and/or able to work part-time post retirement?

The key is to not ignore these considerations. Try to plan early, knowing there may not be a one-size-fits-all age or date, and be true to yourself. Get input from HR, financial advisors, and trusted friends/colleagues.

How does your family feel?

Chances are, if you have been counting the days until retirement since your first job, no one will be surprised that you have a plan or are considering your options. If, however, you are dreading retirement, are fearful for any number of reasons, or simply wish you could ignore the future, you may also be worried about broaching the topic with your family. Or maybe you’re somewhere in between. In all these scenarios, you are not alone! There are any number of considerations when bringing this up with family:

- Are you the main breadwinner? Are you giving away your salary and potential bonuses that your family has come to rely upon? Will vacation be limited or abolished without your income?
- Are you retiring to care for a sick family member, and you are not yet ready? Do you feel enthusiastic about the future or are you resenting the reason you may have to step away from your career? If you live in the US, are you working to keep medical insurance, and would your loss of insurance negatively impact someone you care about?
- Do you have dependents, and will you lose a tuition benefit if you leave too soon? Are you still paying off your own or someone else's student debt?
- Are you recently single and the sole financier of your mortgage and monthly costs?
- Is your significant other quite used to being the retired person in the house and will it be 'too much spouse, not enough income'? Do you still enjoy your family's company, and would you if you are together all day, every day? Are you hoping to work part-time but your significant other wants you to travel and hang out post-retirement?
- Do you hope to lay low for a year and then reassess, but your family expects something different? Are you ready to redefine yourself but your family is used to you as a career person or breadwinner?
- Have you looked into tax consequences and benefits?
- Does your family want to know exactly what you plan to do in retirement, but you want to take it day-by-day?

Any of these issues can be addressed and should be eventually. Discuss your plans with your spouse/children/parents. Manage their expectations. There are so many issues, emotionally, personally, and financially for you as the retiree, so staying informed can help you address the potential concerns and fears of your loved ones. Planning and knowledge are on your side.

Preparing

Preparing Financially

It's never too early to start the planning process.

- Speak to a professional – take advantage of what your employer offers through HR or EAP and/or seek a professional financial advisor outside of work.
- Mortgage(s), student loan(s), kid(s) in college, and other debt at retirement will all impact the amount of income you'll need to retire.
- Start saving as early as possible. Even small amounts saved each month, if you start decades before retirement, will add up to significant amounts of money.
- Do a [budget](#) to determine how much you will need for both [necessary and discretionary expenses](#).
- Establish your retirement income plan.
- If necessary, determine your portfolio withdrawal strategy.
- Read your compensation statements. How much do your current benefits cost? How much tax is withheld?

- Consider alternatives to full retirement (part-time at your current workplace or elsewhere?)
- Do you own or rent? Will downsizing be necessary? Do you need to examine a reverse mortgage?
- If you plan to purchase real estate and take out a mortgage after retirement, understand that your eligibility may be impacted by your reduced income.

U.S. Income Sources

- Pensions: True pensions are less common now. Government employees are more likely to have them.
- 401(k): “Replaced” pensions at many places of employment in the U.S.
- 403(b) is like a 401(k) but offered by U.S. educational institutions.
- 457s are available to some U.S. state employees.
- IRAs can be set up to set aside retirement income to supplement pension and 401(k)
- Find out which investment vehicles allow you to rollover into others. Some rollovers are without penalties, some carry penalties and tax consequences. Know your options.
- Consider the quantum of your personal portfolio (stock market, etc.)
- Well before retirement, [set up your free “My Social Security” account](#) so that you can begin to learn about this benefit, timing, and myriad related matters.
- You can start taking SS at age 62, but monthly benefit is lowest. Benefits are reduced if you’re still working (based on how much income you make.)
- “Full Retirement Age” is based on your current age. If you wait to take SS benefits until your full retirement age, you can then earn income without reducing your SS monthly benefit.
- If you wait until age 70 to start collecting SS, you will collect your highest allowable monthly benefit.
- Social Security income is taxable.
- You may be eligible for spousal SS benefits, even if divorced.

