Preparing For Early Retirement

A Financial Planning Guide

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If you have questions, please contact the author at **kennedysdiseaseinfo@gmail.com**.

Bruce Gaughran

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About the KDA

The Kennedy's Disease Association is a non-profit California corporation, incorporated on August 21, 2000. The KDA is recognized under United States of America Internal Revenue Code 501(c)3 as a publicly supported organization as described in sections 509(a)1 and 170(b)1(A)(vi).

The Objectives of the Kennedy's Disease Association are:

1. To put those living with Kennedy's Disease in touch with others for support
2. To share information in regards to Kennedy's Disease for those who seek it
3. To raise awareness in both the medical and public communities
4. To raise funding for research and awareness campaigns

Background

A reader of my “Living with Kennedy’s Disease” blog wrote me and recommended that I write about financial planning. Her husband had just been diagnosed with Kennedy’s Disease and she was concerned about their ability to financially afford putting their children through college as well as retire early, should that need exist.

Last year I did write about applying for Social Security-Disability (*SS-D*) compensation in my blog (Part I and Part II). Both of these articles discussed several important responsibilities and considerations before and during the application process. Along with the recommendations, I emphasized these two points:

- **Be prepared**. Become familiar with the SS-D process and requirements. The more prepared and organized you are, the better the chance for approval. *(e.g., my award was approved in six weeks).*

- **Take the time to educate the reviewer**. Do not expect the reviewer to understand Kennedy's Disease or your specific situation. The reviewer can be an excellent advocate if he/she understands Kennedy's Disease and your specific disability.

A few years ago I wrote a guide that is useful when applying for SS-D. You can download the PDF guide by clicking on this link.

Recognizing that you are most likely going to experience some major changes in your life (*e.g., health issues, financial considerations, lifestyle changes, etc.*) will help you and your family prepare, both mentally and emotionally, for the future. And, even though Social Security-Disability is helpful, it does not answer the question whether you can afford to retire early.

I believe **financial planning is important** at any age, but **it becomes critically important when you are diagnosed with Kennedy’s Disease** because you might have to retire earlier than expected.

Twenty-three years ago, when my wife and I realized that my career might be cut short because of Kennedy’s Disease, we developed our financial plan using the process shown below. It was a wakeup call. We discovered that based upon our current situation (*savings*, *employee benefits*, *etc*.), we would not be able to retire early unless something changed dramatically. Within a year, I had changed companies. The new company offered a pension, 401K, disability insurance, stock options, as well as other benefits. Seventeen years later we retired debt-free after exceeding our retirement goals.

Because of this experience, I recommend that anyone living with Kennedy’s Disease begin today to develop a financial plan. Then, they should continue to work the plan until they feel comfortable with their retirement savings.

Overview of the Financial Planning Process

Wikipedia: **A financial plan is an estimate of future income, expenses and assets**.

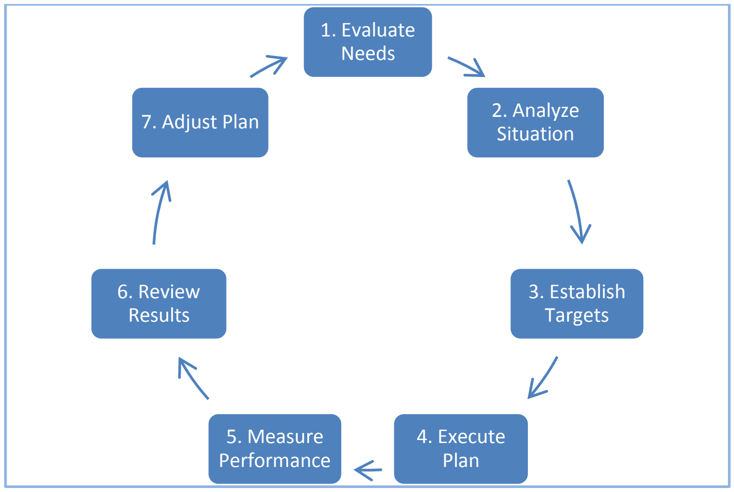
Before beginning the actual process and especially if you are not familiar with financial planning, I recommend that you educate yourself on the process. This guide will help, but there is also more information available on the internet and at the public library. This upfront work will make it easier to discuss the plan with your spouse and with a qualified financial planner.

