

TOP 5 Questions Your Employees Are Asking When They Are Nearing Retirement



Scott Higgins

AIF®, CFP®, CPFA® | Financial Advisor



Jeremy Heavey

AIF® | Financial Advisor



Rose Street Advisors

BENEFITS • HR CONSULTING • INVESTMENTS • LIFE INSURANCE • RETIREMENT

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Lessons from Alison Levine...



Vision To Reality

74%

of people have made
a serious effort to plan
financially for retirement



35%

of people have made
a serious effort to plan
emotionally for retirement



Outline

- 1.) What Questions are we asked by your employees as they are nearing retirement?
- 2.) How do we address it (at a high level)?
- 3.) What resources could **YOU** provide your employees nearing retirement?

1.) Do I Have Enough to Retire? When will I have enough?



RETIREMENT
PLANNING

Questions we ask:

- 1.) How much do you have saved? Where is it saved?
- 2.) How much are you planning on spending?
- 3.) How old are you?
- 4.) How long will you be living 😊?

1.) Do I Have Enough to Retire?

Retirement Income “Buckets”

Tax Line



Fully Taxed/Pre-Tax

- 401(k)/403(b)/457
- SIMPLE IRAs
- SEPs
- Keoghs
- Traditional IRAs
- Pensions



Partially Taxed

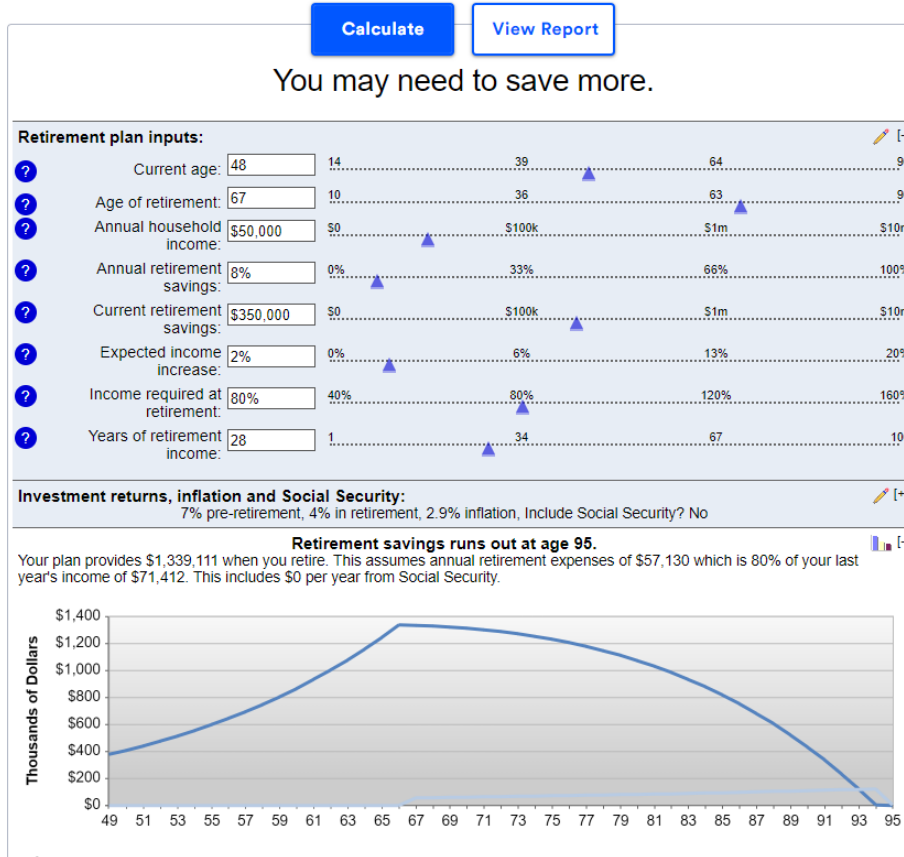
- Social Security
- Non-Retirement Accounts (brokerage)
- Trust Accounts



Not Taxed

- Roth 401(k)
- Roth IRAs
- LIRPs

1.) Do I Have Enough to Retire? *How can YOU resource?*



Source – bankrate.com

2.) How does Social Security Work? When should I take it?

How is it figured?

- based on your highest 35 years of earnings
- varies depending on how much you earn and when you choose to start benefits.