Canadian Income Sources

- You may have a pension entitlement. Government employees are more likely to have a defined benefit plan; many employers offer at least a defined contribution plan, which is likely held in an RRSP.
- In addition to contribution to RRSPs, you may have been contributing to a TFSA
- Look into your eligibility to apply for CPP; note that payments are lower if you take it early, and higher if you defer to 71

Health Care Planning

United States

Retirement health care planning for U.S. citizens can be confusing and stressful. Get educated early and ask lots of questions. Seek advice from [Medicare](#) itself, your employer, and/or an outside expert to help you navigate this process. Navigating Medicare decision-making can be

complicated and overwhelming, so consider consulting with a Medicare advisor/specialist (usually a free service).

Will you retire before age 65 (pre-Medicare-eligible) or at 65 or later (Medicare-eligible)?

Before age 65:

- Possibility of being covered by spouse or domestic partner.
- Possibility of covering the gap until Medicare-eligible with COBRA (time limited).
- Your current employer may offer post-retirement/pre-Medicare health care plans at no cost or at discounted rates for you and/or your spouse or domestic partner. Your/your spouse/domestic partner's eligibility may be contingent upon your years of service.
- Private health care coverage can be costly.

At age 65 (also called the "Initial Enrollment Period"):

- You can enroll over a seven-month period (the three months prior to your 65th birthday, the month of your birthday, and three months following). Advised to do it sooner than later.
- Coverage starts the first day of your birthday month.

Medicare is not free, and it's important to know the different costs for the different parts, including choosing whether to opt for traditional Medicare, comprised of Part A (hospital coverage), Part B (which covers office appointments) and Part D (prescription drugs), or a Medicare Advantage¹ plan, known as Part C (e.g., Kaiser Permanente) which offers additional and/or enhanced benefits. If you go the traditional Medicare route you will need to consider a supplemental or 'medigap' plan at an additional monthly cost since Parts A/B/D do not cover all the expenses you will incur.

Depending on your past income, you may be subject to additional Medicare costs known as an Income-related Monthly Adjustment Amount (IRMAA.) You can [request an IRMAA waiver](#) if you have a "life-changing event" (like retirement) that has caused you to experience a drop in income.

Your current employer may offer Medicare Advantage or Medigap plans for retired employees.

It's important to [sign up at age 65](#) even if you don't need to use Medicare right away (e.g., because you are still working and covered by your employer's plan or by a spouse's/partner's plan). If you do not, you can incur lifetime financial penalties.

It is also important to think about purchasing Long Term Care insurance, as the odds are that most people will need it.

¹ If you enroll in a Medicare Advantage plan, you must still enroll in and pay premiums for your traditional Medicare coverage.

- The earlier you buy into a plan, the cheaper the annual premiums will be. But know that your annual premium may be increased in the future.
- Read the fine print of the policy to know the details of coverage.
- What specific services are covered and for how long?
- If you don't invest in a plan, expect to 'self-insure'.

Canada

While Canadians enjoy a single payer health care model, not all health care costs are covered. Think about what vision/dental/prescription costs you may incur once you are no longer covered under your employer's plan; depending on your circumstances, you may want to purchase insurance. Look into whether your current insurer allows you to purchase individual retiree coverage under the existing group plan. Think about whether paying premiums is worth it, or if you're better off paying out-of-pocket for vision/dental/prescription costs (note that your provincial governmental plan will cover some vision and prescription costs once you're 65). Also, if you're planning on traveling, you will want to have out-of-country medical. This is often covered under retiree plans, or you can purchase individually on a trip-by-trip basis from a variety of providers.

Planning for a healthy retirement!

One of the key things to make sure you're preparing for is a healthy retirement. After all, having the physical ability to enjoy your retirement dreams is as important as having the financial footing to do so. So what are you doing today to make sure you're going to be healthy in the decades to come? Are you eating a healthy diet? Getting enough sleep? Exercising? Start the lifestyle changes sooner rather than later. If you're not making the time for health now, you're going to be forced to make time for illness later.

And finally, although we all want to die participating in a triathlon at 98, not all of us will be so lucky! So if you have not already done so, you should make sure you have certain things in place. A will, Powers of Attorney (for Property and Personal Care, often known as a 'Living Will'). Allow your children/dependents into the process. Now is a better time for these conversations than when you have an emergency health issue and are unable to guide them.

Goodbye!

Things to Think about...

