THE ROADMAP TO RETIREMENT

Mile marker conversations to consider

THE RETIREMENT GROUP LLC
PARTNERS IN RETIREMENT

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Knowing what's down the road can help you prepare

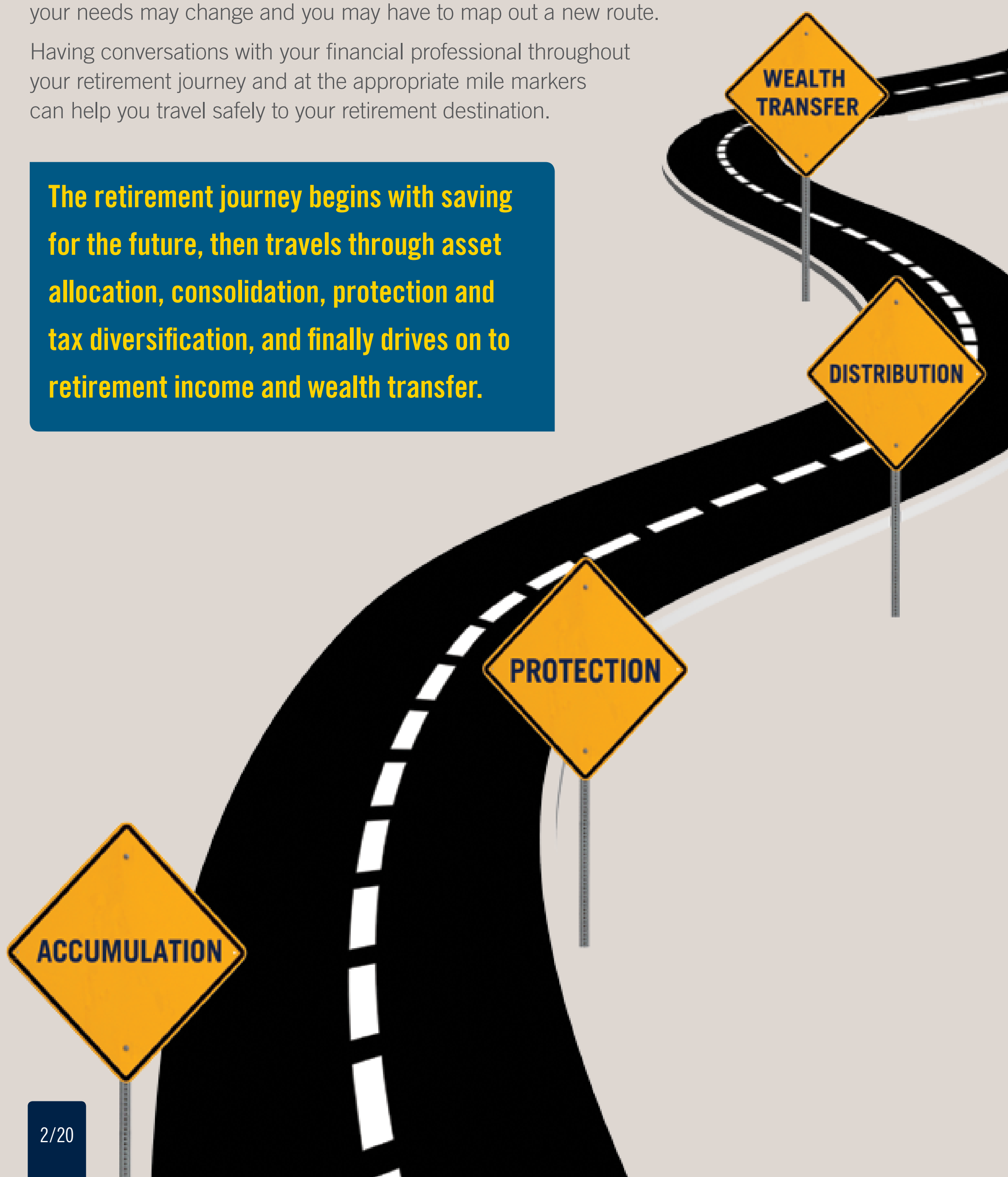
For years, retirement planning focused on the accumulation of retirement assets, but that is only the beginning of your retirement journey. This roadmap introduces topics of conversation that you may want to have with your financial professional, tax advisor, and legal counsel as you approach certain retirement mile markers. This brochure does not provide tax, investment or legal advice.

