

- 1) What types of expenses can be lowered or eliminated during retirement?
  1. Mortgage payment will be lower If you bought a house.
  2. Transportation cost - Don't have to go for work every day.
  3. Income tax expense - It will be lower because you no longer work or work less
  4. Cosmetics and clothings expense - when you are older, you will don't want to make up or dress up to be more beautiful everyday.
  
- 2) What types of expenses might increase during retirement?
  1. Utilities expense - When you were retire you might spend most of the time at home.
  2. Medical expense - The elder can easily sick and have disease.
  3. Activities expense - You might need something to do as well because you are no longer work.
  4. Travelling expense - After retirement you may have a lot of money that you can go any places but going to other countries will cost a lot too.
  
- 3) Explain the difference between a defined-contribution and defined benefit plan.

Defined-contribution plan is a plan setting the certain amount of fund that employers and employees have to contribute. However, they will not know the amount that they are going to receive when retired. It depends on the amount of fund and time of contribute.

Defined benefit plan is a plan employers gives an actual retirement benefit for each person. Different employees will get different amount of benefits which depends on each employee's salary and number of working time.