While everyone considers financial planning the most important aspect of pre-retirement, being completely prepared for transition includes knowing as much as possible before leaving your current position. Become familiar with all HR policies and download information you may need (it will be harder to obtain after you're gone):

- Policies for collecting your pension.
- Steps to roll over your defined contribution plans.

- If in the U.S., healthcare alternatives you may need (e.g., COBRA).
- Other benefits to which you or your spouse/partner may be entitled based on years of service.
- Unused vacation time (use it or lose it? or can you get a payout?)
- Names and contact information of all insurance/benefits carriers.

Giving Notice

Your situation is unique, and it can be dependent on the dynamics between you and your superiors. You may have the most wonderful relationship in the world with your direct report, or it may be simply businesslike, or even challenged. But no matter what the relationship looks like, your basic communication strategy should be the same.

- Are you bound by any contractual notice obligations?
- Does your school/firm have any retirement policies/notice obligations?
- How much notice should you give to Deans/Partners (more senior positions typically require longer notice periods)?
- Are you interested in giving advance notice or waiting until the last minute before submitting a letter of resignation?
- Schedule a private meeting with your superior.
- Have a transition plan for you and your staff ready.
- Ask their thoughts on informing staff and for permission to tell key staff yourself.
- Schedule (or discuss having) additional meetings for purposes of planning and full communication.
- Consider the possibility they may ask you to stay longer, but don't be hurt if they don't! No one is indispensable. They may also ask you to leave sooner; don't take it personally!
- Get letters of recommendation (or the promise of an oral endorsement) – you never know!
- If you are permitted to do so, think about who else to tell. The timing of your announcement may be different for each group:
 - Your closest office team and co-workers.
 - Other colleagues within your institution.
 - Colleagues at other institutions.
 - If at a school: students and alumni.
 - If at a firm: other partners, associates, and other staff.

Succession

You may not have an opportunity to implement transition planning; some of our interviewed retirees did not. But leaving your employment as professionally as possible will inspire your staff to 'pass it on' and help with your own sense of closure.

- Give an exact date (knowing that retirement dates can move). Keeping the staff guessing is detrimental to morale; provide as solid a transition plan as possible.

- Give you and your staff as much lead time as possible, or as much lead time as you are comfortable with.
- Express appreciation for their good work and support.
- If requested, make recommendations to your superiors for staff transition/promotion.
- Determine who is an information silo (including yourself) and arrange for cross training.
- If asked to, participate in your own succession planning/replacement training.
- Transition planning:
 - Will you have the option of being involved?
 - To what extent?
 - Write a transition plan.
 - Will you/do you want to be involved in the training of your successor?
 - Anticipate what impact your departure might have on your current team?
- Have a plan for staff succession in advance.
 - Create an outline of each person's key roles and responsibilities.
 - Where appropriate, advocate for key staff to benefit from your departure.
- Brace yourself if your employer does not include you in the search for your successor. While many employers will welcome your participation, others may not. This could be out of your control, and you'd need to take a back seat.
- If you haven't already, create a personal email address. Depending on your years of service some employers may permit you to retain your work email address, but many will not.
- Get permission to download your contacts and calendar and transfer to your personal computer/phone.
- Look into possibilities of keeping your employer-issued IT; some employers will allow you to keep your phone and/or laptop, or purchase at minimal cost.
- Don't delay in setting up your personal laptop/desktop computer – in most cases you will no longer have access to the firm or school's IT Department.

What Am I Going To Do Now?

Each person reacts to the transition process from work to retirement differently. People react differently to transitions because of their unique set of strengths and deficits. Likewise, there is no single, magic bullet coping strategy. The person who copes effectively is someone who can use many strategies flexibly, depending on the situations they face. (Note how much that sounds like a typical NALP member!) It is important to recognize there will be situations which challenge us emotionally and make it necessary to implement strategies, just as we did as high-functioning professionals. In other words, don't panic!

Concerns:

- The loss of professional status that's closely bound to self-image can be a huge challenge.
- The loss of daily routine can be a shock.
- Shifting home relationships may cause friction.
- For most of us, major change is unnerving.
- Unexpected situations will occur, causing stress.

- Some of us may feel a heightened sense of mortality.
- Others may experience loneliness.
- This transition can mirror a grieving process.