Planning the journey to and through retirement can be complicated and time-consuming. You have a lot to consider and you will encounter challenges along the way, such as outliving your savings, rising costs and market uncertainty. Knowing what's on the road ahead can help you prepare for these challenges.

Your comprehensive retirement strategy should be specifically tailored to your unique financial situation, retirement goals and time frame. As you continue on your journey, your needs may change and you may have to map out a new route.

Having conversations with your financial professional throughout your retirement journey and at the appropriate mile markers can help you travel safely to your retirement destination.

The retirement journey begins with saving for the future, then travels through asset allocation, consolidation, protection and tax diversification, and finally drives on to retirement income and wealth transfer.



Review your asset allocation and retirement strategy

Hopefully, long before you turn age 50, you will have met with your financial professional to formulate a strategy to help you save for retirement. If you haven't started yet, it's not too late to begin your focus on saving and planning for retirement income.

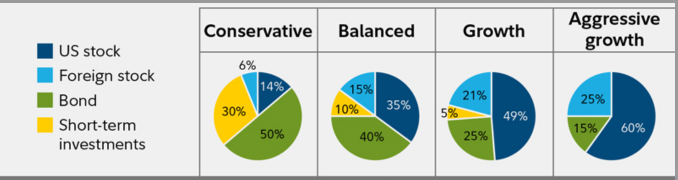
As you accumulate retirement assets, continue to evaluate how your retirement strategy and portfolio align with your retirement goals. It is important to allocate your retirement assets to be consistent with your risk tolerance, retirement needs and time horizon.

Asset allocation is the process of diversifying your investments across different asset classes such as stocks, bonds and short-term investments, based on your current situation.

- More aggressive asset allocation may be tempting due to its potential to deliver greater returns, but that also comes with higher risks and more volatility. Traditional wisdom suggests that as people get closer to their retirement destination, they may want to consider a more conservative asset allocation.
- You may also want to consider products that provide sustainable and predictable income regardless of market risks and volatility.
- Talk to your financial professional about an appropriate asset allocation strategy for you.

401(k) participants often make poor investment decisions and have limited access to income products:

MANY EXCLUDE ENTIRE ASSET CLASSES



Annual return %	Conservative	Balanced	Growth	Aggressive growth
Average annual return	5.89%	7.83%	8.80%	9.47%
Best 12-month return	31.06%	76.57%	109.55%	136.07%
Worst 12-month return	–17.67%	–40.64%	–52.92%	–60.78%
Best 20-year return (annualized)	10.98%	13.83%	15.34%	16.49%
Worst 20-year return (annualized)	2.92%	3.43%	3.10%	2.66%

https://www.fidelity.com/viewpoints/investing-ideas/guide-to-diversification

MILE MARKER CHECKPOINTS

- ☐ Meet with a financial professional to help map out your course
- ☐ Make sure your retirement strategy aligns with your retirement goals
- ☐ Make sure your retirement assets are allocated properly

Asset allocation does not ensure a profit or protect against a loss.

Consider maxing out contributions to retirement plans and taking advantage of "catch-up contributions"

Continue to save as much as you can.

- **401(k):** In 2019 and 2020, you can contribute up to $19,500 into your 401(k) plan. Your retirement plan may also permit participants who turn 50 by the end of the calendar year to make an additional "catch-up contribution" of up to $6,500.
- **IRA:** In 2019 and 2020, you can contribute $6,000 to an IRA plus a $1,000 "catch-up contribution" if you are age 50 or over. If contributions will be spread among different IRAs, the aggregate contribution cannot exceed $6,000 ($7,000 for those age 50 or over) for 2019 and 2020*. Whether part or all of the IRA contribution will be tax-deductible will depend on your income, and whether you or your spouse are covered by a retirement plan at work. Furthermore, contributions can be made into a Roth IRA if your income level does not exceed a certain threshold. Consult your financial and tax advisors to determine whether you are eligible to make contributions into either a tax deductible or Roth IRA.

After maxing out contributions into your employer's retirement plan and IRAs, you may want to consider making a contribution into a tax-deferred investment.

