

RETIREMENT PLANNING

Important considerations before you retire



PLAN AHEAD

Savings options

Significant dates

SAVINGS OPTIONS

	Contributions				Match	Taxable		
	Pre-Tax	After-Tax	Max ¹	Catch-up	Company ⁷	Contributions	Gains	Income
401k	✓		\$18,000	\$6,000	100% of the first 1% + 50% on the next 5%. Total of 3.5% on 6%	Yes, upon withdrawal	No	Yes, upon withdrawal
401k Roth		✓	\$18,000	\$6,000	100% of the first 1% + 50% on the next 5%. Total of 3.5% on 6%	No	No	No
IRA ^{2,3}	✓		\$5,500	\$1,000	N/A	Yes, upon withdrawal	No	Yes, upon withdrawal
Roth IRA ^{4,5,6}		✓	\$5,500	\$1,000	N/A	No	No	No
Savings Account		✓	Unlimited	N/A	N/A	No	Yes, as incurred	Yes, as earned
Investment Account		✓	Unlimited	N/A	N/A	No	Yes, as incurred	Yes, as earned

¹ 401k + 401k Roth max contribution of \$18,000 (or \$24,000 if over age 50). IRA + Roth IRA max contribution of \$5,500 (or \$6,500 if over age 50).

² Contributions not permitted after age 70 ½.

³ Federal tax deduction subject to income limitations.

⁴ Contributions allowed up to age 70 ½, as long as income is earned.

⁵ Income limitations apply.

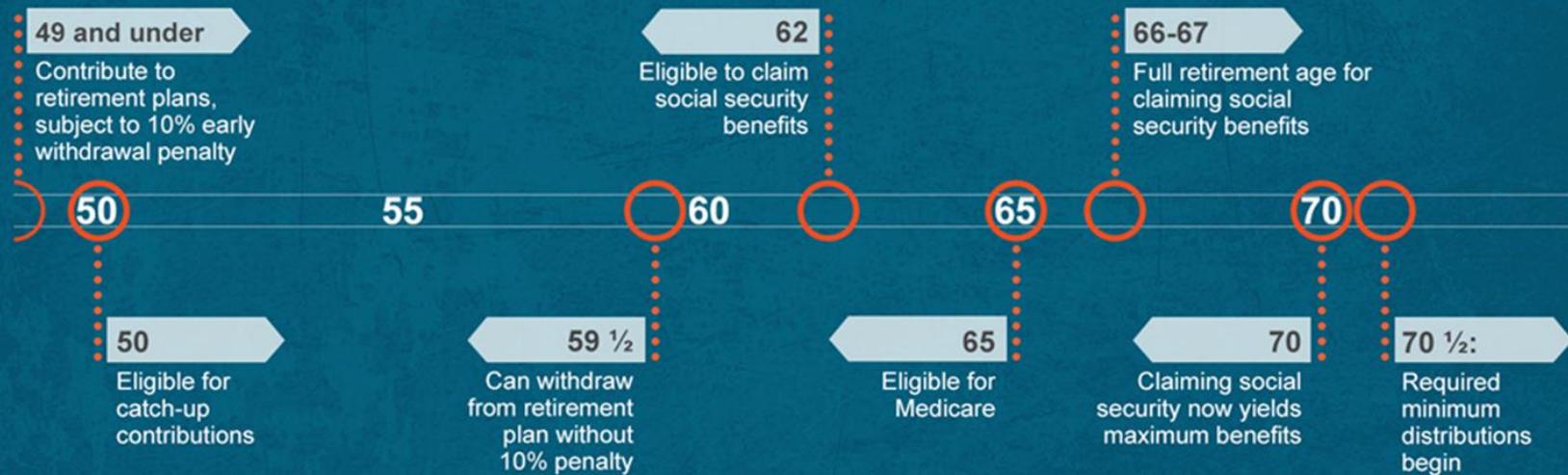
⁶ 5 yr wait on Roth IRA withdrawals to avoid taxes and penalties.