Since I am not an expert or someone with a strong financial background, everything discussed in this guide is based upon my experiences (*the good, the bad, and the ugly*). Of course, you can hire a financial consultant to do the work, but I feel that the benefits of going through these steps are important to the "buy-in" process. If you do decide to take this journey, I recommend that you review your assumptions and results with a qualified financial planner.

The financial planner's role is to review your plan and assumptions, offer advice as to the reasonableness of your targets and goals, and provide insight into options for achieving your goals. A good financial planner should not try to sell you a program or ask you to invest in specific stocks, bonds, annuities, insurance, or other securities.

The Keys to a Good Financial Plan

1. **Evaluate** future needs (*Develop a retirement budget*)
2. **Analyze** current situation (*Retirement savings, regular savings, pensions, disability income, other investments, current expenses and assets*)
3. **Establish targets and goals** (*Target = Annual projected savings; Goal = Savings needed for early retirement*)
4. **Execute** the plan (*Develop your plan, gain consensus, and put your plan to work*)
5. **Measure** performance (*Quarterly reviews to determine how you are doing*)
6. **Review** results (*Annual review of how well you did in achieving your annual target and whether you are still on track to achieving your goal*)
7. **Adjust** the plan, as needed (*Evaluate, analyze, reset targets, execute, measure and review the revised plan*)



In the following pages, I will introduce you to the process that, if completed, will help you achieve your financial goals. When you begin, you need to **take it one step at a time**. Not become bogged down in the process is also important. If you and your wife become frustrated or cannot agree on something, take a break. Then before continuing, review why you two are doing this and what the desired goal will be when it is completed. If you do continue to struggle with the process, it might be time to hire a financial planner.

Tools needed: Calendar, seven file folders, internet access, sticky notes, and, if possible, a spreadsheet program.

Preplanning Preparation:

a. On each file folder, write one "step number" and "name" (*e.g., Step 1. Evaluate*). You will use these folders to store all of your assumptions, calculations, and other information.
b. On the calendar, choose a week to begin and write "Begin Step 1 (Evaluate)" at the beginning of the week.
    - When you complete Step 1, take your spouse out for a nice dinner to celebrate.
c. The next week, write "Begin Step 2. (Analyze)."
    - When you complete Step 2, take your spouse out on a date (*dinner and a movie*)
d. The third week, write "Begin Step 3. (Establish Targets) and Step 4. (Execute Plan).
    - When Steps 3 and 4 are completed, do something nice to celebrate your accomplishment.
e. The fourth week, write "Review and implement plan."
f. Then, at the end of each quarter, write "Step 5. Measure Performance." Set aside a day to measure how well you are doing and to make minor adjustments, as needed.
g. At the end of one year, write "Step 6. Review Performance and Step 7. Adjust Plan." Set aside two days to review performance, make needed adjustments to the plan, and establish new targets and goals.
    - After completing Steps 6 and 7, it is time for the two of you to go out on the town.
h. At the end of the year, take out a new calendar and establish quarterly and annual review dates (*f. and g. above*).

The Seven-Step Financial Planning Process

1. **Evaluate**: This is the most difficult part of the process, but also the most important. I recommend developing a retirement plan that includes several scenarios in case plans change (*e.g., you work longer or have to retire earlier, you live longer, a recession occurs, etc*.). Fortunately, on the internet there are some good tools available to make the process easier and more manageable.

    a. First, based upon your current health, make an educated guess as to when you might have to retire (e.g., *at age 50, 55, or 60*). I guessed 55, but worked until I was 57.

    b. Next, develop a retirement budget (*best guess*). We decided what we thought we would need (*in annual income*) to live comfortably if I had to retire early. This is a difficult task because it is like looking into a crystal ball ten, fifteen or twenty years out. We used current dollar values and then applied a reasonable inflation factor (*another best guess*) afterwards.