IRS retirement savings contribution limits

Account	2019 Limit	2020 Limit
401(k), 403(b), Thrift Savings Plan, most 457 plans	$19,000	$19,500
Catch up contributions for those accounts for those 50 and over	$6,000	$6,500
SIMPLE retirement accounts	$13,000	$13,500
IRAs	$6,000	$6,000
Catch up contributions for IRAs for those 50 and over	$1,000	$1,000

SOURCE: IRS

CNBC

*https://www.irs.gov/retirement-plans/plan-participant-employee/retirement-topics-ira-contribution-limits
Source for graph: https://www.cnbc.com/2019/12/08/7-ways-to-cut-your-tax-bill-before-dec-31.html

Review beneficiary designation forms

As people approach their 50s, many become concerned about their legacy. You are not only planning for your retirement, but you are also creating wills, trusts and other estate planning strategies to transfer wealth to the next generation. However, you may not realize that IRAs and qualified retirement plans, which could be a large part of your estate, are not subject to probate or affected by the terms of a person's will. These assets will pass to the next generation determined solely by the retirement account's beneficiary designation form. As a result, the beneficiary designation form is one of your most important estate planning documents but it is often overlooked.

- Some people simply fail to complete their beneficiary designation form or to name a new beneficiary after a beneficiary dies. If this happens, the assets are usually paid to the account owner's estate by default. IRAs and qualified retirement plans, normally a non-probatable asset, will become subject to probate when paid to the estate. The probate process can be long, cumbersome and expensive.
- It is not uncommon for someone to have a beneficiary designation that has not been updated after a major life event such as the birth or adoption of a child, marriage, divorce or re-marriage. Review your beneficiary designation forms for your IRAs, 401(k) plans and other retirement accounts periodically, and after any significant life event, to make sure that these assets will be distributed correctly upon your death.

Review healthcare and long-term care costs

When it comes to retirement planning, don't overlook the cost of healthcare. Take the time to review your healthcare needs, costs and coverage with your financial professional. If you retire before Medicare eligibility, you will want to make sure you and your family have the appropriate health insurance.

Nursing care alone averages $80,000 per year and basic home care averages $40,000 per year.[4] **48%** of individuals turning 65 will need at least **12** months' nursing home care, and **13%** will need more than five years.[5] However, Medicare only pays for a maximum of 100 days of nursing home care.

Healthcare can take a healthy bite out of retirement savings.

It is estimated that an average, healthy, 65-year-old couple will need

$285,000

to pay for medical expenses for the remainder of their lives.

Source: https://www.fidelity.com/viewpoints/personal-finance/plan-for-rising-health-care-costs

MILE MARKER CHECKPOINTS

- ☐ Consider maxing out contributions and making "catch-up" contributions in your 401(k) and IRAs
- ☐ Review beneficiary designation forms
- ☐ Review healthcare and long-term care costs
- ☐ Consider a contribution into a tax-deferred investment

[4] Source: U.S. Dept. of Health and Human Services, January 2018
[5] https://www.moneytaskforce.com/money/long-term-care-statistics/

Retiring early

At age 55, many people begin to think about the day they will retire. For some, that day may be a long time away and for others it might be sooner. Whether you decide you are ready to retire early, or you are forced to due to layoffs, downsizing or for health reasons, be sure to understand your retirement distribution options and the consequences of making certain elections.

If you take withdrawals from your IRA before age 59½, you will have to pay ordinary income tax on the withdrawal, and a 10% penalty tax may apply. There are several exceptions to the penalty, including: certain qualified higher education expenses; medical expenses that exceed 10% of your adjusted gross income; first-time homebuyers; disability; or if you take a series of substantially equal periodic payments for five years or until you reach age 59½, whichever is longer. There is an additional exception to the 10% penalty that applies to withdrawals from employer-sponsored retirement plans, such as 401(k) plans, made after you separated from service with your employer, but only if the separation occurred after or during the calendar year you reached age 55. Before taking any withdrawals, please contact your tax advisor about any possible adverse tax consequences.