⁷ 100% vested in example Company's contributions after 2 years.

IMPORTANT DATES

Retirement Milestones

No two retirement plans are identical, but everyone reaches the following milestones at the same age. This timeline is your cheat sheet from now until retirement and beyond.



THE NUMBERS

How much will you spend?

How much do you need to save?

Will you have sufficient savings and income?

RETIREMENT SPENDING

Option 1

Estimate ***and track*** your **expenses**

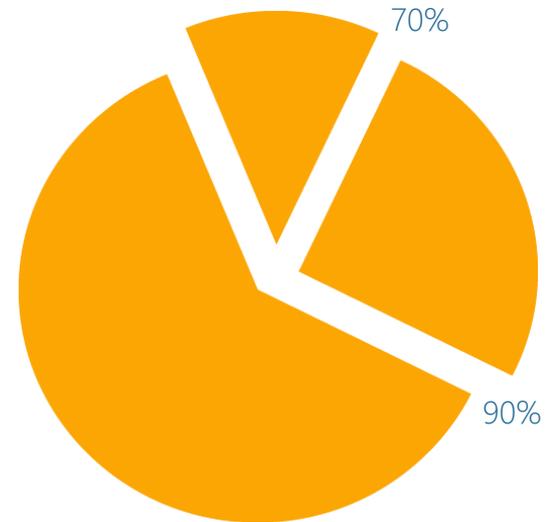
Consider new expenses like healthcare, and bygone expenses like debt and commuting.

Include 1) big expenses like a new car or vacations and 2) annual expenses like insurance, property taxes.



or

Option 2



Replace **70% - 90%** of your ***pre-retirement*** income

Why?

You'll no longer be saving for retirement and have fewer debts and lower work-related expenses.

How Much To Save

Your advisor will help you decide how much to save, based on the following:



- Goals and objectives
- Current savings
- Retirement income, expenses
- Years to retirement
- Investment risk tolerance
- Health history

In addition, they will make recommendations on the following:



- Tax savings strategies
- Social Security
- Investment options
- When to retire
- How much to withdraw

