
Introduction to Managing Your Retirement Income

What you need to know about retirement risks, spending and closing income gaps



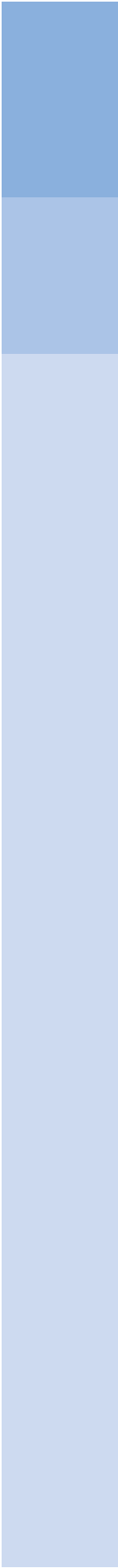
PLANNING WORKSHEETS

Includes the Lincoln's Case Study

INTERNATIONAL
RETIREMENT
RESOURCE CENTER



OPERS
OKLAHOMA



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The Int'l Retirement Resource Center does not provide tax advice, estate planning or legal advice. Please contact a tax or legal advisor regarding your individual circumstances before making an investment decision.

Meet Linda and Dave Lincoln

Linda and Dave Lincoln live in Oklahoma City, Oklahoma. Linda is 55 years old and Dave is 67 years old. They have three grown children (two sons and a daughter) and three grandchildren. Dave and Linda's home equity loan will be fully paid-off within ten years.

Linda has been a third grade teacher for 25 years. Linda plans to retire in two years at age 57. Her estimated initial monthly retirement benefit will be \$1,234. Linda will be eligible for Social Security at age 62. After retirement, Linda plans to work part-time in her school district to supplement her retirement. She is in excellent health.

Dave was an industrial engineer for a mid-sized, privately-held company and has been retired for two years. He does regular freelance contract work on a part-time basis that generates \$36,000 per year of income. His rollover IRA from his 401(k) plan is worth \$180,000. Dave retired from his employer at the full retirement age of 65 and has been receiving \$1,800 per month in Social Security benefits. Dave's father and two brothers all passed away before age 70 from heart disease.

Current Expense

Dave and Linda have set up 529 college savings accounts for each of their three grandchildren. They contribute \$425 per month. They expect all contributions to employer-sponsored plans to cease upon Linda's retirement but intend to contribute to fund the 529 plans for as long as possible. Dave, an avid hunter, spends approximately \$400 per month for gear and licenses. Linda spends her free time quilting, costing approximately \$325 per month.

Year 1 of Retirement

The Lincolns assume the cost of living/inflation will grow by an average of 4% a year throughout retirement. Linda is working part-time in retirement. Dave has reduced his working hours to spend more time with Linda now that she is retired.

Linda has invested in her SRP (supplemental retirement plan) throughout her career. She expects to have approximately \$41,200 in her plan account at retirement. She does not plan to take a distribution from this account until she reaches age 70½.

In Year 3, their youngest daughter, Holly, plans to get married. The proud parents of the bride plan to pay \$10,000 for the wedding from their liquid, after-tax savings of \$23,000. After the wedding, a much needed 21-day European vacation is planned and is expected to cost approximately \$13,000.

Stage 1: Year 5 of Retirement

The inflation rate has grown 4% each year, for a 22% compounded growth in living expenses for this period. Linda's investments through her 403(b) investment account have steadily increased by 4% per year since she is invested primarily in the money market fund and a short-term bond fund. Dave's Rollover IRA, however was 60% in equities, and the value of the account over five years has lost value due to the market being down and the withdrawals needed to meet living expenses.

Linda's pension has increased by an average of 2.9% compounded annual benefit adjustment each year.

Linda has an accident leaving her with a disabling injury, and she can no longer work. This reduces the couple's retirement income by \$12,600 annually. Due to Linda's accident there is an increase in out-of-pocket medical expenses (prescriptions for the rest of her life) in the amount of \$165 per month in current dollars. Because of all this she chooses to begin her Social Security spousal benefit at age 62.

Dave's RMDs began during this time. Dave hasn't been feeling well and has stopped working altogether.

Stage 2: Year 10 of Retirement

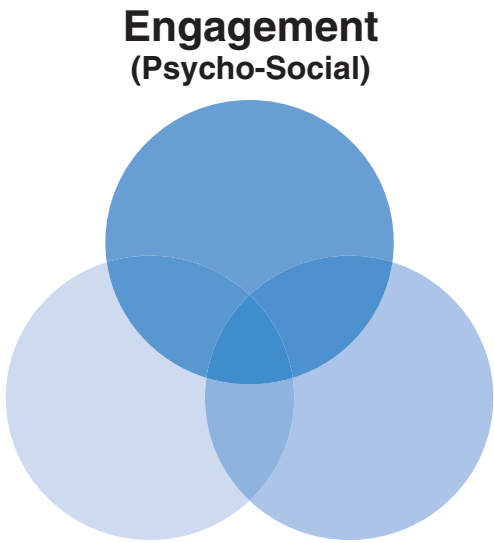
The inflationary rate continues to average 4% per year, for a compounded increase of 48% since Year 1. Linda's pension has continued to increase by an average of 2.9% compounded annual benefit adjustment each year, or a compounded increase of 33%.

Dave suddenly passes away. Linda receives Dave's Social Security as a widow's benefit.

Linda's monthly expenses are reduced overall. Her mortgage is paid off but home repairs have increased on their older home, as well as property taxes.

Stage 3: Year 15 of Retirement

Linda wants to downsize her home, but her daughter and granddaughter who have been living with her for two years do not want her to for "old memories" sake. Linda's RMDs begin.

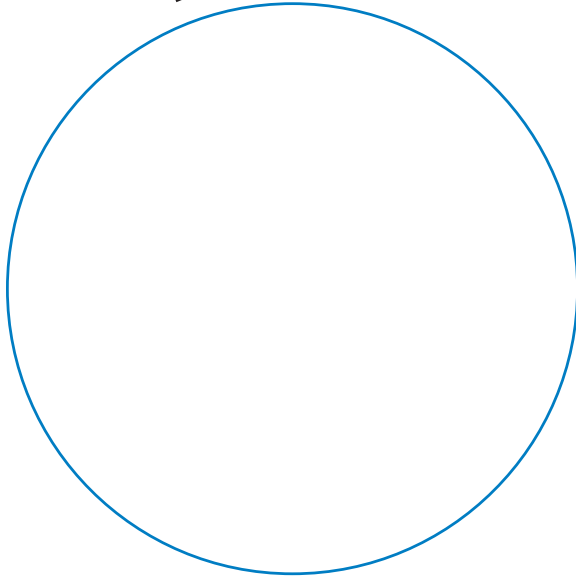


- **Identifying retirement spending needs is not just about money**
- **What are you retiring to? In other words, are you ready for a month of Saturdays?**

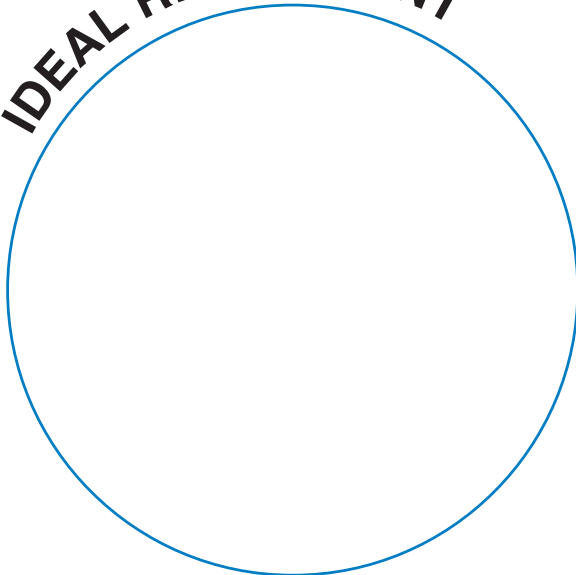
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What is Your Personal Definition of Retirement Success?