Early retirement and Social Security benefits

Early retirement may also impact future Social Security income benefits. Social Security calculates benefits based upon your best 35 years of earnings. The Social Security benefits displayed on your statement (you can access your statement on socialsecurity.gov), are projections that assume you will make at least what you made last year until you attain your "full retirement age," now between 66 and 67 years old. If you no longer have wage income and do not pay FICA taxes, your Social Security income payments will likely be reduced because they will add zero income for each year you don't work. Make sure you factor in potentially reduced Social Security benefits when planning an early retirement.

97% of people over the age of 55 who are out of work do not want a job

Source: U.S. Department of Labor, Bureau of Labor Statistics (BLS), The Employment Situation-September, 2018

Pension payments may be reduced once you are eligible for Social Security benefits

While fewer Americans today have pension plans, nearly 79% of state and local government workers and upwards of 20% of private industry workers still have access to defined benefit plans.[5] Unfortunately the ongoing volatile economic environment is forcing some employers to offer early retirement packages. When faced with early retirement, your pension distribution options may include taking a lump sum distribution and rolling the assets to an IRA, or selecting one of several income payout options.

- The payout options may include a life-only option, a joint life option payable over a married couple's lifetime, or a period-certain option. Furthermore, these payout options may be structured so that it is integrated with Social Security benefits. More than half of all private industry defined benefit plans offered an option that integrated pension benefits with Social Security.[6]
- Pension benefits integrated with Social Security are often referred to as a "level income annuity" option. It provides increased monthly income prior to the time you will be eligible for Social Security benefits (age 62 or your Social Security full retirement age), but then decreases once you reach the age when you become eligible for Social Security benefits. The reduction in pension benefits could be between 50% and 80% of Social Security benefits. Choosing a "level income annuity" option may have a short-term positive impact in increased cash flow for a few years, but it may also have a long-term negative impact on cash flow the longer you live.

MILE MARKER CHECKPOINTS

- ☐ Consider tax consequences of early distributions from your retirement plan
- ☐ Consider the effect of early retirement on Social Security benefits
- ☐ Review pension distribution options

AGE 55

[5] Source: 2017 U.S. Department of Labor, Bureau of Labor Statistics, "Program Perspectives On Defined-Benefit Plans," April 2017

[6] Source: 2005 U.S. Department of Labor, Bureau of Labor Statistics, Released 2017

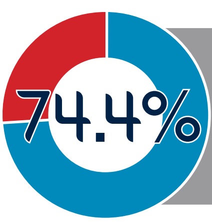
Weigh the pros and cons of "in-service withdrawals"

Early distributions from your retirement accounts may be subject to a 10% penalty in addition to applicable income taxes. One of the exceptions to the penalty is withdrawals taken after age 59½. Furthermore, many 401(k) plans permit participants access to their retirement accounts at age 59½ and prior to retirement. This is called an "in-service withdrawal." To find out whether your plan offers in-service withdrawals, ask your employer for a copy of the "Summary Plan Description," check your 401(k) website, or speak with the 401(k) administrator at the 800 number provided on your statement.

Talk to your financial professional to see if an in-service withdrawal is a good fit for your situation. Taking an in-service withdrawal can provide you with greater diversification in your portfolio and access to more investment choices. But there are also considerations for you to think about before taking an in-service withdrawal. For instance, an in-service withdrawal may affect your ability to make future contributions to your employer's plan. Or if you terminate your 401(k) with your in-service withdrawal, any outstanding loans taken from the 401(k) may become subject to income taxes and a federal income tax penalty. Consult your financial professional and see the back cover of this brochure for additional in-service withdrawal considerations.

Help protect retirement income against market risks and volatility

As retirement nears, it becomes more important that retirement income is protected against market risks and volatility. Speak with your financial professional about whether it makes sense to take an in-service withdrawal and roll it to an IRA that provides sustainable and predictable retirement income. With the demise of traditional defined-benefit pension plans and the future of Social Security in doubt, more retirees will have to create their own guaranteed sources of retirement income. As a result, investors may look to income strategies that are designed to help create retirement income certainty.



of 401(k) plans allow in-service non-hardship withdrawals[7]

[7]Plan Sponsor Council of America (PSCA) 53rd Annual Survey of Profit Sharing and 401(k) Plans, September 2010

Explore ways to “tax diversify” your retirement portfolio

Very few investments grow tax–free, but Roth IRAs are one of the exceptions. The reason being is due to your money being invested is your after tax income. If you are not eligible to contribute to a Roth 401(k) plan or Roth IRA, you may want to consider the benefits of taking an in–service withdrawal and rolling assets to a Roth IRA. Just as asset allocation and investment diversification are cornerstones of financial planning, having a tax–diversified retirement portfolio is increasingly important. By being able to supplement retirement income with tax–free income, retirees can help increase the likelihood of staying in a lower income tax bracket in retirement.