Solutions:

- As they arise, create and implement strategies for situations that cause emotional challenges.
- Take ownership of your new life.
- Let go of your work identity and embrace your retirement identity.
- Imagine your new “business card!”
- Create a mission statement.
- Recognize you may grieve the loss of your old life.
- Engage and partner with your family and friends – don’t internalize.
- If you need help, seek counseling.
- Make new friends and keep the old.
- It may take energy to retain relationships with your key work friends, but it’s worth it!
- Exercise – Good for the body and good for the mind.
- Get involved with causes close to your heart.
- Consider meditation.

Staying Connected with NALP & Related Activities

Whether you are already thinking about staying connected or think about it in a year or more post-retirement, consider staying involved as a NALP Experienced Professional as an affiliate member.

- NALP Affiliate membership costs just USD \$99 annually (the registration cycle begins each January) and allows you to retain almost all of the membership benefits you have valued for so many years.
- Volunteer as a member of the newly created *Retirement Advising Network* through which you can support a current member planning to retire and/or with succession planning issues or questions.
- Write an article for the NALP Bulletin. Submit an RFP for an upcoming conference. Attend NALP programs and webinars.
- Stay connected to your [local City Group](#). This information gets updated by the NALP office often.
- Stay engaged with your local bar association and attend CLE’s, events, and offer to share your knowledge.
- Mentor at a local law school, college, or high school. Chances are your experiences could help a person considering law school or law firm life. Perform mock interviews for law students in your town or at a law school. Your feedback will help the future of the profession.
- Join a board that works with something about which you are passionate and give back with your time, expertise, and energy.

Resources

Organizations

- [AARP](#)
- [CARP](#)

Articles

- [Retirement is a Transition, Not a Destination](#); Forbes, January 2019
- [The Transition to Retirement](#); New Retirement, September 2021
- [Journey Through the Six Stage of Retirement](#); Investopedia, April 2021
- [Family and Money](#); New Retirement, November 2021

Books

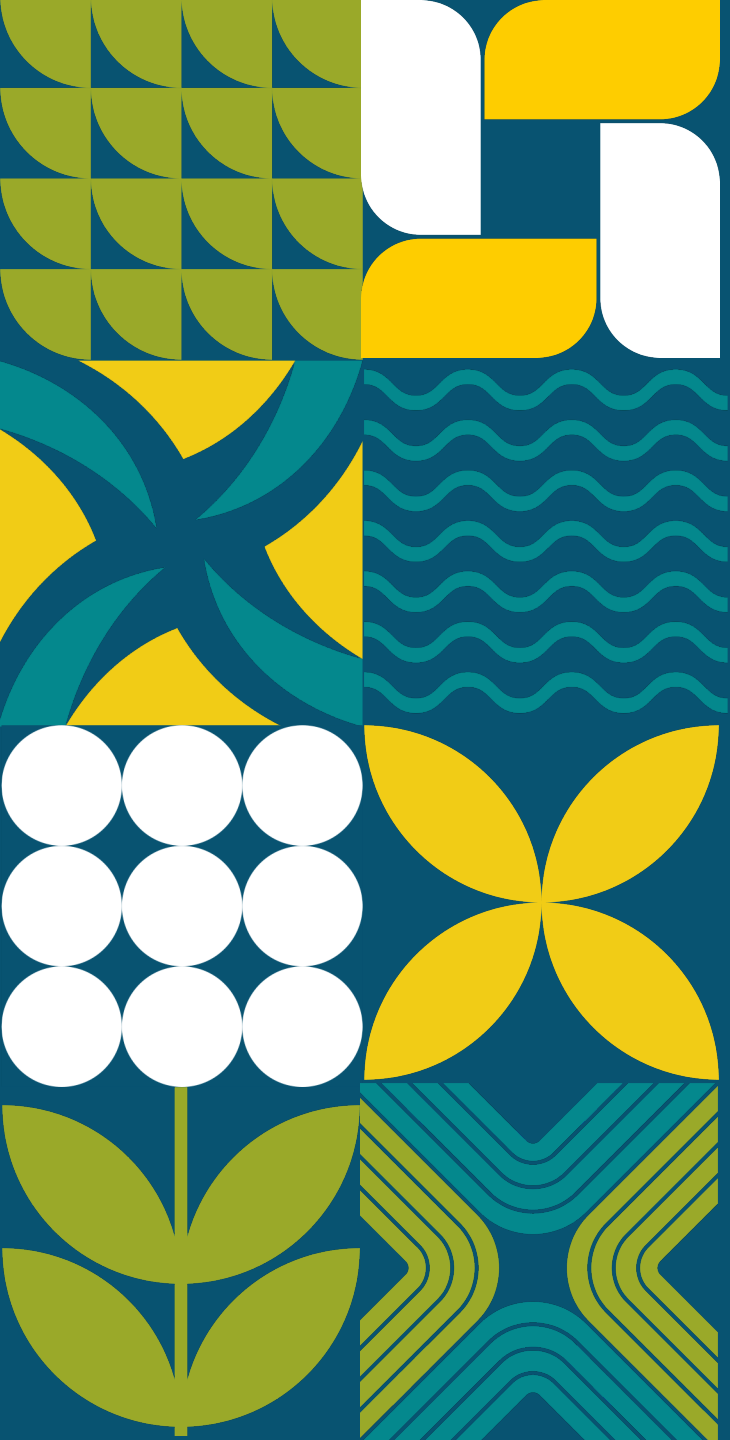
- Barnes & Nobles [Recommended Reading](#)
- Retirement Savvy [Recommended Reading](#)
- Retire Smart, Retire Happy – Finding Your True Path in Life; Nancy K. Schlossberg
- Retirement by Design: A Roadmap to Your Next Act; Ida O. Abbott
- Younger Next Year; Chris Crowley and Henry S. Lodge
- Younger Next Year for Women; Chris Crowley and Henry S. Lodge

