

Planning for Retirement

Presented by

Stacey Braun Associates, Inc.

Provider of the I.U.O.E. Local 94
Financial Counseling Benefit





Planning for Retirement





Planning for Retirement

- Defining Retirement
- Cash Flow
- Pension
- Social Security
- Investments/Annuity
- Taxation
- Insurance
- Estate
- Financial Assistance



Define Retirement Goals

- ❑ Age at Retirement?
- ❑ Where will you live?
- ❑ What debt will you have?
- ❑ What will you do? (Travel, Hobbies, etc.)
- ❑ What will your lifestyle be?



Retirement Expenses

- ❑ If you want to maintain the same standard of living:

Current “take home” pay each month

- Expenses that will no longer exist

+ New retirement expenses

+ New taxes

+ Inflation

= What you need each month

- ❑ Understand your spending habits and develop a budget



Retirement Income

- + Pension
- + Social Security
- + Other Employment
- = Total Income
- Less amount needed (Step 1)
- = Deficit or Surplus*



* Will need to withdraw from retirement savings



Sources of Retirement Income

- Pension
- Social Security
- Annuity Fund
- Other Accounts



Pension

Obtain an estimate from the Central Pension Fund

Types

- ❑ Single Life (60 payments guaranteed)
- ❑ Joint (options - 50%, 66 2/3%, 100%)

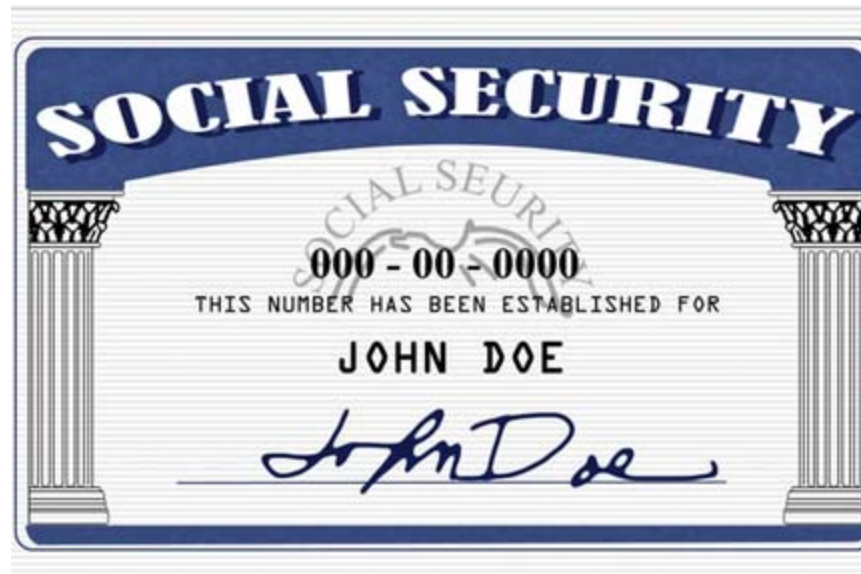
Factors

- ❑ Assume worst case scenario
- ❑ Does spouse have a pension?
- ❑ Insure your pension?



Social Security

When?



Considerations to Starting Age

Working

- Are you actually retiring?
- Will you work, even part-time, before FRA?

Longevity

- How is your health?
- Is there an expectation of longevity?

Spouse

- Are you married?
- What is the age difference between spouses?
- Whose benefits can the spouse collect?