There is one thing to consider, if rates are the same, the net amount of the account will be the same pre or post tax meaning the amount will be the same if you were to invest in a traditional IRA account or Roth IRA account. If rates drop the Roth IRA becomes more expensive. Lastly, tax reduction while a concern should not be the driver of the decision. For example you can decrease the amount you pay tax on by not accepting raises or bonus or giving 50% of your income to qualified charities. This would not be a great decision for everyone but where tax reduction is the sole or primary these options accomplish that goal.

Furthermore, if you believe income tax rates will eventually increase, consider converting retirement assets to a Roth IRA. If you do convert to a Roth IRA, be aware that the conversion can bump you into a higher tax bracket. You also may be subject to taxes and penalties if you withdraw Roth assets within five years of the conversion.

Other ways to tax–diversify a retirement portfolio may include purchasing in life insurance, municipal bonds, tax–efficient mutual funds and nonqualified deferred annuities. Tax loss harvesting in taxable accounts, placement of tax inefficient investments in tax deferred or tax free accounts, and even annuitization of non–qualified contracts (creating part gain part return of basis) can all have value in the planning process.

Individual situations will varry so talk to your tax professional to see if a conversion to a Roth IRA makes sense for you or selecting any specific coures of action.

MILE MARKER CHECKPOINTS

- ☐ Explore penalty-free access to your retirement accounts
- ☐ Explore the benefits of retirement products that provide predictable and sustainable retirement income
- ☐ Consider the benefits of a Roth conversion, making sure to consider the additional expense of the conversion

Source:https://www.taxpolicycenter.org/sites/default/files/publication/157680/how_shifting_from_traditional_iras_to_roth_iras_affects_personal_and_government_finances.pdf

Early Social Security benefits eligibility

When to begin taking your Social Security benefits is an important decision that will affect the amount of Social Security you and your spouse receive.

You can begin your retirement benefits as early as age 62 – but taking benefits before your full retirement age (generally between ages 66 and 67) will cause them to be permanently reduced by as much as 30%. When making this decision, it is important for you and your spouse to consider the effects of taking your Social Security benefits early.

Talk to your financial professional, and together, you can determine which Social Security strategy fits best into your overall plan for creating lasting retirement income.

74%

of Americans elect to receive Social Security benefits before their full retirement age

Source: Social Security Administration Annual Statistical Supplement, 2018

Early Social Security benefits

Assuming a full retirement age of 66 and a $15,000 annual benefit

IF YOU FILE AT AGE	PERCENTAGE OF FULL RETIREMENT BENEFIT[8]	ANNUAL BENEFIT
62	75.00%	$11,250
63	80.00%	$12,000
64	86.66%	$12,999
65	93.33%	$13,999
66	100.00%	$15,000

Spousal and survivor benefits

Your spouse will become eligible for Social Security at age 62 as well. If your spouse's Social Security benefit is less than half of your Social Security benefit, your spouse may be eligible for up to half of your benefit. However, your spouse begins taking Social Security before they reach full retirement age, they will not be eligible for a full 50% of your benefit.

Assuming a full retirement age of 66 and a maximum $7,500 annual spousal benefit

IF YOUR SPOUSE FILES AT AGE	PERCENTAGE OF SPOUSAL BENEFIT	POTENTIAL SPOUSAL BENEFIT
62	35.00%	$5,250
63	37.50%	$5,625
64	41.70%	$6,255
65	45.80%	$6,870
66	50.00%	$7,500

Taking benefits prior to your full retirement age may have another effect on your spouse's benefit. If your spouse's benefit is less than what you are collecting, at your death your spouse will be eligible for a survivor benefit. Your spouse's survivor benefit will equal the higher Social Security benefit that you were receiving. If you have taken a reduced Social Security benefit by filing before your full retirement age, your spouse's survivor benefits will also be reduced.

