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BOARD SPOTLIGHT

By Bob Flannery, ISPA Senior Director



Greetings from Dubuque. I have the distinct pleasure of being the only Iowa State Police Association (ISPA) member to be elected to the Board of Directors after having retired. I served 38 years with the Dubuque Police Department. I have chosen to write my Board Spotlight article on retirement.

RETIREMENT — BE READY!

Few of us in law enforcement give much consideration to retirement in the early, or even middle, years of our career. This causes us to be ill-prepared in the later years when it gets down to the wire on leaving the job. I am going to highlight a few areas where I see we are not prepared when the time comes.

FINANCIAL PLANNING

Financial planning for retirement should begin from the day you are sworn in. Most employers offer some type of deferred compensation plan in addition to your pension plan. Some actually contribute a portion of money to supplement your contribution and others do not. Either way, even a small contribution of \$50 or less per pay period can reap great financial security over a 25- to 35-year career.

In addition, the Municipal Fire and Police Retirement System (MFPRS) offers the Deferred Retirement Option Plan (DROP) program, which allows you to set a definite retirement date after you have fulfilled the requirements for a full pension — and you can bank a defined amount of what you will receive as your pension into this deferred account. You should also consider working with a financial planner, as discussed by Peter Hill in the [March Iowa Police Journal](#).

Simply relying on your pension and little-to-no social security benefits will most likely not allow you to live the lifestyle you were accustomed to prior to retirement. You will probably have more free time, which can result in more spending than when you are working. In addition, most of us retire prior to social security and Medicare age, and must pay out-of-pocket insurance costs. You are normally allowed to stay on the insurance plan you have at retirement with your employer, but you must pay 100 percent of the cost. This is referred to as the COBRA rate.

Taking the proper steps to pay off your mortgage and large credit debts will allow you more cash and ease of mind in retirement.

UNDERSTANDING YOUR PENSION

Under most pension systems, including MFPRSI, you will have multiple options for receiving your pension benefits. It is advisable to understand these options and make decisions on what is right for you beforehand. This should be something you and your spouse talk over.

Representatives from your pension system make at least annual visits to your locality and they are always a phone call away.

MANAGING YOURSELF AT RETIREMENT

Upon retirement, your lifestyle will change and it is advised to be prepared. You will go from a regimented 40+ hour work week to not having the responsibilities associated with working at all. For most people, the key to a happy and fulfilling retirement is simple: staying busy.

Unfortunately, a lot of us planning for retirement focus only on finances and fail to think about how to spend our time. And that can make for a bored and depressed retirement.

START PLANNING NOW

It's never too early to plan for what you will do in your retirement years. To start, take a few minutes to write down the things you expect to be actively involved in. Be as specific as you can. Keep in mind that participating in just a few activities won't keep you interested in life and interesting to others. Here are some other activities to consider — and how to plan for them

Working Part-Time — Many people who enjoy the bustle and creativity of the workplace find that working part-time after retirement offers the best opportunity to stay busily involved in life. And, of course, working a few extra years can go a long way toward helping solve money problems. You must plan ahead if you hope to establish a new career, turn a hobby into a business or find a part-time job that's more challenging than flipping burgers. Investigate whether you'll need more education, experience or skills in order to execute your plans. Then, take the time before you retire to develop the tools you'll need.

Volunteering — Many retirees gain satisfaction from an active involvement with good causes for several reasons, one of which is forming long-lasting friendships. Regular workplaces are great places to make friends, too, but nonprofit groups tend to attract like-minded people. Plus, many nonprofits are involved in work that is fascinating. If you check around, you'll find an organization that piques your interest or passion.

Exploring Hobbies — Retirement is a great time to devote more time to your hobbies. But many officers don't develop interests outside of work and family in their younger and middle years, thinking they'll do it after they retire. If this is your plan, beware! Few officers who have not cultivated authentic interests during their middle years are unable to do so at retirement. Many of them end up bored and disappointed. So, take the time now to enjoy life, develop interests, and pursue hobbies. When you retire, you can devote more time to your existing activities and add a few others.

Planning aspects of your retirement in advance is likely to provide you with many great years ahead.