

**1. What types of expenses can be lowered or eliminated during retirement?**

- **Commuting expenses** since at retirement age, people are no longer working which can reduce a lot of cost of traveling such as gas of your vehicle.
- **Clothing expenses** especially professional one. People will rather use the casual dress.
- **Tax expenses** because there are a lot of tax breaks for people who are older than 65 years old or at retirement age.

**2. What types of expenses might increase during retirement?**

- **Traveling expenses** since some of them might not have enough time to travel in their working age. So they travel when they're retire instead.
- **Socializing expenses** as they are no longer working, they have more time for social interactions.
- **Medical expenses** as people get older, their health might get worse.

**3. Explain the difference between a defined-contribution and defined benefit plan.**

**Defined Benefit Plan** is a Pension system that the employee know their retirement benefits ahead of time based on the employee's salary, years of service or a number of other factors. Employees have little control over the funds until they are received in retirement.

**Defined Contribution Plan** is funded by the employee with their matching contribution to a certain amount. Employee gets to decide how much money you want to contribute to your account. This plan can create a problem as the employee might not have enough money since they're not investing in any risky asset or they didn't save enough money during their working period.

From the information above, the main differences are the one who bear the investment risks and the cost of administration for each plan.