TODAY



IDEAL RETIREMENT



Health & Wellness

Family

Work

Spiritual

Volunteer

Hobbies

Travel/Entertainment

Qualities of a Satisfying Retirement

1. **Work reorientation** – the degree to which you have emotionally distanced yourself from receiving your personal identity from work.
2. **Attitude toward retirement** – your perception of what your next life stage will be like once you transition beyond your current job.
3. **Directedness** – the degree to which you rely on your own sense of personal guidance for making plans and decisions for your retirement life, rather than relying on others to give you directions.
4. **Health perception** – your opinion of the current condition of your overall wellness.
5. **Financial security** – your opinion that you have done sufficient planning to sustain adequate financial security and maintain your desired lifestyle during your retirement/renewal years.
6. **Current life satisfaction** – the degree to which you believe you have achieved contentment and peace at this point in your life.
7. **Projected life satisfaction** – the degree to which you look forward to personal success, achievement, contentment and peace in the future years of the retirement/renewal phase of life.
8. **Life meaning** – the degree to which you have found a life direction for retirement which offers you a driving purpose and a deep sense of personal fulfillment.
9. **Leisure interests** – the degree to which you have found personally satisfying endeavors outside of your work/career which rejuvenate your body, stimulate your mind, and/or enrich your spirit.
10. **Adaptability** – the degree of personal flexibility you can exercise at any given time in any given situation.
11. **Life stage satisfaction** – the degree to which you live in the present and find your current life fulfilling, rather than living in the past.
12. **Dependents** – the degree to which you are free from a sense of burden or strain from caregiving responsibilities either for aging parents or relatives (including children).
13. **Family & marital issues** – the degree to which you derive satisfaction, intimacy, connectedness, love and a sense of well-being from your marriage and family life.
14. **Perception of age** – the degree to which you see your own maturation process as a time of emotional and psychological vitality and vibrancy, full of potential for dynamic and on going personal growth.
15. **Replacement of work function** – the degree to which you have planned to replace or project that you can replace, the five functions of working: financial security, socialization, time management, status, sense of utility.

Step 2: Identify Your Retirement Resources and Income Gaps

A) Monthly Income Need: Essential Expenses

If in case you would prefer to further customize or more specifically define your spending categories, circle additional items on the following tables. Enter their name and estimated amount on the spending plan form in the rows on page 10.

Common Essential Expenses Categories

Fixed Expenses

- Alimony
- Boat loans
- Car (gas, parking, tires, insurance, etc.)
- Child Support
- Credit card debt
- Day care
- Education
- Electricity
- Gas (heating)
- Medical insurance
- Rent/mortgage
- Land contract payments
- Student loan(s)
- Telephone
- Union dues
- Miscellaneous
- Other

Periodic Expenses

- Income taxes
- Disability insurance
- Safety deposit box
- Post office box
- Property taxes
- Homeowner's insurance
- Renter's insurance
- Christmas
- Seasonal dues
- Water bill
- Trash pickup
- Miscellaneous
- Other

Ways to cut or eliminate essential costs

If your numbers aren't adding up, consider using some of the following ways to dig up dollars from your fixed expenses:

- Examine insurance policies for potential lost savings, i.e., raise the deductible on your car from \$250 to \$500.
- Refinance debt to a lower cost loan such as a home equity loan.
- Be conservative with the use of utilities.
- Participate in retirement savings programs which then reduce taxes.
- Cancel unnecessary insurance, i.e., children's life insurance.
- Avoid using credit cards - pay cash.
- Sell big items that you don't use much, i.e., boat, snowmobile, etc.

Step 2 (continued)

B) Monthly Income Need: Discretionary Expenses

If in case you would prefer to further customize or more specifically define your spending categories, circle additional items on the following tables. Enter their name and estimated amount on the spending plan form in the rows on page 12.

Common Discretionary Expenses Categories

- | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none">• Books• Charitable contributions• Children's expenses• Clothing/cosmetics• Eating out• Dry cleaning• Education• Entertainment (movies, theater, concerts, etc.)• Gifts• Groceries• Haircuts/beauty salon• Health club• Hobby• Home equipment (small appliances, kitchen equipment and tools) | <ul style="list-style-type: none">• Home furnishings• Home repairs• Home supplies• Housecleaning• Investments• Laundry• Legal expenses• Magazines/newspaper• Medical expenses• Personal care• Personal growth (seminars, therapy, etc.)• Sports• Vacations• Miscellaneous |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Ways to cut or eliminate discretionary costs

If your numbers aren't adding up, consider using some of the following ways to dig up dollars by cutting variable costs:

- Cut down on pleasure spending (buy one C.D. a month instead of four).
- Eat at home more often; shop for groceries after a meal.
- Buy in bulk and at discount stores.
- Make a list before you shop and stick to it.
- Do repairs and maintenance yourself.
- Use coupons.
- Buy generic goods.
- Buy used furniture and autos.
- Buy clothing, toys, etc. secondhand at garage sales, estate auctions and thrift shops.
- Cut out spending on goods or services that hold no value to you.
- Limit the number of evenings and/or lunches when you go out.

A) Monthly Income Need: Essential Expenses

Please fill in the amount of expenses you have now and expect to have in Year 1 and through the three stages of your retirement. Refer to pages 7-8 for examples of names of expense categories to use.

Essential Expenses

	Current Monthly Expenses	Year 1	Stage 1 Year <u>5</u>	Stage 2 Year <u>10</u>	Stage 3 Year <u>15</u>	
Name: <u>Linda</u>	Age: <u>55</u>	<u>57</u>				
Name: <u>Dave</u>	Age: <u>67</u>	<u>69</u>				
Years of retirement	<u>-</u>	<u>1</u>				
Housing (include property taxes)	\$ <u>1,168</u>	\$ <u>1,215</u>	\$	\$	\$	
Utilities	<u>225</u>	<u>234</u>				
Health care (including Medical insurance)	<u>250</u>	<u>260</u>				
Household (furnishings, equipment and supplies)	<u>200</u>	<u>208</u>				
Transportation	<u>525</u>	<u>350</u>				
Food at home	<u>300</u>	<u>312</u>				
Insurance (life and other personal)	<u>125</u>	<u>125</u>				
Debts	<u>250</u>	<u>250</u>				
Income taxes (including tax on Social Security benefits)	<u>950</u>	<u>720</u>				
Taxation of Social Security Benefits		<u>393</u>				
Total Essential Monthly	\$ <u>3,993</u>	\$ <u>4,067</u>	\$	\$	\$	
Choose a compounded inflation factor:	3%	-	1.03	1.16	1.34	1.56
	4%	-	1.04	1.22	1.48	1.80
	5%	-	1.05	1.28	1.63	2.08

YOUR WORKSHEET

A) Monthly Income Need: Essential Expenses

Please fill in the amount of expenses you have now and expect to have in Year 1 and through the three stages of your retirement. Refer to pages 7-8 for examples of names of expense categories to use.