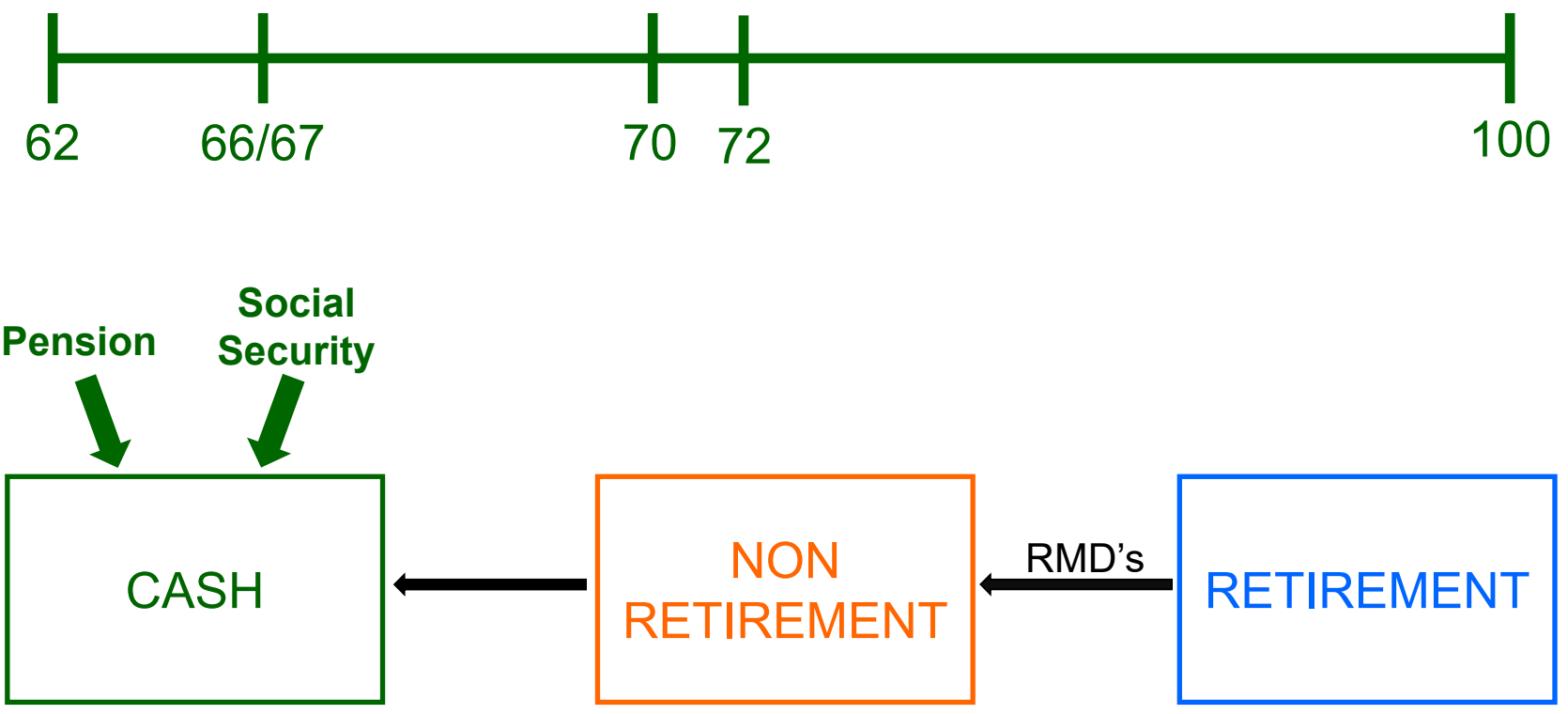


Retirement Accounts

- Annuity Account
- IRA Rollovers
- Roth IRAs



Retirement Timeline



Investments

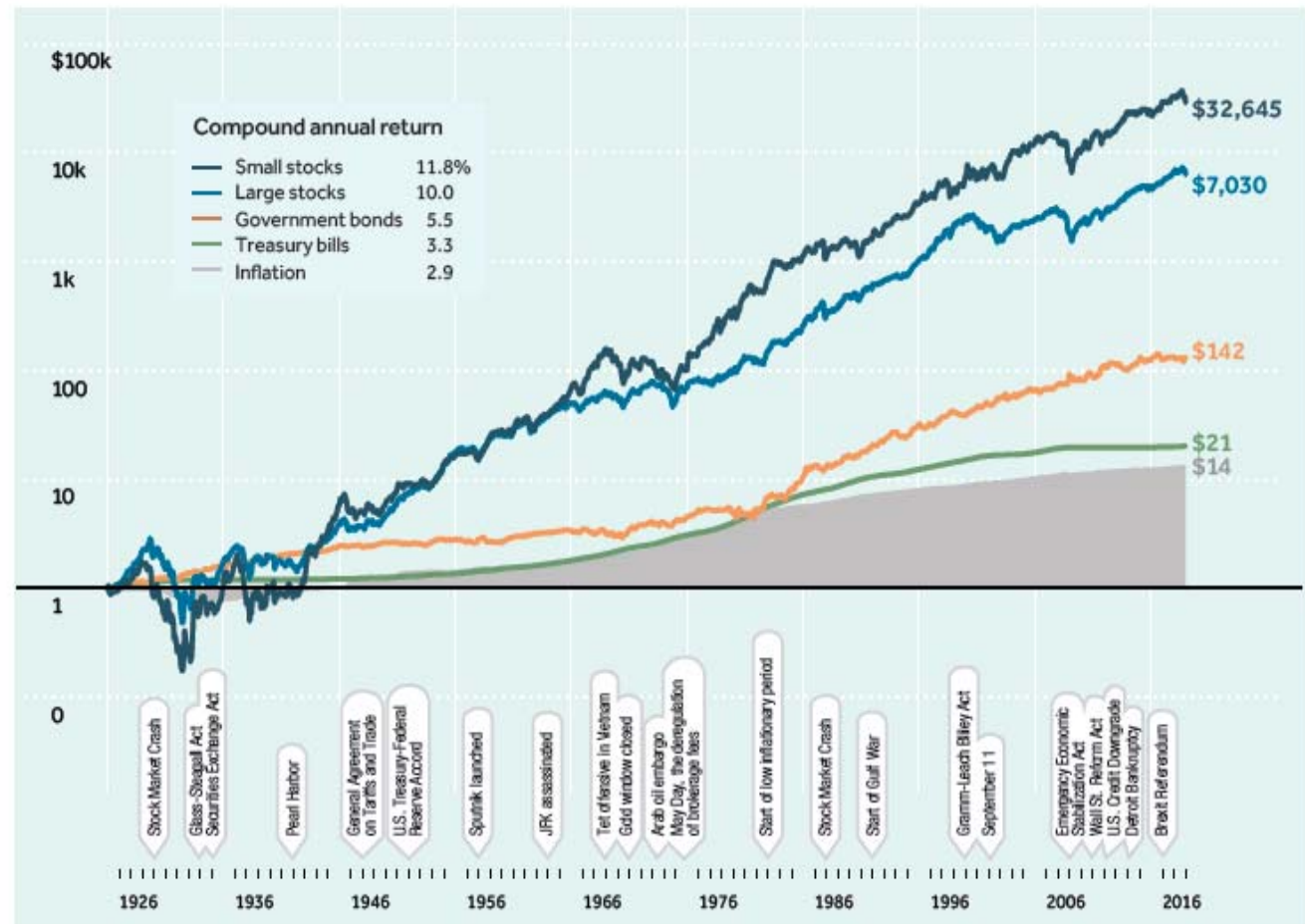
- ❑ Take a “Financial Snapshot”
- ❑ Stocks, bonds and cash
- ❑ The closer you are to needing the funds, the safer the funds should be
- ❑ Understand risk vs. reward
- ❑ Diversify



Stocks, Bonds, Bills, and Inflation 1926–2018

Why invest?

If you have financial goals, such as a secure retirement or paying for a college education, investing makes sense. As you can see here in the growth of \$1 over the past 93 years, small-cap stocks, large-cap stocks, government bonds, and Treasury bills should all have a place in a properly allocated long-term investment plan.



Past performance is no guarantee of future results.

Hypothetical value of \$1 invested at the beginning of 1926. Assumes reinvestment of income and no transaction costs or taxes. This is for illustrative purposes only and not indicative of any investment. An investment cannot be made directly into an index.
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Taxation



- ❑ Pension: Fully taxable at Federal level. First \$20,000 of retirement income is tax free at State level (NY) and up to \$80,000 in NJ (if income requirements are met)
- ❑ Social Security: Not taxed by NY or NJ. Up to 85% will be taxed at Federal level.