    There are some general rules for how much money you will need to live comfortably when you retire. One such rule projects that you will need 70% of your annual pre-retirement income (*inflated to future dollars*). Based upon your wants (*travel, vacation home, etc.*) and needs, however, you might need closer to 100%.

    Also consider potential and unexpected expenditures that might be needed later in life because of your disability. Label these as "Contingencies." The contingencies might include moving to a one-story (*easy access*) home or remodeling rooms in your present home to provide easier access to rooms within your house.

      i. One way to begin estimating your retirement costs is to take a close look at your current expenses, and then estimate how they will change (*e.g., will your mortgage be paid off by then, will you be driving as many miles, will your health care costs likely rise, etc*.).

      ii. Use this retirement expense calculator to help you with the process. Click on each major category (*e.g., housing*) and it will take you to a more detailed worksheet. The program will also apply a reasonable inflation factor based upon your age and other criteria.

Projected Retirement Expense Calculator

One of the most important steps in retirement planning is to estimate your retirement expenses. How much you spend on housing, health care and other living expenses will largely dictate your income needs. You'll also want to estimate your expenses throughout retirement — which today can be 30 years or longer.

This calculator helps you estimate your expenses for the first year of retirement, then projects them out 30 years using average inflation rates for individual categories.

In how many years do you expect to retire?	
Choose your expense estimate interval	Monthly
Retirement Expenses	
Housing	$
Health Care	$
Transportation	$
Food	$
Entertainment	$
Clothing/Personal Items	$
Other	$

Submit »

Housing Expense Worksheet

Housing expense is the single largest cost for most retirees, representing about a third of the average expenditures for Americans over 65. In the worksheet below, indicate how much you might expect to spend for each of the subcategories listed.

Mortgage Payments/Rent	$
Property Taxes	$
Homeowner's Insurance	$
Telephone/Utilities	$
Housekeeping/Upkeep	$
Furnishings	$
Appliances	$
Other	$
Total Housing Expense	$

Submit »

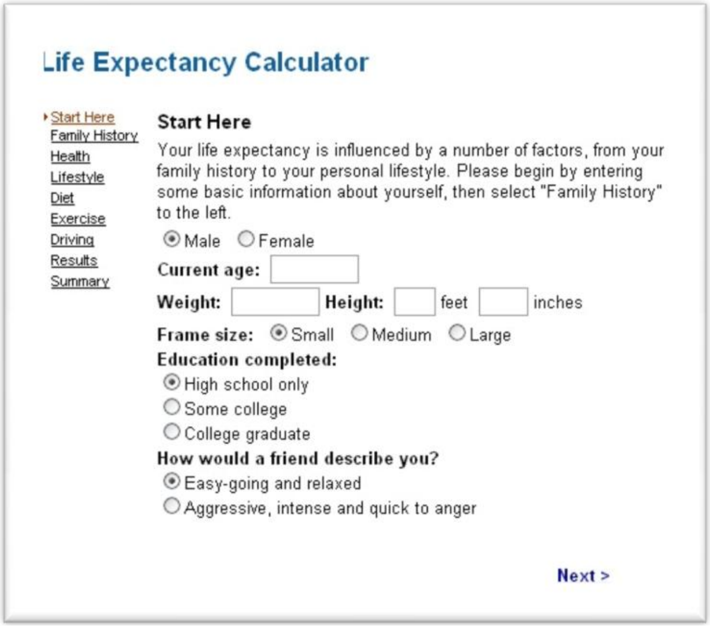
iii. In this budgeting process you need to separate "wants" (*e.g., vacations, new cars, second house, fishing boat, etc.*) and "needs" (*e.g., mortgage, cars, household expenses, auto expenses, food, health and life insurance, other maintenance expenses, etc.*) to come up with the minimum needed retirement savings you are both comfortable with. Having both my wife and I work the numbers helped us reach an agreement on lifestyle expectations.

If during the discussions of "wants" and "needs," you and your wife cannot agree upon a particular expense, or lifestyle, take a break. Agree to table this discussion for the evening and start fresh again the next day.

Any amount over the minimum required savings can be applied towards additional "wants" or to increase your "nest egg."