Essential Expenses

	Current Monthly Expenses	Year 1	Stage 1 Year ____	Stage 2 Year ____	Stage 3 Year ____
Name: _____	Age: _____				
Name: _____					
Years of retirement					
Housing (include property taxes)	\$	\$	\$	\$	\$
Utilities					
Health care (including Medical insurance)					
Household (furnishings, equipment and supplies)					
Transportation					
Food at home					
Insurance (life and other personal)					
Debts					
Income taxes (including tax on Social Security benefits)					
Total Essential Monthly	\$	\$	\$	\$	\$
Choose a compound inflation factor:					
3%	—	1.03	1.16	1.34	1.56
4%	—	1.04	1.22	1.48	1.80
5%	—	1.05	1.28	1.63	2.08

B) Monthly Discretionary Expenses

Please fill in the amount of expenses you have now and expect to have in Year 1 and through the three stages of your retirement. Refer to pages 7-8 for examples of names of expense categories to use.

Discretionary Expenses

	Current Monthly Expenses	Year 1	Stage 1 Year <u>5</u>	Stage 2 Year <u>10</u>	Stage 3 Year <u>15</u>
Name: <u>Linda</u>	Age: <u>55</u>	<u>57</u>			
Name: <u>Dave</u>	Age: <u>67</u>	<u>69</u>			
Years of retirement	<u>-</u>	<u>1</u>			
Meals out	\$ <u>300</u>	\$ <u>260</u>	\$	\$	\$
Clothing	<u>250</u>	<u>175</u>			
Entertainment (recreation, books, etc.)	<u>300</u>	<u>400</u>			
Personal care (products and services)	<u>100</u>	<u>200</u>			
Professional services	<u>75</u>	<u>-</u>			
Charitable giving	<u>300</u>	<u>250</u>			
Gifts					
<u>529 Plans</u>	<u>425</u>	<u>425</u>			
<u>Hobbies</u>	<u>250</u>	<u>380</u>			
<u>Savings (403(b), other)</u>	<u>850</u>	<u>370</u>			
Total Discretionary Monthly Expenses	\$ <u>2,850</u>	\$ <u>2,460</u>	\$	\$	\$
MONTHLY ESSENTIAL AND DISCRETIONARY EXPENSE TOTALS	\$ <u>6,843</u>	\$ <u>6,527</u>	\$	\$	\$
ANNUAL EXPENSE TOTALS	\$ <u>82,116</u>	\$ <u>78,322</u>	\$	\$	\$

YOUR WORKSHEET

B) Monthly Discretionary Expenses

Please fill in the amount of expenses you have now and expect to have in Year 1 and through the three stages of your retirement. Refer to pages 7-8 for examples of names of expense categories to use.

Discretionary Expenses

	Current Monthly Expenses	Year 1	Stage 1 Year ____	Stage 2 Year ____	Stage 3 Year ____
Name: _____	Age: _____				
Name: _____	Age: _____				
Years of retirement					
Meals out	\$	\$	\$	\$	\$
Clothing					
Entertainment (recreation, books, etc.)					
Personal care (products and services)					
Professional services					
Charitable giving					
Gifts					
Total Discretionary Monthly Expenses	\$	\$	\$	\$	\$
MONTHLY ESSENTIAL AND DISCRETIONARY EXPENSE TOTALS	\$	\$	\$	\$	\$
ANNUAL EXPENSE TOTALS	\$	\$	\$	\$	\$

C) Essential Income Gap (A)

Please fill in the following sources of retirement income you are receiving in the current year and expect to receive in year 1 and through the three stages of your retirement.

Lifetime Resources

	Current Monthly Income	Year 1	Stage 1 Year <u>5</u>	Stage 2 Year <u>10</u>	Stage 3 Year <u>15</u>
Name: <u>Linda</u>	Age: <u>55</u>	<u>57</u>			
Name: <u>Dave</u>	Age: <u>67</u>	<u>69</u>			
Years of retirement	<u>-</u>	<u>1</u>			
Pension (ex. OPERS) <u>Linda</u>	\$ <u>-</u>	\$ <u>1,234</u>	\$	\$	\$
Social Security <u>Linda</u>	<u>-</u>	<u>-</u>			
Social Security <u>Dave</u>	<u>1,800</u>	<u>1,854</u>			
Fixed Annuities					
Variable Annuities					
Veterans Benefits					
Long-Term Bonds					
Rental Income					
Loss: Taxation of Social Security Benefit					
Subtotal Monthly Lifetime Income	\$ <u>1,800</u>	\$ <u>3,088</u>	\$	\$	\$
Less: Essential Monthly Expenses	\$ <u>3,993</u>	\$ <u>4,067</u>	\$	\$	\$
Lifetime Income Gap (A)	\$ <u>-2,193</u>	\$ <u>-979</u>	\$	\$	\$

C) Essential Income Gap (A)

Please fill in the following sources of retirement income you are receiving in the current year and expect to receive in year 1 and through the three stages of your retirement.

Discretionary Expenses

	Current Monthly Expenses	Year 1	Stage 1 Year ____	Stage 2 Year ____	Stage 3 Year ____
Name: _____	Age: _____				
Name: _____	Age: _____				
Years of retirement					
Pension (ex. OPERS)	\$	\$	\$	\$	\$
Social Security					
Social Security					
Fixed Annuities					
Variable Annuities					
Veterans Benefits					
Long-Term Bonds					
Rental Income					
Loss: Taxation of Social Security Benefit					
Subtotal Monthly Lifetime Income	\$	\$	\$	\$	\$
Less: Essential Monthly Expenses	\$	\$	\$	\$	\$
Lifetime Income Gap (A)	\$	\$	\$	\$	\$

D) Discretionary Income Gap (B)

Please fill in the following sources of retirement income you are receiving in the current year and expect to receive in year 1 and through the three stages of your retirement.

Managed Resources

	Current Value	Current Monthly Income	Year 1	Stage 1 Year <u>5</u>	Stage 2 Year <u>10</u>	Stage 3 Year <u>15</u>
Name: <u>Linda</u>		Age: <u>55</u>	<u>57</u>			
Name: <u>Dave</u>		Age: <u>67</u>	<u>69</u>			
Years of retirement		<u>-</u>	<u>1</u>			
Employee Savings Plan	\$	\$	\$	\$	\$	\$
Traditional IRA <u>Dave</u>	\$ <u>180,000</u>					
Roth IRA	<u>-</u>					
Brokerage Account	<u>-</u>					
Other Savings SRP <u>Linda</u>	<u>41,200</u>					
Life Insurance Cash Value						
Home Equity						
Employment Income <u>Linda</u>		<u>2,840</u>	<u>1,050</u>			
Employment Income <u>Dave</u>		<u>3,000</u>	<u>2,000</u>			
Interest & Dividends						
Asset Total:	\$ <u>221,200</u>					
SUBTOTAL Managed Resources Income		\$ <u>5,840</u>	\$ <u>3,050</u>	\$	\$	\$
Less: Discretionary expenses		\$ <u>2,850</u>	\$ <u>2,460</u>	\$	\$	\$
Discretionary Income Gap (B)		\$ <u>+2,990</u>	\$ <u>+590</u>	\$	\$	\$
Total Gaps (A) and (B)		\$ <u>+797</u>	\$ <u>-389</u>	\$	\$	\$
Total Gap per Year		\$ <u>+9,564</u>	\$ <u>-4,668</u>	\$	\$	\$

D) Discretionary Income Gap (B)

Please fill in the following sources of retirement income you are receiving in the current year and expect to receive in year 1 and through the three stages of your retirement.