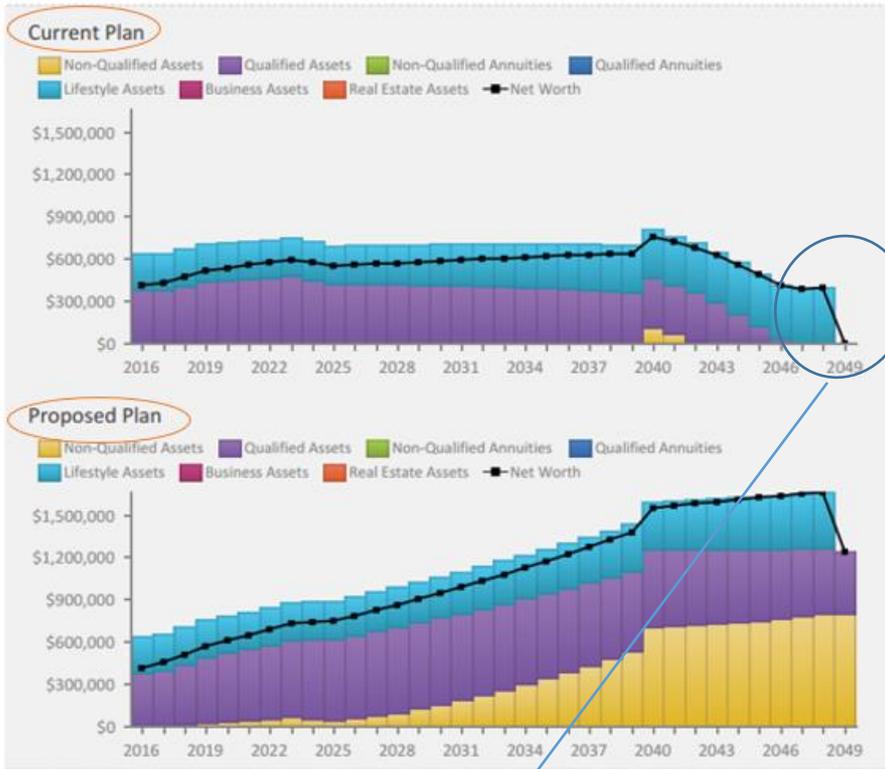


CURRENT VS. PROPOSED

Proposed: includes financial planner's recommendations

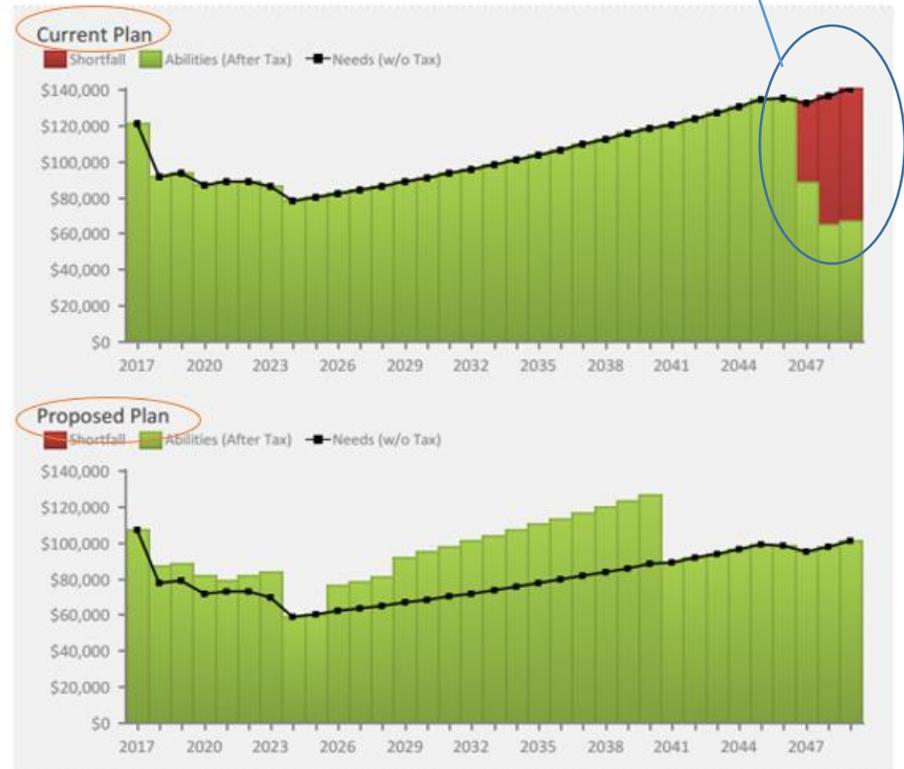
Expenses more than Income

Net Worth Timeline Comparison



Outliving Your Nest Egg

Retirement Needs vs. Abilities



By reducing expenses and employing tax & social security strategies, the client enjoys peace of mind.

CONSIDERATIONS

Financial

Lifestyle

Risks

Investment objectives

FINANCIAL



Savings

Sufficient to meet goals & objectives



Unplanned Expenses

Unexpected and/or one-time



Social Security

Optimize strategy



Health Insurance

Bridge insurance to Medicare, if applicable



Pension

Lump sum vs. annuity



Safe withdrawal amount

To ensure you don't outlive your nest egg



Other Income

Dividends and interest

LIFESTYLE



Health

Historical and current



Emotional

Sense of accomplishment, intellectual challenge, etc.