On the other hand, if you find that you cannot save enough before retirement, you might have to reduce some "wants" and "needs" (*e.g., keep the cars longer, downsize house, etc.*), or, increase your potential returns by making riskier investments in your portfolio (*I do not recommend this*), or by moving out your retirement date.

c. Make some projections as to life expectancy for your wife and yourself (e.g., *75, 80, 85, or 90 years old*). Currently, general consensus is Americans, on average, will live to be 77.5 to 80 years old. There is a good (*but a more detailed*) life expectancy calculator on the MSN.com website that takes into account family and personal health history, your lifestyle, etc. I said 80 for me and 90 for my wife.



Life Expectancy Calculator

Start Here
Family History
Health
Lifestyle
Diet
Exercise
Driving
Results
Summary

Start Here

Your life expectancy is influenced by a number of factors, from your family history to your personal lifestyle. Please begin by entering some basic information about yourself, then select "Family History" to the left.

(•) Male ( ) Female

Current age:

Weight: **Height:** feet inches

Frame size: (•) Small ( ) Medium ( ) Large

Education completed:

(•) High school only
( ) Some college
( ) College graduate

How would a friend describe you?

(•) Easy-going and relaxed
( ) Aggressive, intense and quick to anger

Next >

d. Now, estimate the interest rate factor you will use for the scenarios (*another educated guess*). We ran three scenarios using different rates (*4, 6, and 8%*). We also assumed that as costs increased, so would my salary as well as interest and dividends. However, we never assumed that health insurance costs would increase at the rate it recently has. In the end, our annual inflation rate averaged 4.7%. The retirement calculator link in "b" above will assign an inflation factor and you can use that as a starting point.

e. Capturing all this data becomes difficult if you do not use a spreadsheet. It is almost imperative that you use one when putting together multiple what-if scenarios. Except for a few tweaks, I am still using the same spreadsheet today to track our performance.

f. If you have any school-aged children that may attend college in the future, you need to add this into your projections. With the ever-increasing cost of college tuition, this requires further planning and coordination. You may have to consider putting additional money away for your children's college fund, either in a State-Run Educational Trust (*if it exists*), or a separate fund. You can also apply for any grants and scholarships that may be available in your state as well as fill out the Free Application for Federal Student Aid (FAFSA) forms when the time comes.

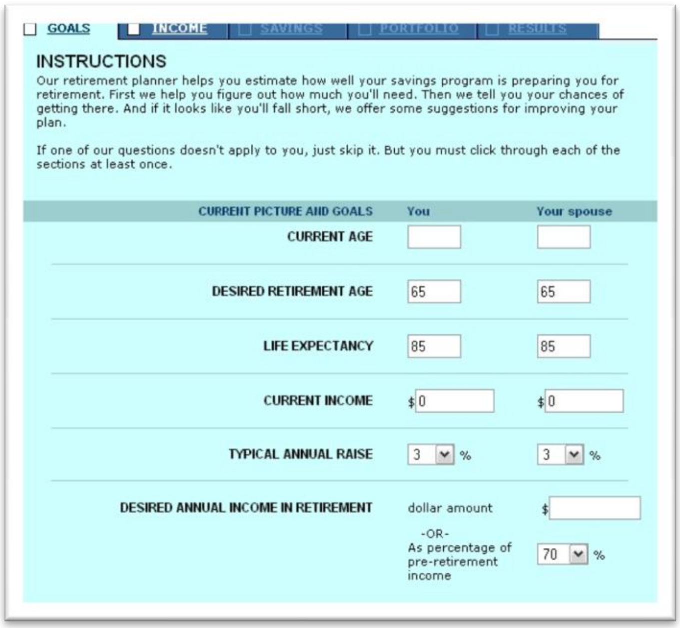
   When it comes to paying for your children's education, **consider your needs first**. The #1 priority is to be able to take care of you and your spouse's needs when you retire. It is understandable to want to do everything to help pay for your children's college tuition, but if this means that you cannot afford to pay the mortgage, taxes, food, clothing, etc. as well as save money for retirement, then what have you accomplished? Junior colleges, scholarships, grants, and other financial aid programs are there to help.