Managed Resources

	Current Value	Current Monthly Income	Year 1	Stage 1 Year ____	Stage 2 Year ____	Stage 3 Year ____
Name: _____		Age: _____				
Name: _____		Age: _____				
Years of retirement						
Employee Savings Plan	\$	\$	\$	\$	\$	\$
Traditional IRA						
Roth IRA						
Brokerage Account						
Other Savings SRP						
Life Insurance Cash Value						
Home Equity						
Employment Income						
Employment Income						
Interest & Dividends						
Asset Total:	\$					
SUBTOTAL Managed Resources Income		\$	\$	\$	\$	\$
Less: Discretionary expenses		\$	\$	\$	\$	\$
Discretionary Income Gap (B)		\$	\$	\$	\$	\$
Total Gaps (A) and (B)		\$	\$	\$	\$	\$
Total Gap per Year		\$	\$	\$	\$	\$

Step 3: Identify Which of the Following Risks are of Special Concern

Risk	Self	Spouse
1) Longevity Risks:		
a. outliving resources		
b. death of spouse		
2) Inflation Risks:		
a. healthcare		
b. food		
c. home value		
d. college		
e. other		
3) Health and Long-term Care Risks		
a. expected and unexpected health and long-term care expenses		
b. loss of ability to live independently		
c. changing housing needs		
d. lack of available facilities or caregivers		
4) Investing Risks		
a. stock market reluctance		
b. declining interest income		
c. negative point-in-time		

Step 4: Identify Options for Closing Gaps Between Your Income and Expenses

A) Evaluate your income gaps. How long might your savings last if you retire today?

Assuming your investment returns were exactly offset by inflation and taxes throughout your retirement, how long might your savings last?

Current value of retirement savings

\$ 221,200 (1)

Forecasted annual essential income gap (A) plus annual discretionary gap (B) for year _____.

\$ 17,650 (2)

(Year 5 for Lincolns – see page 31)

Divide Line 1 by Line 2 for number of years your savings might last. Do you think you might need your savings for longer than this?

12.5 (3) years

The lower the number of years your savings might last as of right now, the more options below you will need to use to close gap(s).

B) Prioritize which method(s) to use to close your income gaps

Priority	Use to Fill:	Essential Gap	Discretionary Gap
<u>1</u>	1. Increase the returns on your savings	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<input type="checkbox"/>	2. Delay drawing Social Security and pension	<input type="checkbox"/>	<input type="checkbox"/>
<u>3</u>	3. Add additional lifetime income	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	4. Save more	<input type="checkbox"/>	<input type="checkbox"/>
<u>5</u>	5. Spend less	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<u>2</u>	6. Work part-time or full-time in retirement	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<u>4</u>	7. Access home equity if needed	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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Step 4: Identify Options for Closing Gaps Between Your Income and Expenses

A. Evaluate your income gaps. How long might your savings last if you retire today?

Assuming your investment returns were exactly offset by inflation and taxes throughout your retirement, how long might your savings last?

Current value of retirement savings

\$_____ (1)

Forecasted annual essential income gap (A) plus annual discretionary gap (B) for year _____.

\$_____ (2)

Divide Line 1 by Line 2 for number of years your savings might last. Do you think you might need your savings for longer than this?

_____ (3) years

The lower the number of years your savings might last as of right now, the more options below you will need to use to close gap(s).

B. Prioritize which method(s) to use to close your income gaps

Priority	Use to Fill:	Essential Gap	Discretionary Gap
<input type="checkbox"/>	1. Increase the returns on your savings	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	2. Delay drawing Social Security and pension	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	3. Add additional lifetime income	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	4. Save more	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	5. Spend less	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	6. Work part-time or full-time in retirement	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	7. Access home equity if needed	<input type="checkbox"/>	<input type="checkbox"/>

YOUR WORKSHEET

Step 5: Determine Your Retirement Income Plan

Read the statements and check the box next to the response that is most appropriate for you.

A. I plan to use the money invested in my retirement accounts (401(k), 457, 403 (b)) . . .

- ☐ 1. *Here and there, whenever I wish*, I want the freedom to change my income from year to year, depending on my needs and plans.
- ☐ 2. *To pay some of my daily living expenses but save some for extras*. I need a certain amount of regular income from invested assets, but I want the freedom to splurge when I want to.
- ☐ 3. *To pay the bulk of my daily living expenses regularly*. This will be a primary source of ongoing income for me.

B. With my wealth, I plan to . . .

- ☐ 1. *Pass on as much as I can*. I want to leave as much money and property as I can for my beneficiaries and/or charities.
- ☐ 2. *Spend what I want and pass on the remainder*. I want a certain level of guaranteed income but the flexibility to spend or pass on the rest.
- ☐ 3. *Spend it all during my lifetime*. I want to use my money for my needs and wants in my golden years. My family and friends are OK financially.

C. When it comes to managing my investments, I want . . .

- ☐ 1. *To have total control of my money*. I'll be responsible for managing it throughout all of my retirement.
- ☐ 2. *Someone to provide me with some help*. I still want some say in how my money is invested, but also want to have help in managing my money.
- ☐ 3. *A financial company to guarantee me income for life*. The company can worry about how to invest my money and make it last not me.

D. Having a guaranteed lifetime income is . . .

- ☐ 1. *Not a high priority*. I have more than enough resources for my needs. I'm more interested in growing my wealth for beneficiaries
- ☐ 2. *Somewhat important, along with creating a legacy*. I want a certain level of regular income. But I want to leave something for family members and charities as well.
- ☐ 3. *Essential*. I want to know I have a regular "pay-check" no matter how long I live in retirement.

Now add up your numbers!

Uses the space provided to write down the number next to the statements you selected.

Add up your
numbers to
get your total
score.

TOTAL 

A. _____
B. _____
C. _____
D. _____

Now that you know your score, look below to find out which income distribution option on the following page might meet your needs.

If your score is 4-6 You may want to consider **Systematic/Partial Withdrawal** options when converting resources into income.

If your score is 7-9 You may want to consider combining **Lifetime Income** and **Systematic/Partial Withdrawal** options.

If your score is 10-12 You may want to consider **Lifetime Income** options.