When Can SS be Taken?

Social Security can be taken at:

62-70 years old

-if not taken by 70, it will not increase beyond the amount given at 70

Can benefits be reduced?

-if taken prior to 67, benefits are reduced by \$1 for each \$2 earned above \$19,560.

Social Security Benefit by Filing Age

62	70%
63	75%
64	80%
65	86%
66	93%
67	100%
68	108%
69	116%
70	124%

Chart Assumes Age 67 is Full Retirement Age

2.) How does Social Security Work? How can YOU resource?

www.ssa.gov

The screenshot shows the Social Security Administration website. At the top is a dark blue header with the Social Security logo, the text "Social Security", and navigation links for "SEARCH", "MENU", "LANGUAGES", and "SIGN IN/UP". Below the header is a red banner with the text "What should I do if I get a call claiming there's a problem with my Social Security number or account?". The main content area features a large image of a couple looking at a laptop, labeled "Online Services". To the right are four smaller images: "Retirement" (an elderly couple), "Disability" (a woman with a child), "SSI" (two elderly women), and "Medicare" (an elderly couple). At the bottom are four circular icons with text: "my Social Security" (a hand clicking a button), "Social Security Number" (a Social Security card), "How to Get Help" (a blue circle with the word "help"), and "FAQs" (a blue circle with a question mark). The "my Social Security" section is circled in red.

Social Security

SEARCH MENU LANGUAGES SIGN IN/UP

What should I do if I get a call claiming there's a problem with my Social Security number or account?

Online Services

Retirement

Disability

SSI

Medicare

my Social Security
Check out your *Social Security Statement*, change your address & manage your benefits online today.

Social Security Number
Your Social Security number remains your first and continuous link with Social Security.

How to Get Help
Learn how to get help from Social Security.

FAQs
Get answers to frequently asked questions about Social Security.

3.) How is My Budget Going to Change?

Questions we ask:

- How is your lifestyle going to change?
- Are you planning on living in the same house?
- What are you going to do for Medical Insurance, -
Should I budget to spend 80% of my current living expenses

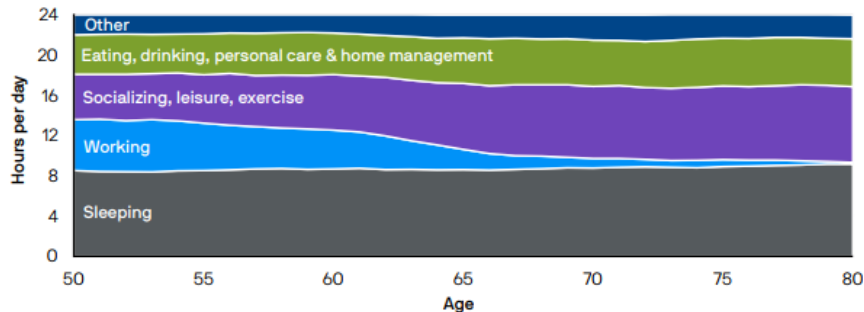
As of June 2022, 61% of Americans — roughly 157 million adults — lived paycheck to paycheck, according to a new [LendingClub report](#). That's up from 58% who reported living paycheck to paycheck in May.

3.) How is My Budget Going to Change?

Changes in lifestyle

GTR | 5

Daily hours spent by activity per age



Spend time planning your time

Retirement offers the gift of time to do the things that matter most to you.

While our happiest years may be in retirement, the transition isn't always a walk on the beach. Do your homework in advance to know what you are retiring to, not just what you are retiring from.

To make the most of your retirement years, be sure to prioritize what "PUSHES" you to age well.

An individual who "PUSHES" tends to age well:



Has a sense of Purpose



Uses time to work, help others, go to events and/or participate in activities



Socializes with friends & family; spends time with others



Practices Healthy behaviors



Experiences gratitude



Focuses on Strengths and abilities

Source (top chart): Bureau of Labor Statistics American Time Use Survey 2019, J.P. Morgan Asset Management analysis. Values include individuals who do and do not participate in the activities. Values are averaged across rolling five-year age groups. Each category includes time spent traveling to and from the activity if applicable.