2. **Analyze**: Once you agree upon the budget numbers, review your current savings, investments and expected retirement benefits (*e.g., IRAs, pension, Social Security, long-term disability, etc.)* and other potential income *(e.g., savings, stocks, interest/dividends, etc*.) as well as current expenses. This step will help determine the gap (the shortfall) in savings. You will develop this for each early retirement age stipulated (*e.g., 50, 55, and 60*).

   As part of this process, identify potential risks that could change current and future earnings and costs (expenses). A few examples follow. Potential health issues are a major contributor to these risks. Do you have a mother or father that might require your financial support? What if you can continue working, but cannot perform your current work (*requiring a salary reduction*) or have to change companies?

   As part of this analysis, it is important that you define what areas you have control over. For example, you cannot control the stock market. Is it an acceptable risk? You have some control over investing in bonds and CDs. You can control many of your expenses. You have some control over your income, but not raises or bonuses. Understanding your limitations to control these areas help reduce frustrations and help to establish reasonable targets (*Step 3*) and expectations.

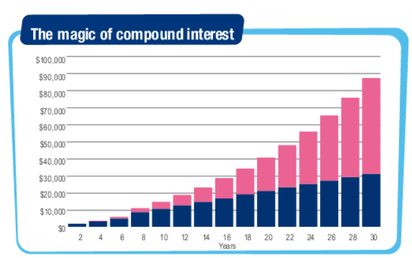
This was another daunting task, but we were able to receive some help from the Social Security Administration (*current benefits available*) and Human Resources (*pension estimates*). Use the Retirement Income Calculator to help you with this task.



An important factor that needs to be taken into account is "compounding." **Compound interest** arises when interest is added to the principal, so from that moment on, the interest that has been added also earns interest. The value of compounding interest is shown in the example below.

a. You plan to retire in twenty years and you estimate that you will need a million dollars in savings when you retire. You currently have $100,000 saved in your 401K and IRA.

b. However, you will be generating interest on your current savings. If you average 4% annual interest over the twenty years, the $100,000 when compounded has more than doubled in value (*$222,000*). Now your gap is actually less than $800,000. (*Note: If you can average 6%, the value becomes $331,000*)



c. You estimate that your pension will be worth $200,000 (lump sum benefit). Your gap, in today's dollars, is now less than $600,000.

d. If you put aside an additional $10,000 a year for the next twenty years, you would have over $305,000 saved after applying that same 4% interest rate (*compounded*). The gap is now less than $300,000. (*Note: If you can average 6%, the value becomes $385,000 and the gap becomes a manageable $84,000*)

e. With the above knowledge, you now focus on any other investments and potential income (*stocks, bonds, CDs, stock options, etc*.) to narrow the gap even further.

To see the power of compounding interest on your savings plan, use the calculator at Math.com.

Even more interesting is what happens after you retire. If you only spend what you make in interest each year, you would never draw down on your retirement savings. For example, if you had a million dollars saved at retirement and it continues to generate 6% interest, you could spend $60,000 a year. Along with your SS-D (e.g., $20,000), you would now have $80,000 (pre-tax) income every year. Again, this is only an example to show what could happen with careful planning.

What if you need $100,000 a year when you retire? After the $20,000 SS-D, you need another $80,000 from retirement savings (*8%*). If your interest rate averages 6% a year, after twenty years of retirement you will still have $400,000 left from the original $1,000,000 in savings.

This all sounds wonderful, but realistically your costs after retirement will also continue to escalate. The rate of inflation for 2009 was a reasonable 2.9%, but when calculated over the last ten years it was 28%. That being said, if you look at the ten-year period from January 1980 to December 1989, inflation was a whopping 62%. We need to hope it never gets that bad again or we will all be in trouble.

Using the inflation examples above, you can see that $100,000 in year one of retirement will not have the same buying power in year five, ten or twenty. The retirement income calculator mentioned above will show you the impact of inflation on your savings over several years. To see the impact of inflation over any period in history, use the calculator at inflationdata.com.

