

Sample Draft of Free Guide

Download: 7 Financial Decisions to Consider Before Retiring from NextEra

Introduction

Are you deciding whether you can retire from NextEra.

Before retiring, it is important to understand how any decisions may affect your retirement income, taxes, benefits, investments, and long-term financial goals.

This guide highlights seven important areas to evaluate before making a final decision.

1. Retirement Income Planning

One of the first questions employees ask is: “Can I afford to retire?”

Before making a decision, consider:

- Expected pension income
- Employee Retirement Savings Plan/ 401(k) Allocation Decisions
- Social Security benefits
- Healthcare expenses
- Inflation
- Required income needs

Retirement should be evaluated as a long-term income strategy, not simply a one-time employment decision.

2. Pension and Distribution Elections

You have several pension options or distribution choices.

Questions to evaluate include:

- Lump sum versus lifetime income
- Survivor benefit elections
- Tax consequences.
- Coordination with other retirement assets

The wrong election can be difficult—or impossible—to reverse.

3. Tax Planning Opportunities

Retirement often creates a temporary reduction in taxable income.

This may create opportunities to consider:

- Roth conversions
- Strategic withdrawals
- Capital gains planning
- Income smoothing strategies

Evaluating tax opportunities before retirement can potentially improve long-term outcomes.

4. NextEra Stock & NUA Planning

Many employees have accumulated company stock inside retirement plans, 401(k)s, LESOPs, or ESOPs.

A Net Unrealized Appreciation (NUA) strategy may offer favorable tax treatment under certain circumstances.

Understanding:

- Cost basis
- Tax implications
- Concentration risk
- Diversification opportunities

Deciding to use a NUA transaction can be an important part of the retirement planning process.

5. Healthcare & Insurance Decisions

Retirement often means transitioning away from employer-sponsored benefits.

Key considerations include:

- Medicare enrollment timing
- Supplemental coverage
- Long-term care considerations
- COBRA options
- Healthcare budgeting

Healthcare costs can become one of the largest expenses during retirement.

6. Social Security Timing

The age you begin claiming Social Security can significantly impact lifetime benefits.

Questions include:

- Claim now or delay?
- Spousal benefit strategies
- Survivor considerations
- Taxation of benefits

The right strategy depends on your overall retirement income plan.

7. Estate & Legacy Planning

Retirement is a good time to review:

- Beneficiary designations
- Trusts
- Powers of attorney
- Healthcare directives
- Legacy goals

Retirement planning and estate planning should work together.

Common Mistakes to Avoid

- Making a decision based solely on current company package offers (if any).
- Deciding on retirement because of fear/ company changes
- Ignoring tax consequences
- Claiming Social Security too early
- Failing to evaluate healthcare costs
- Keeping too much company stock
- Not updating estate documents

Next Steps

A thoughtful review may help you identify opportunities, avoid costly mistakes, and make more informed decisions about your future.

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