Note: A more detailed analysis might suggest different strategies

Retirement Income Distribution Options

Systematic/ Partial Withdrawal	4-6	Leave your retirement accounts invested and withdraw a fixed dollar amount or a fixed percentage on a regular basis (monthly, quarterly, semi-annually or annually). In addition to regular withdrawals, you can also withdraw any dollar amount whenever you wish.	Your beneficiary may choose to withdraw the remaining balance all at once or continue to receive payments until the account balance is depleted.	You can change how much you withdraw each year, and you have the flexibility to make “big” withdrawals for special needs. But since your income isn’t guaranteed for life, you could run out of money before you die. If you’re a “spender,” stay away from this option.
Combining Lifetime/ Long-term income with Systematic/ Partial Withdrawal	7-9	Convert a portion of your retirement accounts to an immediate annuity, to provide the desired amount of lifetime/long-term income (such as to cover your essential living expenses). Leave the remaining retirement assets invested and withdraw any additional amounts when needed or on a regular schedule	Your beneficiary may choose to withdraw the remaining balance from the systematic/partial withdrawal accounts or continue to receive payments until the account balance is depleted. Depending on the Payout Option chosen (see next page), your beneficiary may receive some income from your annuity.	A certain amount of your income is guaranteed for life, while you retain control over the rest of your retirement account assets. You are choosing less certainty/more opportunity than total lifetime/long-term income but more certainty/less opportunity than systematic/partial withdrawal.
Lifetime/ Long-term Income	10-12	Convert your retirement accounts to an immediate annuity by purchasing a fixed or variable immediate annuity. The amount of your income is determined by the Payout Option you choose (described on the next page), your age, your beneficiary’s age, and current interest rates or expected market returns.	You can guarantee your beneficiary(s) a certain amount of income for a certain time period or even for their lifetime. Alternatively, you can totally eliminate your beneficiaries from receiving any income at all, if you so choose.	Your income is guaranteed for life. If you are a “spender,” this option will help keep you from overspending. You give up control over how much and when you can take withdrawals. You also limit or eliminate the amount of money you can pass on to your beneficiaries. With “fixed” lifetime/long-term income, you’ll get a set dollar amount regularly; but inflation will make this money worth less and less in the future. With “variable” lifetime/long-term income, you have a better chance of maintaining your standard of living over time; but your income will vary from period to period.

Step 5 (continued)

A) Identify Your Appropriate Annuity Payout Option(s)

To determine which annuity payout option might best meet your needs, read the description below and check the box next to the one that is most appropriate to you.

☐ I want the most income I can get for as long as I live.

No one else depends on me financially. When I die, whether it's in 20 days or 20 years, nothing will be left for any beneficiaries.



You've chosen a **Single Life** option.

I also want to take **Systematic/Partial Withdrawal payments**.

☐ Yes ☐ No

☐ I want income for life with at least a certain number of payments.

I know I'll have income for as long as I live. If I die before receiving all of my payments, my beneficiaries are guaranteed to receive the rest.



You've chosen a **Life Annuity with Guaranteed Payments** option.

I also want to take **Systematic/Partial Withdrawal payments**.

☐ Yes ☐ No

☐ I want income for a certain number of years.

Instead of lifetime/long-term income, I know I'll only receive payments for a set number of years. But if I die before I've received all my payments, my beneficiaries are guaranteed to receive the rest.



You've chosen a **Period Certain** option.

I also want to take **Systematic/Partial Withdrawal payments**.

☐ Yes ☐ No

I want to receive income for _____ number of years.

☐ I want income for as long as my beneficiary and I live.

I know we will have guaranteed income as long as we live, even if one of us dies. But once we pass away, there will be nothing left for any other beneficiaries.



You've chosen a **Joint & Survivor** option.

I also want to take **Systematic/Partial Withdrawal payments**.

☐ Yes ☐ No

Intended Beneficiaries:

Age:

Spouse Name: _____

Children or Others: _____

Charities: _____

Step 5 (continued)

B) Taxable Capital Gains Planning and Opportunities

Begin planning the most tax-efficient way to create income in retirement.

1) First circle your marginal tax rate to be aware of your marginal tax bracket upper limit. You need to watch this carefully when withdrawing money from tax-deferred accounts so that you do not boost your income into the next higher marginal federal tax bracket and incur additional income taxes unnecessarily.

2012 Ordinary Income Tax Rate	Single Taxable Income	Joint Taxable Income	Long-Term Capital Gain Rate
10%	Up to \$8,700	Up to \$17,400	0% ¹
15%	... \$35,350	... \$70,700	0%
25%	... \$85,650	... \$142,700	15% ²
28%	... \$178,650	... \$217,450	15%
33%	... \$388,350	... \$388,350	15%
35%	... \$388,351+	... \$388,351+	15%

¹0% rate expires 12/31/2012. ²15% rate expires 12/31/2012. Long-term = more than one year.

2) Record the names of any taxable assets you have where you have a gain over what you paid. If in case additional withdrawals from your tax-deferred accounts might boost you into the next higher federal income tax bracket, you might be better off withdrawing money from your taxable assets instead to avoid paying unnecessary federal income taxes.

Assets with Current Capital Gains	Purch. Date	Current Value	Cost Basis	Est. Gain
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Step 5 (continued)

C) Plan for First RMD or Risk 50% Penalty

Use the following worksheet to keep track of when, where and how much you need to begin required minimum distributions from your tax-deferred accounts

- Line 1: Record the date you (and your spouse) will turn age 70½.
- Line 2: Record the names of any tax-deferred savings accounts you have that you will need to take minimum distributions from the year you turn 70½.
- Line 3: If you are younger than age 70½, write in 27.4 as the first year's RMD factor.
- Line 4: If you are currently older than 70½, please see the table on the next page for the factor to determine your required minimum distribution for the current year.

Tax Deferred Plans	Self	Tax Deferred Plans	Spouse
1. Required beginning date (RBD):	_____	1. Required beginning date (RBD):	_____
2. Retirement accounts that will require minimum distributions:	12/31/____ balances	2. Retirement accounts that will require minimum distributions:	12/31/____ balances
a. _____	\$ _____	a. _____	\$ _____
b. _____	\$ _____	b. _____	\$ _____
c. _____	\$ _____	c. _____	\$ _____
TOTAL:	\$ _____	TOTAL:	\$ _____
3. RMD factor from page 25.	_____	3. RMD factor from page 25.	_____
4. If you are 70½ or older required minimum distribution for this year (total dollars in (2) divided by RMD factor (3))	\$ _____	4. If you are 70½ or older required minimum distribution for this year (total dollars in (2) divided by RMD factor (3))	\$ _____

Calculating Required Minimum Distributions

The Uniform Lifetime Table determines the distribution period for lifetime distributions to a retiree for an individual account. This table is used by all to calculate RMDs during their lifetime.

Taxpayer's Age	Lifetime Expectancy	Taxpayer's Age	Lifetime Expectancy
10	86.2	63	33.9
11	85.2	64	33.0
12	84.2	65	32.0
13	83.2	66	31.1
14	82.2	67	30.2
15	81.2	68	29.2
16	80.2	69	28.3
17	79.2	70	27.4
18	78.2	71	26.5
19	77.3	72	25.6
20	76.3	73	24.7
21	75.3	74	23.8
22	74.3	75	22.9
23	73.3	76	22.0
24	72.3	77	21.2
25	71.3	78	20.3
26	70.3	79	19.5
27	69.3	80	18.7
28	68.3	81	17.9
29	67.3	82	17.1
30	66.3	83	16.3
31	65.3	84	15.5
32	64.3	85	14.8
33	63.3	86	14.1
34	62.3	87	13.4
35	61.4	88	12.7
36	60.4	89	12.0
37	59.4	90	11.4
38	58.4	91	10.8
39	57.4	92	10.2
40	56.4	93	9.6
41	55.4	94	9.1
42	54.4	95	8.6
43	53.4	96	8.1
44	52.4	97	7.6
45	51.5	98	7.1
46	50.5	99	6.7
47	49.5	100	6.3
48	48.5	101	5.9
49	47.5	102	5.5
50	46.5	103	5.2
51	45.5	104	4.9
52	44.6	105	4.5
53	43.6	106	4.2
54	42.6	107	3.9
55	41.6	108	3.7
56	40.7	109	3.4
57	39.7	110	3.1
58	38.7	111	2.9
59	37.8	112	2.6
60	36.8	113	2.4
61	35.8	114	2.1
62	34.9	115	1.9