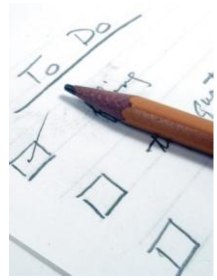
3. **Establish a Target and Goal**: There is an old business saying, “If you cannot measure it, you cannot manage it.” Now that you know how much is needed in retirement savings and over what period of time, creating achievable goals including annual targets becomes important. Goals and targets should be specific, measureable, actionable, reasonable, and time bound. The measurement process becomes the basis for continuous improvement. With each target, you should be able to measure actual dollars and the percent ahead or behind the plan. I recommend establishing an annual savings target (*in both dollars and percent of annual income saved*). The goal is to have saved “XX” dollars over the life of the plan. In Step 2. a’s example, the goal was to save at least $1,000,000 in twenty years.

For my wife and I, we focused on saving 15-20% of our income every year (*depending upon bonuses, other compensation, and interest/dividends*). Because of this target, during our annual review, we could tell exactly how well we had done the previous year *($XXX and XX% over or under target*).

4. **Execute the Plan**: Plans are not very good unless you implement them. Develop an action plan with specific actionable steps that need to be taken to achieve the targets and goals. Steps that are not measured cannot be managed. Desired performance outcomes must be established for all steps in the plan. For example, one step might be to move $50,000 in savings to a CD that generates 8% interest

over the next twelve months. Another step might be to up your 401K or IRA contributions to the maximum amount using an automatic withdrawal, if available.

During this process it is also important to review your "risk tolerance." Your risk tolerance (*e.g., ability to absorb a loss and financial capacity to take risks*) needs to be established before considering any type of investment. There are two good tools (*MSN and Rutgers*) on the internet that will walk you through the process to help identify your tolerance.



After you and your wife are both comfortable with the plan and your risk tolerance, **implement it**.

Fortunately, our company offered a 401K program that we max'd out each year. We also max'd out our IRA contributions. We were also able to defer a portion of our income and bonuses. Whatever the shortfall was between our annual savings target after the 401K and IRA contributions, we invested (*stocks, bonds and CDs*).

5. **Measure Performance**: Schedule time the last day of each quarter to review how you are doing in reaching your short-term savings target. If you are not on track, determine what needs to be done to get you back on the right path.

6. **Review Results**: Circumstances change, so it is important that you review your plan annually. This is where you measure actual savings results against the annual target.

   Ask yourself how well you did the previous year in regards to your short-term target and long-term goal. Have your expectations (*wants and needs*) changed because of health concerns, family circumstances, employment changes or issues, or economic issues?

   It is very important that you achieve your targets the first few years for two reasons.
   - One, it establishes a pattern of achievement (*successfully reaching your targeted savings*) and you get into the habit of winning (*you can see the results*).
   - Two, as mentioned in Step 2 a. and d., compounding (*interest paid on interest*) plays a big role in establishing a firm foundation for future successes.

7. **Adjust the Plan**: This is just as important as the initial planning process. If anything changed or you did not achieve your target for the previous year, you need to revise your plan. Most likely, if you did a good evaluation and analysis, only some minor tweaking will be necessary. Specific investment segments that did not achieve their targets might have to be reallocated. Your financial advisor can help you with the analysis and reallocation (*rebalancing*) process.

   Because the stock market, interest rates, bonuses, salary increases, stock options, etc. are not consistent (*or do not always follow the plan*), you will most likely have to revise the plan and set a new target every few years. You might also have to change your goal if something major occurs (*e.g., promotion, salary reduction, a large unexpected expense or windfall, etc*.).

If you are ahead of your target and want to grow your retirement "nest egg" even further, you might decide not to modify the plan. **The key is not to take your eye off the goal** (*i.e., the total needed retirement savings*).

As I mentioned in the Background information, Social Security-Disability is helpful, but it does not help answer the question whether you can afford to retire. **Financial planning is important** at any age, **but it becomes critically important when you are diagnosed with Kennedy's Disease** because you might have to retire earlier than expected.

I realize the planning process and recommendations included in this guide might sound difficult to complete, but **just take it one step at a time** and it will all fall into place.