Source (bottom chart): J.P. Morgan Asset Management analysis; PNAS.org, Vol 116, No. 4, Leading a Meaningful Life at Older Ages, January 22, 2019, Volume 8, Article 517226; Frontiers in Medicine, Fostering Well-being in the Elderly, April 2021, The Gerontologist Vol. 53, No. 6, 939-949; Perceptions of Successful Aging Among Diverse Elders with Late-Life Disability, December 11, 2012.

3.) How is My Budget Going to Change?

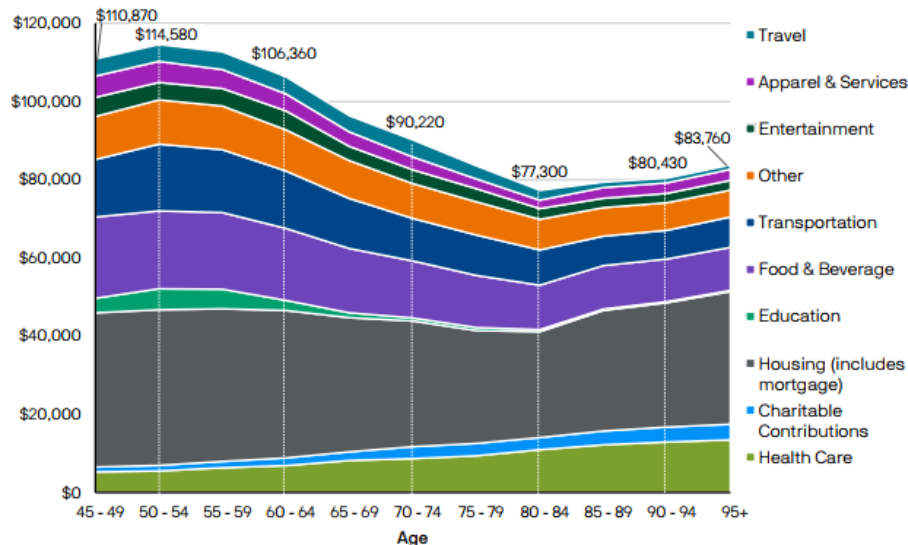
Changes in spending

GTR

24

Annual average household spending by age

Households with investable wealth of \$1m - \$3m



What to expect

Average spending is highest at midlife. Those at older ages tend to spend less on all categories except health care and charitable contributions.

Those who live to the oldest ages may have costs related to long-term care, which may increase health care and housing costs.

Source: J.P. Morgan Asset Management, based on internal select data from JPMorgan Chase Bank, N.A. and its affiliates (collectively "Chase") including select Chase check, credit and debit card, and electronic payment transactions from January 1, 2017 to December 31, 2019. Check and cash distribution: 2019 CE Survey, College Educated; J.P. Morgan Asset Management analysis. Information that would have allowed identification of specific customers was removed prior to the analysis. Other includes: tax payments, insurance, gambling, personal care and uncategorized items. Asset estimates for de-identified and aggregated households supplied by IxI/Equifax, Inc. Additional information on J.P. Morgan Asset Management's data privacy standards available at <https://am.jpmorgan.com/us/en/asset-management/mod/insights/retirement-insights/gtr-privdisc/>.

3.) How is My Budget Going to Change? *How can YOU resource?*

www.ynab.com

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JAN 2022

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Enter a note...

\$1,620.00

Ready to Assign

Assign

Category Group

Undo

Redo

Recent Moves

<input type="checkbox"/>	CATEGORY	ASSIGNED	ACTIVITY	AVAILABLE
<input type="checkbox"/>	▼ True Expenses	-\$420.00	\$0.00	\$0.00
<input type="checkbox"/>	Auto Maintenance	-\$420.00	\$0.00	\$0.00
<input type="checkbox"/>	Medical	\$0.00	\$0.00	\$0.00
<input type="checkbox"/>	Gifts	\$0.00	\$0.00	\$0.00
<input type="checkbox"/>	Clothing	\$0.00	\$0.00	\$0.00
<input type="checkbox"/>	▼ Partner 2 Expenses	\$0.00	\$0.00	\$0.00
<input type="checkbox"/>	🚗 Auto Maintenance - Civic	\$0.00	\$0.00	\$0.00
<input type="checkbox"/>	👗 Clothing	\$0.00	\$0.00	\$0.00
<input type="checkbox"/>	🏥 Medical	\$0.00	\$0.00	\$0.00
<input type="checkbox"/>	🛒 Costco Membership	\$0.00	\$0.00	\$0.00
<input type="checkbox"/>	🏃 Fitness	\$0.00	\$0.00	\$0.00