Step 5 (continued)

D) Estimate of Taxation of Social Security Benefits

Year 1 Year 5

1. Add your AGI and tax-exempt income.

60,000 40,000

2. Enter half your annual Social Security benefits (if married filing jointly, enter half of your combined benefits).

11,100 17,730

3. Enter total of lines 1 & 2

71,000 57,730

*If the total of line 3 is less than \$25,000 and you are unmarried**, or less than \$32,000 and you are married filing jointly, none of your Social Security benefits are taxable. If you are married, filing separately and live with your spouse, go to line 8.*

4. If the total of line 3 is greater than the figures above, subtract \$25,000. If you are unmarried** and \$32,000 if you are married filing jointly and enter amount.

39,100 25,730

5. Divide line 4 by one-half and enter amount.

19,550 12,865

6. Enter the smaller of line 2 or line 5.

11,100 12,865

*If the figure on line 3 is less than \$34,000 and you are unmarried** or less than \$44,000 and you are married filing jointly, the figure on line 6 is the Social Security benefits subject to taxation and stop here. Otherwise, go on to line 7.*

$\times .25$ $\times .25$
 $= \$2,775/\text{yr}$ $= \$3,216/\text{yr}$
 or $\$231/\text{mo.}$ or $\$268/\text{mo.}$

7. Compare the figure on line 6 with \$4,500 if you are unmarried** or \$6,000 if you are married filing jointly and enter the smaller amount.

6,000 6,000

8. Take the figure on line 3 and subtract \$34,000 if you are unmarried**, \$44,000 if married filing jointly and nothing if you are married, filing separately and live with your spouse. Enter this amount.

27,100 13,730

9. Multiply line 8 by 0.85 and enter amount

23,035 11,671

10. Enter the sum of figures on lines 7 and 9.

29,035 17,671

11. Multiply your annual Social Security Benefits (combined benefits if married filing jointly) by 0.85 and enter amount.

18,870 33,497

The smaller of the figures on lines 10 and 11 is the amount of your Social Security benefits subject to taxation.

$\times .25$ $\times .25$
 $= \$4,717/\text{yr}$ $= \$8,374/\text{yr}$
 or $\$393/\text{mo.}$ or $\$698/\text{mo.}$

*The worksheet is for estimate purposes only. Consult a tax advisor for actual determination of Social Security benefits taxation.

** Also includes head of household filing separately and living apart from spouse.

YOUR WORKSHEET

D) Estimate of Taxation of Social Security Benefits

Year 1 Year 5

1. Add your AGI and tax-exempt income.

--	--

2. Enter half your annual Social Security benefits (if married filing jointly, enter half of your combined benefits).

--	--

3. Enter total of lines 1 & 2

--	--

*If the total of line 3 is less than \$25,000 and you are unmarried**, or less than \$32,000 and you are married filing jointly, none of your Social Security benefits are taxable. If you are married, filing separately and live with your spouse, go to line 8.*

4. If the total of line 3 is greater than the figures above, subtract \$25,000. If you are unmarried** and \$32,000 if you are married filing jointly and enter amount.

--	--

5. Divide line 4 by one-half and enter amount.

--	--

6. Enter the smaller of line 2 or line 5.

--	--

*If the figure on line 3 is less than \$34,000 and you are unmarried** or less than \$44,000 and you are married filing jointly, the figure on line 6 is the Social Security benefits subject to taxation and stop here. Otherwise, go on to line 7.*

7. Compare the figure on line 6 with \$4,500 if you are unmarried** or \$6,000 if you are married filing jointly and enter the smaller amount.

--	--

8. Take the figure on line 3 and subtract \$34,000 if you are unmarried**, \$44,000 if married filing jointly and nothing if you are married, filing separately and live with your spouse. Enter this amount.

--	--

9. Multiply line 8 by 0.85 and enter amount

--	--

10. Enter the sum of figures on lines 7 and 9.

--	--

11. Multiply your annual Social Security Benefits (combined benefits if married filing jointly) by 0.85 and enter amount.

--	--

The smaller of the figures on lines 10 and 11 is the amount of your Social Security benefits subject to taxation.

*The worksheet is for estimate purposes only. Consult a tax advisor for actual determination of Social Security benefits taxation.

** Also includes head of household filing separately and living apart from spouse.

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Case Study and Blank Worksheets

By

INTERNATIONAL
RETIREMENT
RESOURCE CENTER



The Int'l Retirement Resource Center does not provide tax advice, estate planning or legal advice. Please contact a tax or legal advisor regarding your individual circumstances before making an investment decision.

A) Monthly Income Need: Essential Expenses

Please fill in the amount of expenses you have now and expect to have in Year 1 and through the three stages of your retirement. Refer to pages 7-8 for examples of names of expense categories to use.

Essential Expenses

	Current Monthly Expenses	Year 1	Stage 1 Year <u>5</u>	Stage 2 Year <u>10</u>	Stage 3 Year <u>15</u>
Name: <u>Linda</u>	Age: <u>55</u>	<u>57</u>	<u>62</u>	<u>67</u>	<u>72</u>
Name: <u>Dave</u>	Age: <u>67</u>	<u>69</u>	<u>74</u>	<u>-</u>	<u>-</u>
Years of retirement	<u>-</u>	<u>1</u>	<u>5</u>	<u>10</u>	<u>15</u>
Housing (include property taxes)	\$ <u>1,168</u>	\$ <u>1,215</u>	\$ <u>1,236</u>	\$ <u>800</u>	\$ <u>900</u>
Utilities	<u>225</u>	<u>234</u>	<u>285</u>	<u>346</u>	<u>421</u>
Health care (including Medical insurance)	<u>250</u>	<u>260</u>	<u>405</u>	<u>561</u>	<u>684</u>
Household (furnishings, equipment and supplies)	<u>200</u>	<u>208</u>	<u>250</u>	<u>308</u>	<u>375</u>
Transportation	<u>525</u>	<u>350</u>	<u>277</u>	<u>280</u>	<u>342</u>
Food at home	<u>300</u>	<u>312</u>	<u>396</u>	<u>371</u>	<u>453</u>
Insurance (life and other personal)	<u>125</u>	<u>125</u>	<u>125</u>	<u>50</u>	<u>50</u>
Debts	<u>250</u>	<u>250</u>	<u>250</u>	<u>100</u>	<u>100</u>
Income taxes (including tax on Social Security benefits)	<u>950</u>	<u>720</u>	<u>606</u>	<u>662</u>	<u>807</u>
Taxation of Social Security Benefits		<u>393</u>	<u>698</u>	<u>568</u>	<u>692</u>
Total Essential Monthly	\$ <u>3,993</u>	\$ <u>4,067</u>	\$ <u>4,531</u>	\$ <u>4,046</u>	\$ <u>4,824</u>
Choose a compounded inflation factor:	3%	<u>-</u>	<u>1.03</u>	<u>1.16</u>	<u>1.56</u>
	4%	<u>-</u>	<u>1.04</u>	<u>1.22</u>	<u>1.80</u>
	5%	<u>-</u>	<u>1.05</u>	<u>1.28</u>	<u>2.08</u>

A) Monthly Income Need: Essential Expenses

Please fill in the amount of expenses you have now and expect to have in Year 1 and through the three stages of your retirement. Refer to pages 7-8 for examples of names of expense categories to use.