Interests and Hobbies

Activities to fill your time



Location

Activities, neighborhood, cultural offerings



Relationships

Social networks are critical



Family

Support and involvement

RETIREMENT RISKS



INVESTMENT OBJECTIVES

Protect Principal

Generate Income

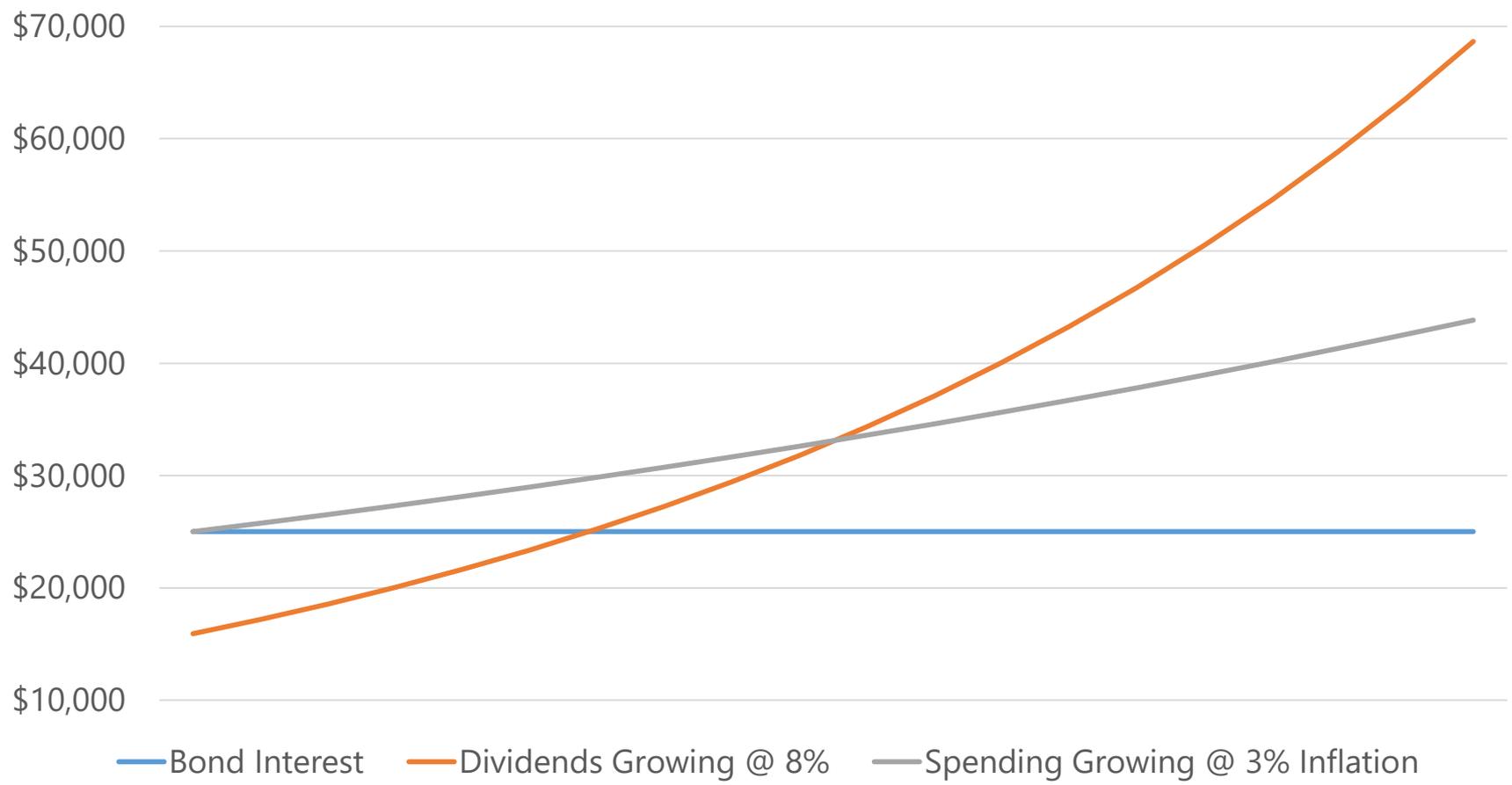
Keep Pace With Inflation

SECURITY

INCOME

GROWTH

POWER OF RISING DIVIDENDS



20 year period

NEXT STEPS

Track spending

Prepare a budget

Gather important financial documents and policies

Consult with your advisor