Good luck!

Elizabeth Armour, Retired, USC Gould School of Law

Michelle Gage, Retired, Norton Rose Fulbright Canada LLP

Tom Schoenherr, Retired, Fordham University School of Law



START NOW! *(Benefit Later...)*
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Planning for you and your team.**

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What we'll cover

- Timing
- Preparing
 - ✓ Financially
 - ✓ Health Care
- Departing
 - ✓ Notice
 - ✓ Succession Planning
- What do I do now?

Who's here?



Timing





Timing

How do you feel?

- How does the idea of retirement make you feel?
- How much is your self-worth tied to your job?
- How do you plan to fill your time?

How does your family feel?

- If you're in a relationship, how does your spouse/partner feel about your retiring?
- Do you have other familial responsibilities (elder care, caring for grandchildren) that you may take on in retirement? How do you feel about that?



“Remember, it was just a job. It’s not family. Your job doesn't define you.”

“Think about what’s most important to you. One risks a lot if you put all your ego in your paid employment basket.”



Preparing

Financially

- Start saving early!
- Speak with a financial planner
 - Outside your organization
 - EAP
- [Draw up a budget to determine living expenses](#)
- Educate yourself on government supports you may qualify for ([Social Security](#), [CPP](#))

Health Care Considerations

- Educate yourself on what you need
 - US Health Care
 - Canadian Health Care
- Keep yourself healthy!!



“Talk to as many trusted people as possible about the decision to retire. Ask lots of questions and tap the NALP network of retirees for advice.”

“Health and wellness should be part of your planning process too.”

“Have your financial planner do a projection of your future financial needs well in advance of your retirement.”





Things to think about...

- Think about who it is you need to tell, and in what order
- Be aware of any workplace policies that relate to departure
- Schedule private meeting to give notice
- Have an end date
- Ask to tell key staff yourself (you may not be permitted to do this)
- Don't be upset if they don't try to talk you into staying!



Giving Notice

Longer?

- ✓ Gives you more time for your team to process
- ✓ May help with succession planning if an internal candidate will be taking over
- ✓ May help with getting a new hire in place if your organization needs to go external

Can feel like a long time if you've already mentally moved on

You need to be prepared to be cut out of projects, information

Shorter?

- ✓ Makes a clean break
- ✓ Can avoid things being awkward, particularly if you're being replaced by someone internally

May not give you enough time to process your departure

Succession Planning





Succession Planning Considerations

- Plan for succession even before you decide to retire!
- Figure out where the knowledge is and cross-train
- Keep detailed guides of all processes
- If your successor is in place, structure meetings for knowledge transfer
- Prepare to lose access to your employer's systems



“Initially, my team took my decision to retire as a gut punch. Things got better when we started to plan.”