Essential Expenses

	Current Monthly Expenses	Year 1	Stage 1 Year ____	Stage 2 Year ____	Stage 3 Year ____
Name: _____	Age: _____				
Name: _____					
Years of retirement					
Housing (include property taxes)	\$	\$	\$	\$	\$
Utilities					
Health care (including Medical insurance)					
Household (furnishings, equipment and supplies)					
Transportation					
Food at home					
Insurance (life and other personal)					
Debts					
Income taxes (including tax on Social Security benefits)					
Total Essential Monthly	\$	\$	\$	\$	\$
Choose a compound inflation factor:					
3%	—	1.03	1.16	1.34	1.56
4%	—	1.04	1.22	1.48	1.80
5%	—	1.05	1.28	1.63	2.08

B) Monthly Discretionary Expenses

Please fill in the amount of expenses you have now and expect to have in Year 1 and through the three stages of your retirement. Refer to pages 7-8 for examples of names of expense categories to use.

Discretionary Expenses

	Current Monthly Expenses	Year 1	Stage 1 Year <u>5</u>	Stage 2 Year <u>10</u>	Stage 3 Year <u>15</u>
Name: <u>Linda</u>	Age: <u>55</u>	<u>57</u>	<u>62</u>	<u>67</u>	<u>72</u>
Name: <u>Dave</u>	Age: <u>67</u>	<u>69</u>	<u>74</u>	<u>-</u>	<u>-</u>
Years of retirement	<u>-</u>	<u>1</u>	<u>5</u>	<u>10</u>	<u>15</u>
Meals out	\$ <u>300</u>	\$ <u>260</u>	\$ <u>320</u>	\$ <u>300</u>	\$ <u>360</u>
Clothing	<u>250</u>	<u>175</u>	<u>150</u>	<u>100</u>	<u>125</u>
Entertainment (recreation, books, etc.)	<u>300</u>	<u>400</u>	<u>365</u>	<u>444</u>	<u>540</u>
Personal care (products and services)	<u>100</u>	<u>200</u>	<u>243</u>	<u>198</u>	<u>180</u>
Professional services	<u>75</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Charitable giving	<u>300</u>	<u>250</u>	<u>150</u>	<u>150</u>	<u>150</u>
Gifts					
<u>529 Plans</u>	<u>425</u>	<u>425</u>	<u>300</u>	<u>300</u>	<u>0</u>
<u>Hobbies</u>	<u>250</u>	<u>380</u>	<u>400</u>	<u>200</u>	<u>200</u>
<u>Savings (403(b), other)</u>	<u>850</u>	<u>370</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Discretionary Monthly Expenses	\$ <u>2,850</u>	\$ <u>2,460</u>	\$ <u>1,928</u>	\$ <u>1,642</u>	\$ <u>1,555</u>
MONTHLY ESSENTIAL AND DISCRETIONARY EXPENSE TOTALS	\$ <u>6,843</u>	\$ <u>6,527</u>	\$ <u>6,459</u>	\$ <u>5,688</u>	\$ <u>6,379</u>
ANNUAL EXPENSE TOTALS	\$ <u>82,116</u>	\$ <u>78,322</u>	\$ <u>77,507</u>	\$ <u>68,260</u>	\$ <u>76,553</u>

B) Monthly Discretionary Expenses

Please fill in the amount of expenses you have now and expect to have in Year 1 and through the three stages of your retirement. Refer to pages 7-8 for examples of names of expense categories to use.

Discretionary Expenses

	Current Monthly Expenses	Year 1	Stage 1 Year ____	Stage 2 Year ____	Stage 3 Year ____
Name: _____	Age: _____				
Name: _____	Age: _____				
Years of retirement					
Meals out	\$	\$	\$	\$	\$
Clothing					
Entertainment (recreation, books, etc.)					
Personal care (products and services)					
Professional services					
Charitable giving					
Gifts					
Total Discretionary Monthly Expenses	\$	\$	\$	\$	\$
MONTHLY ESSENTIAL AND DISCRETIONARY EXPENSE TOTALS	\$	\$	\$	\$	\$
ANNUAL EXPENSE TOTALS	\$	\$	\$	\$	\$

C) Essential Income Gap (A)

Please fill in the following sources of retirement income you are receiving in the current year and expect to receive in year 1 and through the three stages of your retirement.

Lifetime Resources

	Current Monthly Income	Year 1	Stage 1 Year <u>5</u>	Stage 2 Year <u>10</u>	Stage 3 Year <u>15</u>
Name: <u>Linda</u> Age: <u>55</u>		<u>57</u>	<u>62</u>	<u>67</u>	<u>72</u>
Name: <u>Dave</u> Age: <u>67</u>		<u>69</u>	<u>74</u>	<u>-</u>	<u>-</u>
Years of retirement	<u>-</u>	<u>1</u>	<u>5</u>	<u>10</u>	<u>15</u>
Pension (ex. OPERS) <u>Linda</u>	\$ <u>-</u>	\$ <u>1,234</u>	\$ <u>1,383</u>	\$ <u>1,596</u>	\$ <u>1,841</u>
Social Security <u>Linda</u>	<u>-</u>	<u>-</u>	<u>1,095</u>	<u>2,419</u>	<u>2,804</u>
Social Security <u>Dave</u>	<u>1,800</u>	<u>1,854</u>	<u>2,087</u>	<u>0</u>	<u>0</u>
Fixed Annuities					
Variable Annuities					
Veterans Benefits					
Long-Term Bonds					
Rental Income					
Loss: Taxation of Social Security Benefit					
Subtotal Monthly Lifetime Income	\$ <u>1,800</u>	\$ <u>3,088</u>	\$ <u>4,565</u>	\$ <u>4,015</u>	\$ <u>4,645</u>
Less: Essential Monthly Expenses	\$ <u>3,993</u>	\$ <u>4,067</u>	\$ <u>4,531</u>	\$ <u>4,046</u>	\$ <u>4,824</u>
Lifetime Income Gap (A)	\$ <u>-2,193</u>	\$ <u>-979</u>	\$ <u>+34</u>	\$ <u>-31</u>	\$ <u>-179</u>

C) Essential Income Gap (A)

Please fill in the following sources of retirement income you are receiving in the current year and expect to receive in year 1 and through the three stages of your retirement.

Discretionary Expenses

	Current Monthly Expenses	Year 1	Stage 1 Year ____	Stage 2 Year ____	Stage 3 Year ____
Name: _____	Age: _____				
Name: _____	Age: _____				
Years of retirement					
Pension (ex. OPERS)	\$	\$	\$	\$	\$
Social Security					
Social Security					
Fixed Annuities					
Variable Annuities					
Veterans Benefits					
Long-Term Bonds					
Rental Income					
Loss: Taxation of Social Security Benefit					
Subtotal Monthly Lifetime Income	\$	\$	\$	\$	\$
Less: Essential Monthly Expenses	\$	\$	\$	\$	\$
Lifetime Income Gap (A)	\$	\$	\$	\$	\$

D) Discretionary Income Gap (B)

Please fill in the following sources of retirement income you are receiving in the current year and expect to receive in year 1 and through the three stages of your retirement.