MILE MARKER CHECKPOINTS

- [ ] Decide when you should begin taking your Social Security benefits
- [ ] Consider the pros and cons of waiting to file for your Social Security benefits for a larger monthly payment

[8]Source: www.SSA.gov as of October 1, 2018

Evaluate Medicare options

If you are 65 or older and are not receiving Social Security benefits, you won't get Medicare Part A (hospital) and Part B (medical) coverage automatically. You can enroll in Parts A and B at different times. However, you must enroll in Part B eight months from your last month of work. Otherwise, your coverage will not kick in for 3 to 15 months and you will also face a 10% premium penalty for every 12 month delay.

Make sure to factor Medicare costs into your retirement planning.

- Total Medicare expenses for a healthy 65-year-old, including the costs for Part A, Part B, Part C (Medicare Advantage) and Part D (prescription drug coverage), can be between $4500 and $6800 a year.[9] A recent Fidelity study that factored in dental, vision supplemental, co-pays, coinsurance and deductibles, found that an average 65-year-old should plan for at least $645 monthly, $7,740 annually, in healthcare expenses.[10]

Create a plan to help transition your savings to retirement income

Age 65 remains a popular retirement age for Americans and a time to begin transitioning from the accumulation phase of retirement planning to the distribution phase. As you approach your retirement age, you and your financial professional can work together to determine the investments, withdrawal rate, and order of withdrawals that will create the most sustainable retirement income stream for you. Retirees who incorrectly structure their retirement assets could face a reduction in retirement income and adversely affect their lifestyle.

Which account should you tap into first?

Meet with your financial professional and tax advisor to help you determine the most efficient way to tap into your retirement accounts.* You may have accumulated retirement assets into different buckets such as 401(k) plans, traditional IRAs, Roth IRAs, annuities and taxable accounts. Conventional wisdom may suggest that you withdraw money from your taxable accounts first, which may benefit from lower capital gains taxes, then tax-deferred accounts such as 401(k) and IRA accounts, and tax-free accounts such as Roth IRAs last. The rationale is that you spend your after-tax money first because you want your retirement accounts to compound tax-deferred or tax-free as long as possible. However, such a simplistic approach might not be the best strategy. For instance, it may make sense to take distributions from your taxable accounts while you are in a lower income tax bracket to offset tax losses, or if you believe tax rates or your tax bracket are likely be higher in the future.

[9] Source: Medicare.gov, Accessed 10/2017

[10] Source: Fidelity, "Plan today for your future healthcare costs," Accessed 11/2017

* As of January 1, 2019, taxpayers with a Modified Adjusted Gross Income (MAGI) of over $200,000 if single or $250,000 if married and filing jointly are subject to a 3.8% Medicare surtax on investment income, including income/capital gains in after-tax accounts. However, an exception applies under IRC Section 1411(c)(5) for any distribution from a plan or arrangement described in Code Sections 401(a), 403(a), 403(b), 408, 408A, or 457(b)

How much can I take from my retirement accounts each year?

Once a healthy married couple reaches age 65, there is a nearly 50% chance that one of the two spouses will live to age 92.[11] Accordingly, most baby boomers need to plan for 30 years in retirement. To plan for that longevity, financial experts suggest withdrawing no more than 4% of retirement assets annually.[12] However, the Required Minimum Distribution (RMD) rules for IRAs and 401(k) plans will eventually require annual withdrawals in excess of 4%. Per the IRS distribution tables, the initial RMD withdrawal rate is 3.65%. As the account owner ages, the RMD withdrawal rate quickly climbs, exceeding 4% by age 73, 5% by age 79, 6% by age 83, 7% by age 86 and 8% by age 89.[13]

Additionally, IRA owners over age 70½ may find that they are required to begin taking minimum distributions at a time when the IRA has had poor performance. The chart below illustrates how RMDs, combined with consecutive years of negative performance, can reduce account values.

