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## 5 STEPS TO RETIREMENT

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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 upkeep, 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 cost you! You could leave up to \$200,000 or more on the table. The Social Security Administration cannot advise you. Take advantage of advanced software available to financial professionals to help narrow down the best 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.

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(864) 297-0762  
CALL THE OFFICE TODAY.  
CONSULTATIONS AND CALCULATIONS  
ARE ALWAYS COMPLIMENTARY.

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## 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			
UMBRELLA INSURANCE			
LIFE INSURANCE			
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			
SAVINGS			
CHARITABLE CONTRIBUTIONS			
SUPPORT OF OTHERS			
TAXES			
ATM WITHDRAWALS/POCKET CASH			
OTHER:			
<b>TOTAL ANNUAL:</b>		<b>TOTAL MONTHLY:</b>	

ADD ANNUAL AND MONTHLY EXPENSES X 12 FOR TOTAL ANNUAL EXPENSES.

## STEP 2: ASSESS ACCOUNTS 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	
	\$
	\$

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	
	\$
	\$

**TOTAL ASSETS:**  
(TOTAL OF ALL ACCOUNTS ABOVE)

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(TOTAL OF ALL ACCOUNTS ABOVE)

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

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

**TOTAL LIABILITIES:**

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**ASSETS AVAILABLE FOR RETIREMENT INCOME:**  
(TOTAL ASSETS – TOTAL LIABILITIES)

**ASSETS AVAILABLE FOR RETIREMENT INCOME:**  
(TOTAL ASSETS – TOTAL LIABILITIES)

**TOTAL HOUSEHOLD ASSETS:**  
(ADD COLUMN TOTALS)

### 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 to the best 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 will need to 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.

INCOME CALCULATIONS	
<b>EXPENSES – KNOWN INCOME = ADDITIONAL INCOME NEEDED</b>	
TOTAL ANNUAL EXPENSES: (FROM STEP ONE)	<input type="text"/>
TOTAL KNOWN INCOME: - (FROM THIS STEP)	<input type="text"/>
_____	
ESTIMATE OF ADDITIONAL INCOME NEEDED:	<input type="text"/>

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!



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*If you would like assistance completing these worksheets or would like to set up a formal plan with an advisor, please call our office for a complimentary consultation.*

**OFFICE:** (864) 297-0762

**FAX:** (864) 527-3153

**WEB:** [www.NorthStar65.com](http://www.NorthStar65.com)