“I made sure that my team was thoroughly cross trained. This made a huge difference.”

Managing Imminent Retirees



What am I going to do now??







“Since retiring, being able to spend time with family has been a gift.”

“I hoped to do nothing when I first retired. I was so glad to no longer have to keep to a schedule and meet deadlines!”

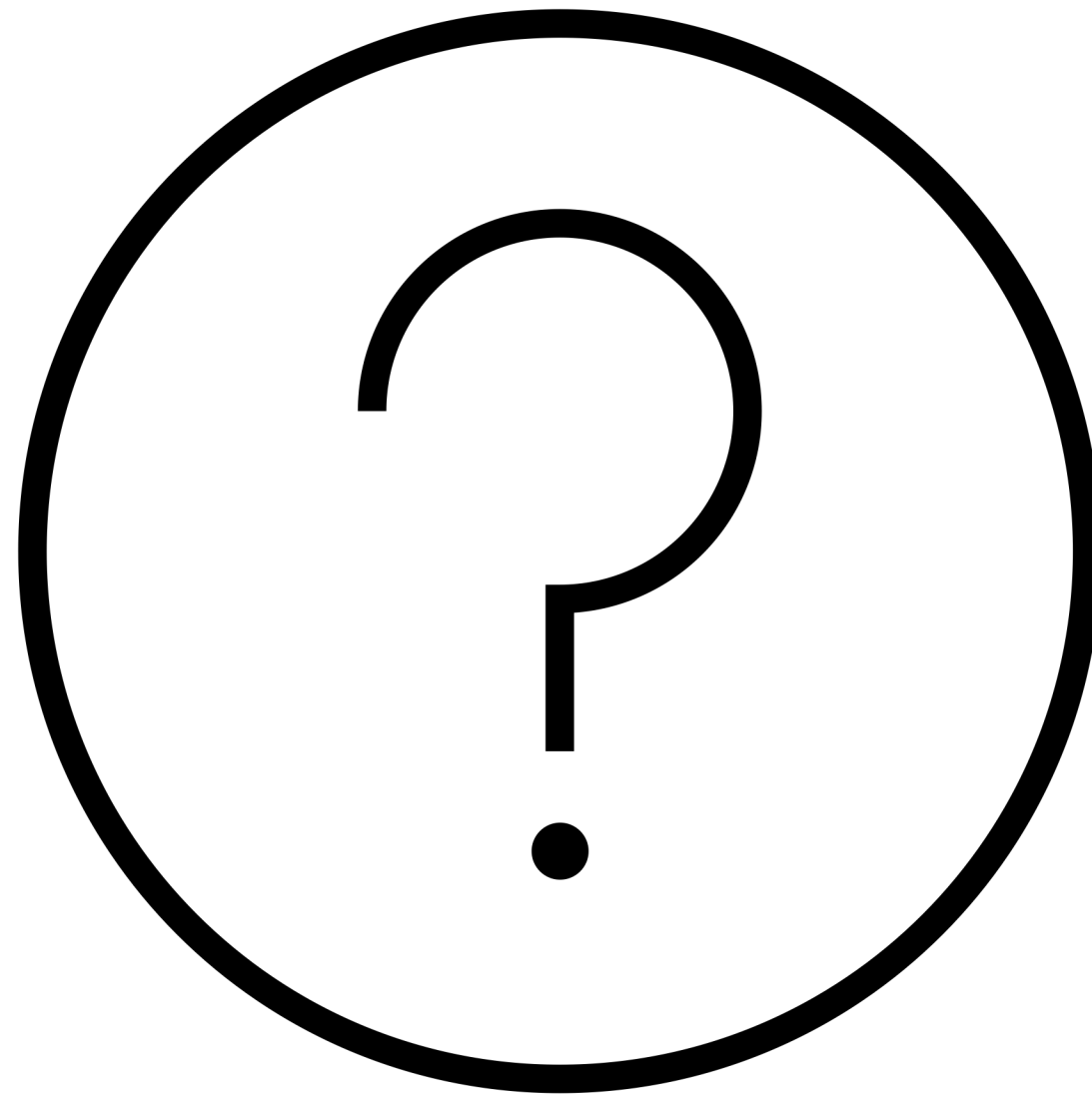
“Life can be divided into three phases: Learn, Earn, Serve.”