Assume an IRA that had annual returns and RMDs of:

AGE	VALUE	MARKET RETURN	RMD %	RMD AMOUNT	END VALUE
70	$1,000,000	-10%	3.6%	$36,496	$863,504
71	$863,504	-13%	3.7%	$32,585	$718,663
72	$718,663	-23%	3.9%	$28,073	$525,298

TOTAL WITHDRAWALS: **$97,154**
AVERAGE MARKET RETURN: **-15%**
VALUE: **-47%**

This is a hypothetical example for illustrative purposes only. It does not reflect a specific product, an actual account value or the performance of any investment.

If the IRA owner were forced to take RMDs in the years when the IRA experiences negative performance, by the time there were positive investment returns, the value of the IRA would have been greatly affected. IRAs are particularly vulnerable to this type of risk since the IRS rules regarding Required Minimum Distributions often dictate the timing of withdrawals – not the IRA owner.

You may want to consider investments that can provide you with retirement income and help to address the market, rising costs, longevity and timing risks inherent in all IRAs.

MILE MARKER CHECKPOINTS

- ☐ Evaluate Medicare options
- ☐ Work with your financial professional to create a retirement income plan and transition strategy
- ☐ Determine whether retirement accounts are structured to last two lifetimes

[11] Source: U.S. Annuity 2000 Mortality table, Society of Actuaries

[12] Source: ING, "Withdrawal Strategies - Turning retirement savings into retirement income," Accessed 11/2012

[13] Source: IRS Publication 590 Section III

Benefits of deferring Social Security

When to file for Social Security is an important decision. Your financial professional can share strategies and factors that can help you make the right choices.

Depending on your birthday, your full retirement age will be between ages 66 and 67. Once you reach your full retirement age, you can begin taking your Social Security benefits without any reductions.

YEAR BORN	FULL RETIREMENT AGE
1943-1954	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 and after	67

Source: www.ssa.gov as of October 1,

2017

Assuming a full retirement age of 66 and a $15,000 annual benefit

AGE	PERCENTAGE AT FULL RETIREMENT AGE[14]	ANNUAL BENEFIT
66	100%	$15,000
67	108%	$16,200
68	116%	$17,400
69	124%	$18,600
70	132%	$19,800

[14] Source: www.ssa.gov as of October 1, 2017

From your full retirement age until age 70, for every year you delay taking your Social Security benefits, your benefits will increase by 8% of your Full Retirement Age benefit. For those with a full retirement age of 66, waiting to begin your Social Security until age 70 would increase the amount of your benefit by 32%.

After age 70, while it is possible to delay taking your benefits, the 8% increase does not continue.

Work with your tax advisor to determine the appropriate time for you to begin taking Social Security benefits.

MILE MARKER CHECKPOINTS

- [ ] Consider the benefits of deferring Social Security payments
- [ ] Review how certain Social Security elections affect spousal and survivor benefits

Required Minimum Distributions (RMDs)

Age 70½ is when most people must begin taking RMDs from their retirement accounts.

- For IRAs, the first RMD must be taken by April 1st of the year following the year in which you turn 70½. After that, distributions must be taken annually by December 31st. RMDs can be taken from a single IRA or from any combination of IRAs if you have more than one. The amount of the distribution for any given year is determined by dividing your IRA balances on December 31st of the preceding year by a life expectancy factor. This factor is provided in IRS Tables which you can find in IRS Publication 590.
- The RMD rules for employer sponsored retirement plans, such as 401(k) plans, state that you must begin taking distributions from your employer's retirement plan by April 1st of the year following the year in which you turn 70½ or retire, whichever is later. However, individuals who are 5% or more owners of the business sponsoring the retirement plan must take RMDs by age 70½, even if the owner is still working.
- While Roth IRAs are not subject to the required distribution rules during the life of the Roth IRA owner, RMDs are required from Roth 401(k) plans.
- Unlike IRAs, should you have more than one retirement plan account, you must take an RMD from each.

As a person gets older, the RMD percentage increases (as shown in the chart on page 13). Should the owner be forced to take RMDs in a declining market, the IRA value could decrease substantially. This may create a risk that there will not be enough assets to support your retirement needs later in life or enough assets for your spouse after you die.

