



## **5 STEPS TO RETIREMENT**

**A Special Report for Retirement Readiness**

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So, you think you're ready to leave work for good? Congratulations! Before you pack your desk and head to the beach, take a little time to prepare. You want to ensure your retirement savings won't only get you to retirement but through retirement.

The five steps to retirement are designed to help you make the retirement transition more successful, so you can kick back on the beach with added peace of mind, knowing you've prepared for all the details.

## STEP 1: CREATE AN INVENTORY OF YOUR EXPENSES

When you imagine your retirement lifestyle, remember to consider all associated expenses like home up keep, new appliances, holiday and birthday expenses, and travel. The enclosed budget planner will help you complete this step. Calculate your “Total Annual Expenses,” then move on to Step 2.

## STEP 2: ACCOUNT FOR RETIREMENT SAVINGS

The basis for your income plan will be a tally of your retirement savings. Use the enclosed worksheet to account for all retirement funds. Calculate your “Total Household Assets,” then move on to Step 3.

## STEP 3: ADD INCOME SOURCES

Calculate your “Total Known Income” using the enclosed worksheet. Here are tips on two of the most commonly mismanaged income sources:

**Social Security:** Thousands of rules govern filing for Social Security. And there are hundreds of ways to claim your benefits. Choosing the wrong options can impact your retirement income! The Social Security Administration cannot advise you. Take advantage of advanced software available to financial professionals to help narrow down the strategies and most profitable time for you to file.

**Pension:** If you’re lucky enough to have a pension, calculating the most advantageous pension settlement option can require some close scrutiny. You may want to consider the help of a financial professional to properly fit your pension into your overall retirement strategy.

## STEP 4: DO THE MATH WITH A PROFESSIONAL

Now that you have your Annual Expenses, Household Assets, and Known Income written out, it’s time for some serious math! Use the enclosed worksheet to calculate your “Additional Income Needed.” The additional income needed is considered by many as an “income gap.” To help close the gap, we look toward strategies that can produce additional income, such as a part-time job or the option for lifetime income through the use of insurance products.

It’s important to remember that the “Additional Income Needed” number is a constantly moving target. As circumstances change, the income needed may change. We must also account for COLAs (cost of living adjustments) on Social Security, pensions, rents, and inflation.

## STEP 5: EXECUTE AND RE-EVALUATE ANNUALLY

The final step is to allocate your savings into appropriate accounts and earmark them for growth and spending in the proper stages. In my office, we implement strategies with your personal tax implications, risk tolerance, and need for liquidity in mind.



## STEP 1: BUDGET INVENTORY EXPENSES

HOME	ONCE A YEAR	MONTHLY	NOTES
MORTGAGE / RENT			
PROPERTY TAXES (IF NOT INCLUDED IN ABOVE)			
YARD / HOME MAINTENANCE			
HOA FEES			
OTHER			
UTILITIES	ONCE A YEAR	MONTHLY	NOTES
ELECTRICITY			
GAS / WATER			
GARBAGE			
HOME PHONE / FAX			
CELL PHONE			
CABLE TV			
INTERNET			
OTHER			
TRANSPORTATION / TRAVEL	ONCE A YEAR	MONTHLY	NOTES
CAR PAYMENTS			
BOAT / RV / ETC. PAYMENTS			
FUEL			
AUTO REPAIR / MAINTENANCE / LICENSE			
VACATION / TRAVEL			
OTHER			
INSURANCE	ONCE A YEAR	MONTHLY	NOTES
HOME / RENTER INSURANCE			
AUTO / BOAT / RV INSURANCE			
MEDICARE SUPPLEMENT			
UNINSURED MEDICAL / DENTAL			
DRUGS / SUPPLEMENTS / ETC.			
OTHER			
MEDICAL	ONCE A YEAR	MONTHLY	NOTES
HEALTH / DENTAL / EYE INSURANCE			
LONG-TERM CARE INSURANCE			
MEDICARE SUPPLEMENT			
UNINSURED MEDICAL / DENTAL			
DRUGS / SUPPLEMENTS / ETC.			
OTHER			
MISC. SPENDING	ONCE A YEAR	MONTHLY	NOTES
GROCERY			
DINING OUT			
PERSONAL CARE			
MISC. SHOPPING			
GIFTS			
SUBSCRIPTIONS & DUES			
PETS			
LEGAL & ACCOUNTING			
CREDIT CARD PAYMENTS			
LOAN PAYMENTS			

MISC. SPENDING CONT.	ONCE A YEAR	MONTHLY	NOTES
SAVINGS			
CHARITABLE CONTRIBUTIONS			
SUPPORT OF OTHERS			
TAXES			
ATM WITHDRAWALS / POCKET CASH			
OTHER			
<b>SUBTOTAL</b>			
<b>MONTHLY SUBTOTAL x12</b>			
<b>TOTAL ANNUAL</b>			