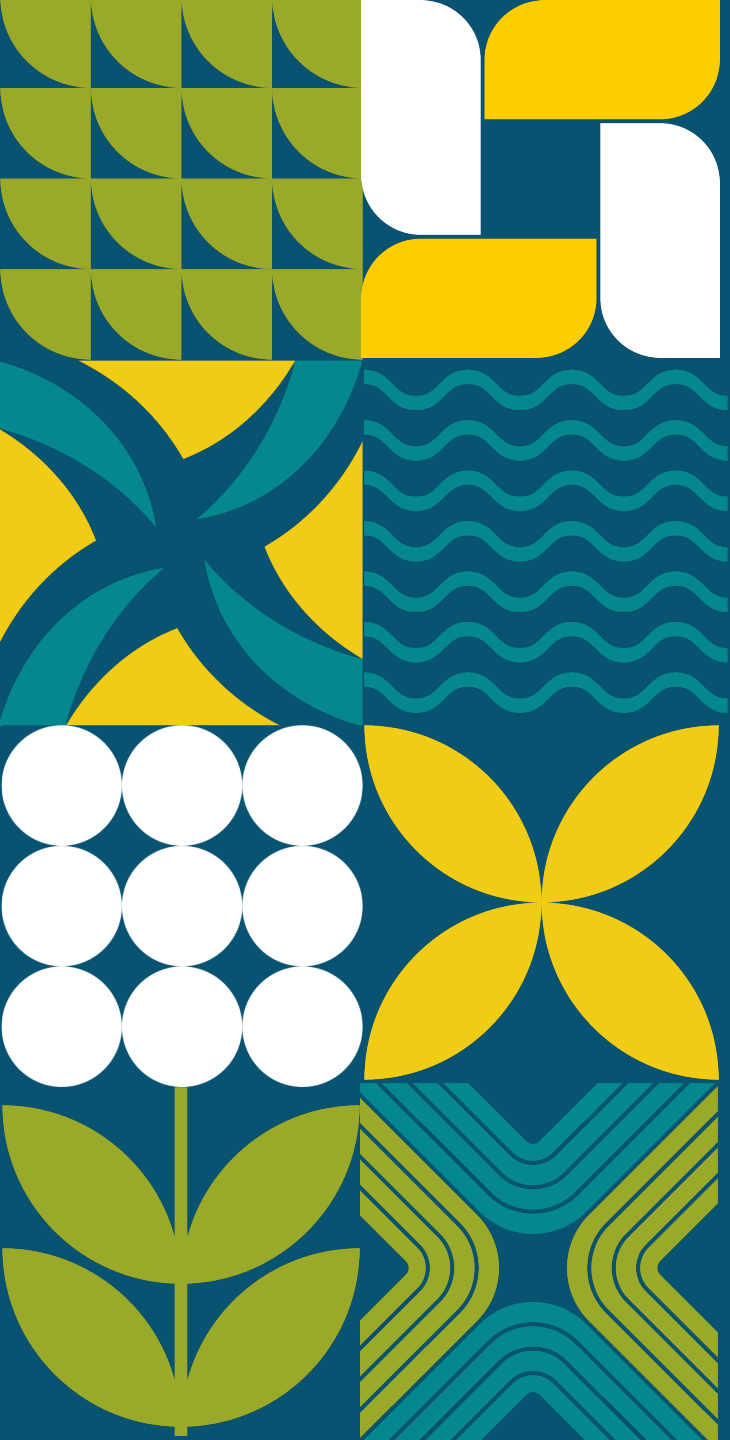


Stay connected to NALP!

- ✓ Affiliate membership (USD \$99 annually)
- ✓ Volunteer and participate in sections, webinars, educational programs
- ✓ Offer your time as a member of the Retirement Advising Network







THANK YOU!

Elizabeth Armour: earmour120@gmail.com

Michelle Gage: mgage65@gmail.com

Thomas Schoenherr: tschoenherr@law.fordham.edu