Benefits of Delaying Retirement

- ☐ Workers who delay retirement may earn more money, accumulate additional Social Security, and build wealth in employer-sponsored pensions.
- ☐ Working longer may extend retirement savings, by reducing the number of years over which Social Security, pensions and other wealth are spread.
- ☐ Delaying retirement by five years would enable individuals, on average, to increase annual retirement spending by 56 percent. [1]
- ☐ If all workers delayed retirement by five years, the additional Social Security taxes would offset more than half of the Social Security shortfall projected for 2045. [1]
- ☐ 75 percent of workers aged 50 and older expect to have retirement jobs in the future. [2]

1. The Urban Institute Aug. 2006 Fact Sheet.
2. Study by Families and Work Institute and the Sloan Center on Aging & Work

INVESTMENT CENTRE

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Phone (608) 846-4771
www.InvestmentCentre.us

Jennifer Homman & Erin Jones
Financial Advisors

Inquire about advice on other "Life Events" including:

- ☐ Marriage
- ☐ New Child
- ☐ New Wealth
- ☐ Job Change
- ☐ Divorce
- ☐ Family Loss

Retirement

Life is Full of Changes

Manage Your Finances in Retirement

☐ Create a regular stream of income.

- Determine a cash flow plan for retirement income.
- Adjust your asset allocation strategy for different stages of retirement.
- Understand the required minimum distributions (RMD) for your retirement plan to avoid penalty.

☐ Stay flexible with various investment choices to manage risk exposure to market fluctuations.

☐ Review your asset allocation and, if necessary, work with your advisor to rebalance your portfolio.

☐ Combine your cash flow planning with portfolio rebalancing.

- Remove the cash you need from your portfolio.
- Generate additional cash as you rebalance by selling asset classes that have appreciated the most.

☐ Periodically review your health and life insurance coverage as your needs may change.

☐ Keep your estate plan and documents up-to-date.

- Check beneficiary designations.
- Consider a gifting plan.
- Make sure accounts are titled appropriately.

☐ Have an Emergency Cash Account, just in case.

- Consider placing 2 to 4 years of spending needs in deferred annuities, CDs, or short-term bond funds.

If you need help reviewing your current plan documents, setting up a plan, or completing any of these tasks, set up an appointment for an Introductory Financial Planning Consultation with Jennifer Homman or Erin Jones.

Determine your Goals and Make your Move

Option 1: Consolidate your accounts through a rollover.

☐ If you want the continued tax-savings and growth of your assets, you can roll them into a tax-qualified plan with your advisor.

☐ Provides an opportunity to consolidate your retirement savings in one place.

☐ More opportunity for a wider range of investment choices.

☐ Greater control over your investments since you are no longer bound by plan rules.

Option 2: Keep your assets in your current plan upon retirement.

☐ If you're not sure which direction to take, you can leave the money where it is.

☐ By staying in your current plan, you continue to defer paying taxes on your before-tax savings.

☐ Your employer may automatically cash you out or do a forced rollover if your account balance is $5,000 or less.

Option 3: Cash out your Assets upon Retirement.

☐ Provides immediate access to your funds.

☐ May cause you to lose part of your assets to income taxes and possible penalties.

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