- ❑ Retirement Accounts: Fully taxable at Federal level. Taxed above the NY and NJ exclusions.
- ❑ Required Minimum Distributions: Required at age 72 from your retirement accounts.



States and Taxation



Alaska	Pennsylvania
Florida	South Dakota
Illinois	Tennessee
Mississippi	Texas
Nevada	Washington
New Hampshire	Wyoming

All expenses need to be considered – Cost of Living, Property taxes, etc.



Insurance

- Life
- Long-Term Care





Estate Planning

- ❑ Wills
- ❑ Health Care Proxies/Living Wills/Power of Attorney
- ❑ Trusts/TOD Accounts
- ❑ Check Beneficiaries





Financial Assistance

- ❑ Financial Counseling Benefit – Stacey Braun Associates
- ❑ Hiring a Professional
- ❑ Fees vs. Commission
- ❑ Designations and Fiduciary Responsibility



Roadblocks to Financial Success

- *No goals*
- *Lack of understanding*
- *Debt*
- *Poor investment choices*
- *Inflation*
- *Taxation*
- *Procrastination*





Helpful Hints



- ❑ Set Goals
- ❑ Take a Financial Snapshot
- ❑ Know your monthly expenses
- ❑ Make sure debt is under control or paid off
- ❑ Ensure assets are invested according to a plan
- ❑ Obtain your pension projection
- ❑ Obtain your social security benefit projection
- ❑ Meet with a financial counselor (Stacey Braun)
- ❑ Protect your assets (insurance, estate documents, etc)
- ❑ Make sure affairs are in order (estate docs, beneficiaries, etc.)

Call to Schedule your FREE consultation!

1-888-949-1925