⚡ Auto-Assign

Underfunded

\$1,212.52

Assigned Last Month

\$0.00

Spent Last Month

\$0.00

Average Assigned

\$360.00

Average Spent

\$0.00

Reduce Overfunding

\$100.00

Reset Available Amounts

\$0.00

Reset Assigned Amounts

\$0.00

Available in January

\$1,380.00

Left Over from Last Month

\$1,800.00

Assigned in January

-\$420.00

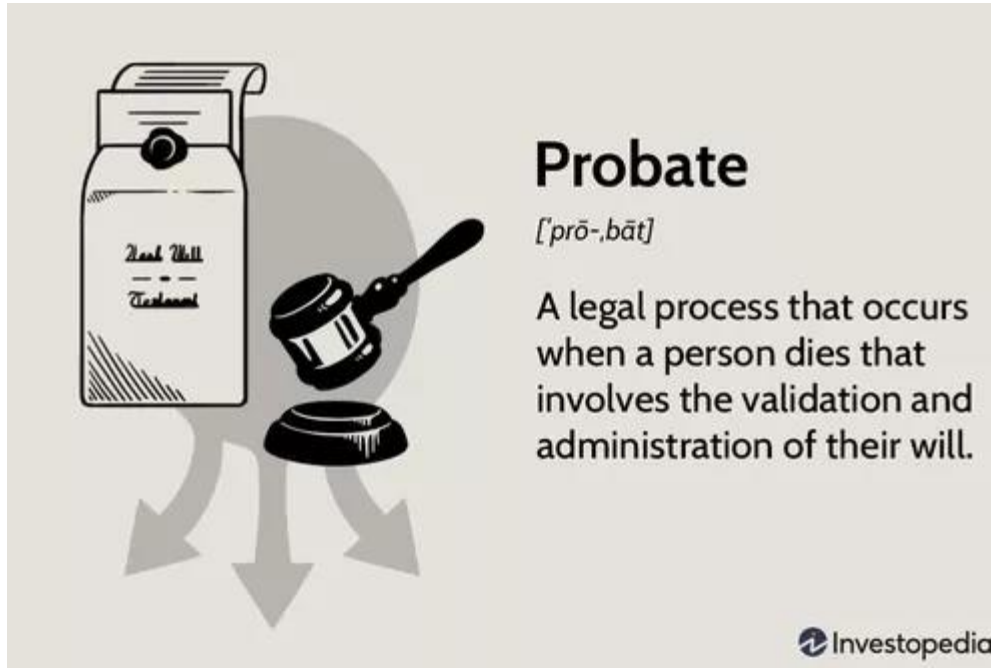
Activity

\$0.00

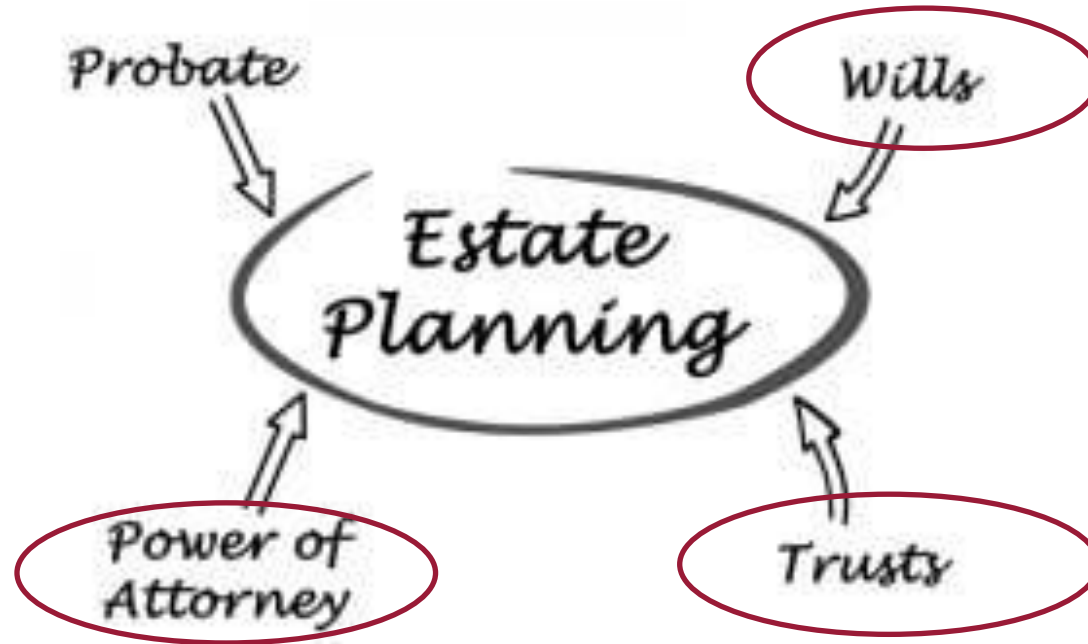
Source – youneedabudget.com

4.) What happens to my assets when I die?

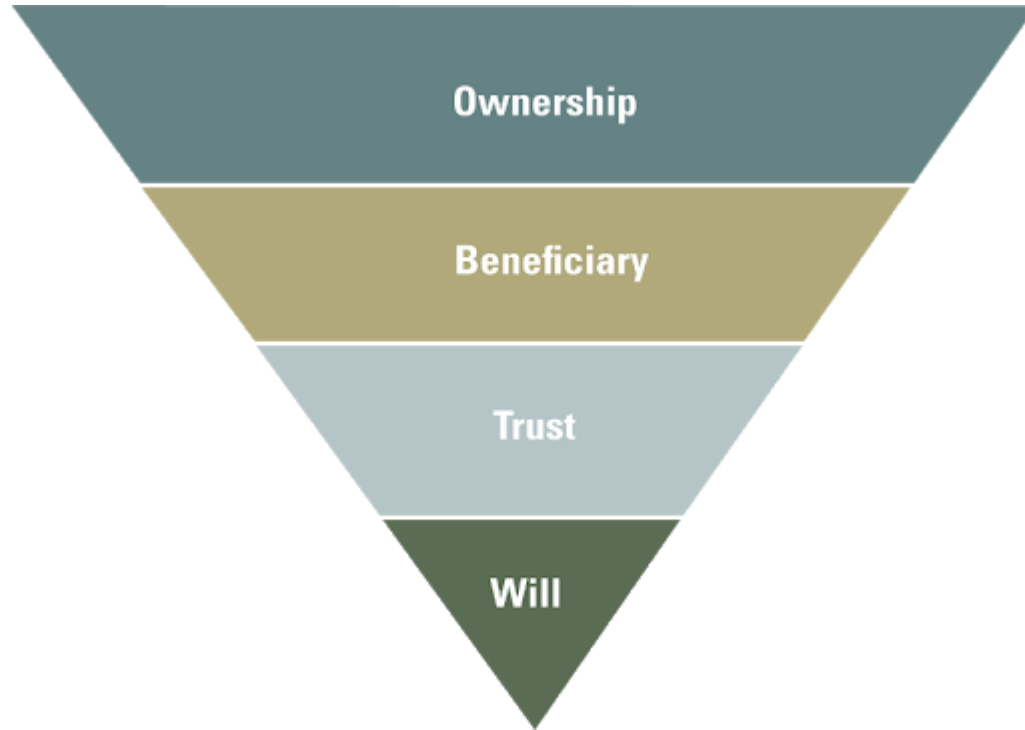
ESTATE
PLANNING



4.) What happens to my assets when I die?



4.) What happens to my assets when I die?



4.) What happens to my assets when I die? How can YOU resource?

Introduction to attorney who
specializes in estate planning



5.) What am I retiring **TO**? It's Not All About A "Number"



WHO



WHAT



WHERE



WHEN



WHY

5.) What am I retiring to? It's Not All About A "Number" How can YOU resource?

Hand out "Visualize Retirement"
Workbook from T.RowePrice



Q & A

THANK YOU!!!!



Scott Higgins
AIF®, CFP®, CPFA®
Financial Advisor

shiggins@rosetreetadvisors.com



Jeremy Heavey
AIF®

Financial Advisor

jheavey@rosetreetadvisors.com

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