Now, I recommend that you go back to the "Overview of the Financial Planning Process" and review the tools needed and milestones that need to be tracked on the calendar. Then, **set a time to get started** … the sooner the better. And, if this just seems too much to tackle at this time, I recommend you hire a financial planner to help you with the task.

It is not as important who does the work, what is important is that you **just "Do It!"**

Other Planning Considerations

1. **Document Everything**: Once you have your plan and are reviewing it regularly, prepare for the future by documenting everything associated with your health and Kennedy's Disease. This is very important because you tend to forget or misplace things as the months and years pass. All of this information will become important as you begin the application processes for Social Security-Disability and short/long-term disability insurance.

   The best advice I ever received on this subject was from a doctor at my company who reviewed short and long-term disability applications. He commented that I needed to treat the application process like any other business activity. **Keep it professional** and **take the emotions out of it** as much as possible. **Understand the process, rules, restrictions and guidelines**, and **<u>document everything</u>**.

   Task:

   - Incorporate all the information mentioned below into a three-ring binder.
   - Have a tab for each section mentioned below.
   - Update the information regularly (*keep it current*).

   Recommended Tab Sections:

   a. "**Physician's Statements and Medical Records**" is a history of all doctors' visits and reports. Every time you visit your primary care physician or a specialist, ask for a copy of your medical report (*the notes he makes during your visit*) as well as any letters he writes on your behalf. When first developing your binder, ask your doctor for copies of all previous reports, tests, and correspondence related to Kennedy's Disease as well as any other health issues. Some doctors might ask to be reimbursed for the copying costs. It is worth the small investment.

   b. "**DNA Blood Tests**" is a section for a copy or copies of any DNA blood tests for Kennedy's Disease. Also include in this section any other neurological test results indicating some type of neurological issues.

   c. "**Current Health and Symptoms**" is a place to document all of your current symptoms and health issues (*not only those for Kennedy's Disease*). This is especially important since we often forget about symptoms if they are not present the day we are filling out an application or profile.

   d. **"Fall History"** is an excellent record for reviewing issues with my doctor as well as my Social Security – Disability (SS-D) advocate and my long-term disability contact. I have also used it so support specific needs with Medicare and my supplemental health insurance provider.

   What you want to document in the Fall History spreadsheet is up to you, but I would recommend that at a minimum you track:

   - Date
   - Where the fall occurred (*Office, Traveling, Home*)
   - What happened (*Stumble, lost balance, fell backwards, knees buckled, etc.*)

- Was there an injury
- Type of injury
- Explanation (*A brief comment on what happened*)

Spreadsheet header and summary examples

	A	C	D	F	G	H	J	K	L	N	O	P	R	S	
1	**Date**	**Work**	**Personal**	**Traveling**	**Office**	**Home**	**Morning**	**Afternoon**	**Evening**	**Stumbled**	**Buckled Knee**	**Lost Balance**	**Injury**	**Broken Bones**	**Explanation**
2	10/1/1997														In Longview, WA - While
3	2/6/1998														Shoulder and knee very so

53	**Summary**													
54	**By Year**	**97**	**98**	**99**		**00**	**01**		**02**	**03**		**04**	**05**	**6**
55		1	6	4		12	5		6	5		7	3	0
57	**Number**	13	36	12	7	29	24	13	12	5	23	21	37	6
58	**Percent**	27%	73%	24%	14%	59%	49%	27%	24%	10%	47%	43%	76%	12%

e. "**Medical Tests History**" is another place to capture important information and easily compare results over several years. This spreadsheet is also an excellent tool when reviewing your medical history with doctors, SS-D advocates and disability insurance contacts. What you capture on this spreadsheet comes off the blood test results report. Always ask your doctor for a copy. I would recommend you track:

- Date
- Type of test
- Normal Range
- Actual results
- Comments

Spreadsheet example

	A	B	H
1	**Blood Test History**		
2			
3	**Test**	**Range**	**Jul-96**
4			
5	CPK	26-190	556
6	Calcium, Serum	8.4-10.2	9.3
7	Phosporus, Serum	2.2-4.6	3.9
8	Magnesium, Serum	1.8-2.6	2.3
9	Glucose	65-109	88
10	Bun	9-25	16
11	Creatinine, Serum	0.5-1.4	0.6
12	Bun Creatinine Ratio	7-24	27
13	Uric Acid, Serum	3.6-8.3	5.7
14	Triglyceride	<150	102
15	Total Protein, Serum	6.0-8.2	6.9

f. “**Family Health History**” should document all health issues of other family members. This can be for any health issue, not just neurological. It is important for your doctors to know if diabetes, heart disease, high blood pressure, cancer, etc. runs in the family. It also might help diagnose a health concern that is not directly related to Kennedy’s Disease.

g. “**Work History**” documents your employment history including employment dates, positions held, companies, addresses, phone numbers, managers’ names, etc. This will come in handy when filling out SS-D or long-term disability applications.

h. “**Kennedy’s Disease Background Info**” is a section for articles and studies on Kennedy’s Disease. Find good articles on the internet that explain the disease and its symptoms, reference no known treatment or cure, and gives a general prognosis for the progression of the disease. Attempt to find articles that are well written (*easily understand by a nonprofessional*). I would definitely include the study on the “Natural History of Spinal and Bulbar Muscular Atrophy.”

i. “**Disability Application Process**” is where you keep information such as copies of applications for SS-D, long-term disability insurance, etc. Also include addresses, phone numbers, contacts, dates, summary of conversations, approval or denial letters, etc. I have found that quite often Social Security or another agency wants to know when I retired and when I began receiving SS-D and Medicare. Only having to look in one place to find all of this information is quite helpful.

Once completed, this three-ring binder becomes your reference guide for anything related to your health and disability.

It is important that you keep the information current. Update your “Current Health and Symptoms” section regularly. Update your fall history whenever one happens. Continue to add copies of your doctor’s reports and test results. Whenever you receive correspondence from the Social Security Administration, or other companies or agencies related to your disability or health condition, place it in the binder. Do not wait until you need the information to bring it up to date.

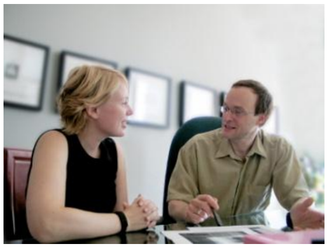
When I applied for Social Security-Disability, I brought my three-ring binder to the interview with the local Social Security representative. Almost any question asked, I could answer or find the answer in the binder. Almost every report she needed copies of, I also had in the binder. This simplified the application process and allowed the representative to complete the forms and submit them almost immediately. As I mentioned earlier, the approval arrived in six weeks.

2. **Short and Long-Term Disability Insurance**: If you have not already done so, you need to check with Human Resources to see if something similar is offered through your company. Disability insurance will replace a portion of your lost income when you are no longer able to work.

Although this insurance receives less attention than health insurance, it is equally as important if forced to retire early because of a disability. Wikipedia has a nice article explaining the different types of disability insurance. The Wall Street Journal also wrote a “How To” on buying

disability insurance. The monthly premiums were well worth the sacrifice for me. If your company does not offer these type programs, check to see if you can afford to purchase one on the open market. Fortunately, my company offered disability insurance.

3. **When to begin discussions with your company**: You do not need to do this immediately. The timing depends a lot upon your relationship with your manager and human resources (HR). At some point, however, you need to bring them up to date on your situation and request their support.



- Regularly evaluate your current work experience (capabilities and concerns) and decide the best time to begin these discussions. Your safety is important to you, your family and the company.

- Human Resources will be able to review programs available and, when you are ready, early retirement options. For me, after I made the initial ovation, I found HR and my manager were willing to work with me to help prepare for the future.

- Since Kennedy's Disease is a RARE disorder, I found it important to educate my manager and HR as to what to expect. I provided them with articles from the internet concerning symptoms, progression, etc. Just mentioning the health issue will make them begin to ask questions that they will need answers to regarding plans for any future transitions in workload, responsibilities, etc.

- Since they know nothing about Kennedy’s Disease, some reassurances will be necessary as to current and future capabilities. Fortunately, Kennedy’s Disease does not affect cognitive powers and it is a slowly developing disease. Your positive attitude and assurances that you will keep them apprised of any changes is important.