## STEP 2: ASSESS ACCOUNT FOR RETIREMENT SAVINGS

401(k)s	
HELD WITH:	\$
HELD WITH:	\$
HELD WITH:	\$
TRADITIONAL IRAs	
HELD WITH:	\$
HELD WITH:	\$
HELD WITH:	\$
ROTH IRAs	
HELD WITH:	\$
HELD WITH:	\$
HELD WITH:	\$
403(b)s / OTHER RETIREMENT PLANS	
HELD WITH:	\$
HELD WITH:	\$
HELD WITH:	\$
OTHER SAVINGS / ACCOUNTS	
HELD WITH:	\$
HELD WITH:	\$
HELD WITH:	\$
ANTICIPATED INHERITANCE OR LUMP SUMS	
	\$
	\$

<b>TOTAL ASSETS</b>	\$
TOTAL OF ALL ACCOUNTS ABOVE	

LIABILITIES	
DEBT ON HOME	\$
DEBT ON CREDIT CARDS	\$
ANY OTHER DEBTS	\$

<b>TOTAL LIABILITIES</b>	\$
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<b>ASSETS AVAILABLE FOR RETIREMENT INCOME</b>	\$
TOTAL ASSETS – TOTAL LIABILITIES	

<b>TOTAL HOUSEHOLD ASSETS:</b>	\$
ADD COLUMN TOTALS	

401(k)s	
HELD WITH:	\$
HELD WITH:	\$
HELD WITH:	\$
TRADITIONAL IRAs	
HELD WITH:	\$
HELD WITH:	\$
HELD WITH:	\$
ROTH IRAs	
HELD WITH:	\$
HELD WITH:	\$
HELD WITH:	\$
403(b)s / OTHER RETIREMENT PLANS	
HELD WITH:	\$
HELD WITH:	\$
HELD WITH:	\$
OTHER SAVINGS / ACCOUNTS	
HELD WITH:	\$
HELD WITH:	\$
HELD WITH:	\$
ANTICIPATED INHERITANCE OR LUMP SUMS	
	\$
	\$

<b>TOTAL ASSETS</b>	\$
TOTAL OF ALL ACCOUNTS ABOVE	

LIABILITIES	
DEBT ON HOME	\$
DEBT ON CREDIT CARDS	\$
ANY OTHER DEBTS	\$

<b>TOTAL LIABILITIES</b>	\$
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<b>ASSETS AVAILABLE FOR RETIREMENT INCOME</b>	\$
TOTAL ASSETS – TOTAL LIABILITIES	

## STEP 3: ADD KNOWN INCOME SOURCES

Your Social Security benefit information can be gathered from the Social Security Administration. But, remember, they cannot advise you as on filing strategies. We will be happy to run a complimentary Social Security income calculation for you.

ANNUAL SOCIAL SECURITY INCOME	
\$	\$
ANNUAL PENSION INCOME	
\$	\$
\$	\$
ANNUAL RENTAL INCOME	
\$	\$
\$	\$
TOTAL KNOWN INCOME	
ADD ALL INCOME FROM EACH COLUMN \$	

## STEP 4: DO THE MATH WITH A PROFESSIONAL

Let's calculate an estimate of the additional income you should produce in retirement. The source of this additional income will need to be strategized. It could come from a part-time job or the option for lifetime income through the use of insurance products, etc.

INCOME CALCULATIONS	
EXPENSES - KNOWN INCOME - ADDITIONAL INCOME NEEDED	
TOTAL ANNUAL EXPENSES (FROM STEP 1):	
TOTAL KNOWN INCOME (FROM THIS STEP):	
ESTIMATE OF ADDITIONAL INCOME NEEDED:	

Remember that your "Additional Income Needed" value will change over time as your circumstances change and as inflation causes the need for a pay raise.



## STEP 5: EXECUTE AND RE-EVALUATE ANNUALLY

My hope is that, by now, you have realized that these calculations should involve more than a legal pad and pencil. My goal is to help people retire more successfully. So, if your head is spinning, come on in, and we will help you develop a solid strategy. We'll continue to review and re-evaluate as you move through retirement and as your circumstances change.

As a retirement income strategist working with clients over the years, I have seen the stress level visibly decrease as soon as my clients see the math is done. When they have an income plan, they can feel more comfortable embracing the retirement they imagined. With the proper strategy, you can better enjoy the retirement you've imagined, without fear of running out of money down the road!

This information was developed as a general guide and is not intended as tax or legal advice. You should seek advice based on your particular circumstances from an independent tax advisor as tax laws are subject to interpretation and legislative change and are unique to every specific taxpayer's particular set of facts and circumstances. Financial professional is not affiliated nor endorsed by the Social Security Administration or any other government agency. Annuity guarantees are backed by the financial strength and claims-paying ability of the issuing insurance company.