RMDs and sustainable withdrawals

RMDs increase each year*

AGE	WITHDRAWAL RATE
70½	3.6%
75	4.4%
80	5.4%
85	6.8%
90	8.8%

*If the spouse is the sole beneficiary and is more than 10 years younger, the RMD rate is lower.
Source: IRS Publication 590, Section III

Consider strategies that can help retirement income last two lifetimes

Talk to your financial professional about financial strategies that can help create retirement income for two lifetimes. This may help you and your spouse feel more prepared for your retirement journey.

MILE MARKER CHECKPOINTS

- ☐ Required Minimum Distributions can begin
- ☐ Talk to your financial professional about products that offer a spousal rider that guarantee a withdrawal rate
- ☐ Make sure your retirement assets are structured to last two lifetimes

Start having your mile marker conversations today

PRIOR TO AGE 50

- ☐ Meet with your financial professional to help map out your course
- ☐ Align your retirement strategy with your retirement goals
- ☐ Allocate your retirement assets properly

AGE 50

- ☐ Consider maxing out contributions and making "catch-up" contributions to your 401(k) and IRAs
- ☐ Review beneficiary designation forms
- ☐ Understand healthcare and long-term care costs
- ☐ Consider a contribution into a tax-deferred investment

AGE 55

- ☐ Consider tax consequences of early distributions from your retirement plan
- ☐ Understand the affects of early retirement on Social Security benefits
- ☐ Review pension distribution options

AGE 59½

- ☐ Learn about penalty-free access to your retirement accounts
- ☐ Consider the pros and cons of an in-service withdrawal from your 401(k)
- ☐ Explore retirement products that provide predictable and sustainable retirement income
- ☐ Weigh the pros and cons of a Roth conversion

AGE 62

- ☐ Decide when to begin taking your Social Security benefits
- ☐ Consider the benefits of waiting to file for your Social Security benefits

AGE 65

- ☐ Evaluate Medicare options
- ☐ Create a plan to transition your savings to retirement income
- ☐ Determine whether retirement accounts are structured to last two lifetimes

AGES 66-70

- ☐ Consider the benefits of deferring Social Security payments
- ☐ Review how certain Social Security elections affect spousal and survivor benefits

AGES 70½

- ☐ Required Minimum Distributions (RMDs) can begin
- ☐ Consider structuring retirement assets to last two lifetimes

Hit the road to retirement today.

Planning for your successful retirement takes time and effort. By having mile marker conversations with your financial professional along the way, you can help make your road to retirement a smoother one. Knowing what to expect can help you successfully prepare for your future.

Talk to your retirement advisor at The Retirement Group

- **Exceptions to the 10% federal income tax penalty** - The penalty exceptions for employer plan and IRA distributions are not identical. Two exceptions apply to an employer plan, but do not apply to an IRA: separation from service at or after age 55, and Qualified Domestic Relations Orders. On the other hand, IRAs provide penalty exceptions for first-time home purchase and higher education, but employer plans do not.
- **Net Unrealized Appreciation (NUA) tax treatment** - Favorable NUA tax treatment is not available to IRAs. Therefore, if you have highly appreciated company stock in your employer-sponsored plan, rolling that stock to an IRA eliminates the ability to take advantage of NUA tax treatment.
- **Creditor protection** – While IRAs now have federal bankruptcy protection, they are not protected from other judgments the way that federal law (specifically ERISA) protects qualified plans.
- **New contributions to the employer plan** - Taking an in-service distribution may affect your ability to make future contributions to the employer plan
- **Loans** - In the event that a 401(k) is terminated, the loan may be subject to income taxes and a federal income tax penalty.
- **Fees** - It is important to check with your employer to see if they offer in-service withdrawals. Sources of information include your Plan Administrator, Summary Plan Description, or Participant Statement. Please consult these sources for any possible restrictions, fees and expenses.
- **Required Minimum Distributions (RMDs)** - RMDs are required to begin from IRAs when an individual reaches age 70½. The first distribution can be deferred to April 1 of the year following the year the individual reaches age 70 ½. For subsequent years, distributions must be taken by December 31st. If you defer the first payment to the year following the year you reach age 70½, you will be required to take two distributions within the same year. For a participant in an employer plan, other than a 5% or greater owner, RMDs must begin at the later of age 70½ or when you retire from that employer.

Additional Financial Resources...

Retirekit 65+

Social Security Kit