Managed Resources

	Current Value	Current Monthly Income	Year 1	Stage 1 Year <u>5</u>	Stage 2 Year <u>10</u>	Stage 3 Year <u>15</u>
Name: <u>Linda</u>		Age: <u>55</u>	<u>57</u>	<u>62</u>	<u>67</u>	<u>72</u>
Name: <u>Dave</u>		Age: <u>67</u>	<u>69</u>	<u>74</u>	<u>-</u>	<u>-</u>
Years of retirement		<u>-</u>	<u>1</u>	<u>5</u>	<u>10</u>	<u>15</u>
Employee Savings Plan	\$	\$	\$	\$	\$	\$
Traditional IRA <u>Dave</u>	\$ <u>180,000</u>			<u>423 (RMD)</u>		<u>586</u>
Roth IRA	<u>-</u>					<u>↑</u>
Brokerage Account	<u>-</u>				<u>\$180,000 ÷ 25.6</u>	
Other Savings SRP <u>Linda</u>	<u>41,200</u>				<u>(RMD factor for age 72) divided by 12 months</u>	
Life Insurance Cash Value						
Home Equity						
Employment Income <u>Linda</u>		<u>2,840</u>	<u>1,050</u>			
Employment Income <u>Dave</u>		<u>3,000</u>	<u>2,000</u>			
Interest & Dividends						
Asset Total:	\$ <u>221,200</u>					
SUBTOTAL Managed Resources Income		\$ <u>5,840</u>	\$ <u>3,050</u>	\$ <u>423</u>	\$ <u>0</u>	\$ <u>586</u>
Less: Discretionary expenses		\$ <u>2,850</u>	\$ <u>2,460</u>	\$ <u>1,928</u>	\$ <u>1,642</u>	\$ <u>1,555</u>
Discretionary Income Gap (B)		\$ <u>+2,990</u>	\$ <u>+590</u>	\$ <u>-1,505</u>	\$ <u>-1,642</u>	\$ <u>-969</u>
Total Gaps (A) and (B)		\$ <u>+797</u>	\$ <u>-389</u>	\$ <u>-1,471</u>	\$ <u>-1,673</u>	\$ <u>-1,148</u>
Total Gap per Year		\$ <u>+9,564</u>	\$ <u>-4,668</u>	\$ <u>-17,652</u>	\$ <u>-20,076</u>	\$ <u>-13,776</u>

D) Discretionary Income Gap (B)

Please fill in the following sources of retirement income you are receiving in the current year and expect to receive in year 1 and through the three stages of your retirement.

Managed Resources

	Current Value	Current Monthly Income	Year 1	Stage 1 Year ____	Stage 2 Year ____	Stage 3 Year ____
Name: _____		Age: _____				
Name: _____		Age: _____				
Years of retirement						
Employee Savings Plan	\$	\$	\$	\$	\$	\$
Traditional IRA						
Roth IRA						
Brokerage Account						
Other Savings SRP						
Life Insurance Cash Value						
Home Equity						
Employment Income						
Employment Income						
Interest & Dividends						
Asset Total:	\$					
SUBTOTAL Managed Resources Income		\$	\$	\$	\$	\$
Less: Discretionary expenses		\$	\$	\$	\$	\$
Discretionary Income Gap (B)		\$	\$	\$	\$	\$
Total Gaps (A) and (B)		\$	\$	\$	\$	\$
Total Gap per Year		\$	\$	\$	\$	\$

Helpful Free Resources

Retirement Plan Information

1. **OPERS**, Retirement program info, www.opers.ok.gov, 405-858-6737, (800-733-9008 outside local calling area)
2. **SoonerSave**, SoonerSave info, www.soonersave.com, 405-858-6737 (800-733-9008 outside local calling area)
3. **Social Security Administration**, Retirement benefit info, www.ssa.gov, 800-772-1213
4. **Department of Labor**, Retirement plan info, www.dol.gov/dol/topic/retirement/index.htm, 866-487-2365

Money Resources

1. **Federal Government Financial Literacy and Education Commission (FLEC)**, Financial planning info, www.mymoney.gov, 1-888-mymoney
2. **Department of Labor**, Retirement planning info, www.dol.gov/ebsa/publications/nearretirement.html
3. **AARP**, Financial and retirement planning info, www.aarp.org
4. **Financial Planning Association**, Financial and retirement planning info, www.fpaforfinancialplanning.org
5. **Int'l Retirement Resource Center**, Retirement income and financial planning info, www.retirement-resource-center.com/retirement-readiness/consumers-and-employees
6. **American Savings Education Council**, Retirement saving info, www.choosetosave.org
7. **Securities & Exchange Commission**, Investing info, www.investor.gov, 888-732-6585
8. **National Endowment for Financial Education**, Money management info, www.myretirementpaycheck.org
9. **Financial Industry Regulatory Authority**, Investing and advisor validation info, www.finra.org, 800-289-9999
10. **Women's Institute for a Secure Retirement**, Retirement info for women, www.wiserwomen.org, 202-393-5452
11. **American Federation of State, County and Municipal Employees**, Guide to retirement, www.afscme.org/publications/1276.cfm, 202-429-1000
12. **Federal Trade Commission**, Consumer protection info, www.ftc.gov, 877-382-4357
13. **American Bar Association**, Estate planning info, www.abanet.org, 800-285-2221
14. **IRS**, Tax info, www.irs.gov, 800-829-1040

Health Resources

1. **AARP**, Healthy living tips for older Americans, www.aarp.org
2. **U.S. Department of Agriculture**, Dietary guidelines, www.mypyramid.gov
3. **Centers for Disease Control**, Healthy living info, www.cdc.gov, 800-232-4636
4. **SmallStep**, Health and well-being info, www.smallstep.gov
5. **Alliance for Aging Research**, Healthy aging info, www.agingresearch.org, 202-293-2856
6. **National Institute on Aging**, Aging research, www.nia.nih.gov, 800-222-2225
7. **Active Aging Partnership**, Physical activity info, www.agingblueprint.org
8. **National Council on Aging**, Improving lives of older Americans, www.ncoa.org, 202-479-1200
9. **Administration on Aging**, Aging services info, www.aoa.gov, 202-619-0724
10. **Medicare**, Medicare info, www.medicare.gov, 800-633-4227
11. **NIH Senior Health**, Health and wellness info, www.nihseniorhealth.gov

Happiness Resources

1. **AARP**, Staying engaged in retirement, www.aarp.org
2. **Encore**, Meaningful careers, www.encore.org
3. **HelpGuide.org**, Aging well & housing info, www.helpguide.org
4. **Civic Ventures**, Work after a primary career, www.civicventures.org, 415-430-0141
5. **National Older Worker Career Center**, Employment opportunities, www.nowcc.org
6. **Experience Works**, Training for older workers, www.experienceworks.org, 866-976-5939
7. **Senior Corps**, Volunteer opportunities for seniors, www.seniorcorps.gov, 800-424-8867

What You Need to Know About Managing Your Retirement Income

Making retirement decisions in the new retirement environment

Bright Ideas Action Plan

Ideas and thoughts I want to capture and act upon after this program

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins or other markings on the paper.