MetLife

Retirewise®

A financial education workshop series

Welcome!

By attending the award-winning Retirewise workshop series, you are taking the right steps to be financially secure now and into retirement. Each session builds on one another and takes you through the different stages of financial and retirement planning. From investment basics and budgeting to tax strategies and estate planning, there's something for everyone, regardless of your identity, age or your career stage.

At the end of the series, we hope you'll feel:

- More informed about personal finance and retirement planning
- Better prepared to make financial decisions
- Confident, in control, and ready to take action

Get your questions answered

This workbook includes important activities and concepts that are covered in your Retirewise workshops. During the program, you will have the opportunity to ask any questions and hear from your colleagues. You can also sign up for a free personal consultation with the presenter or a member of their team. It is part of the financial education program offered by your employer.

We know your time is valuable, and thank you for participating in the Retirewise workshop series.

Go with an award winning program

THE AMERICAN BUSINESS AWARDS · AVA DIGITAL AWARDS · The Pensions&Investments Eddy Awards · HERMES CREATIVE AWARDS · MEA SUMMIT MARKETING EFFECTIVENESS AWARD · MFEA STAR awards · 2019 MARCOM GOLD WINNER

1

Building the Foundation

Learn about retirement and financial basics including budgeting, compounding, inflation and the importance of tax diversification.

2

Creating and Managing Wealth

Introduction to the principles of investing with investment risk and strategies.

3

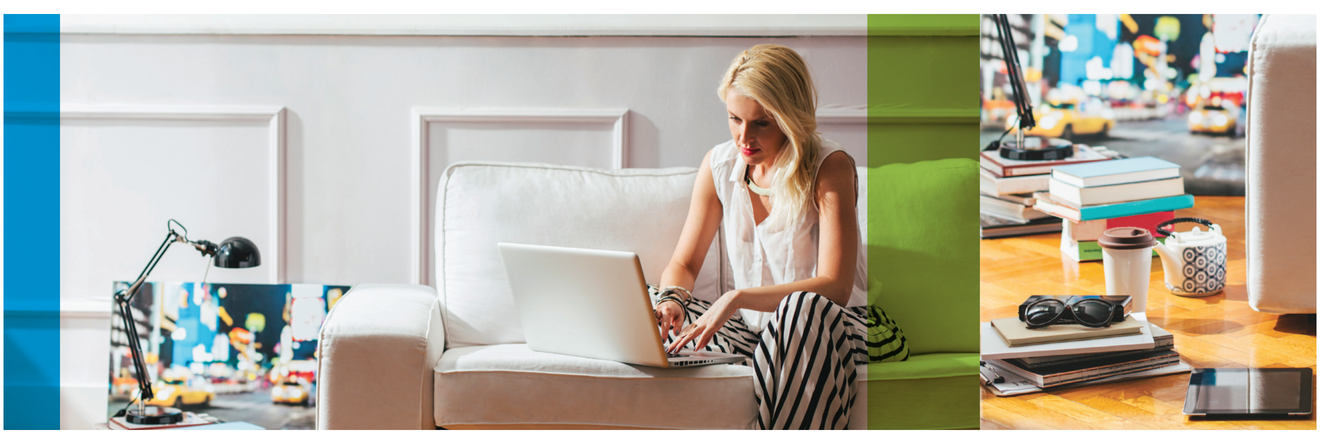
Establishing Your Retirement Income Stream

Find out how to structure a retirement income stream to address your retirement wants and needs, examine risks, and plan how to manage assets to help provide lifelong income.

4

Making the Most of What You Have

Review your employer's benefits, estate planning needs, and government programs to understand how they may fit into your own plan.



1

Building the Foundation

This session sets the stage for the "why" and "how" of the financial and retirement planning process. We'll talk about money, but also about what your ideal retirement might look like and what you need to think about to get you there.

Please note: Throughout our workshop series we use the term spouse/partner to reflect the various domestic arrangements individuals may have. Federal and tax legislation may vary based on your particular arrangement.

My financial checkup checklist

It's never too early or late to start checking off these tasks that can lead to your financial success. Even if you have planned, it is essential to review this checklist often, so you are more prepared to make important decisions as your lifestyle and financial circumstances change.

Building the Foundation

- ☐ Create a budget and understand monthly expenses categorized as "needs" and "wants"
- ☐ Know my marginal tax bracket and if a pre-tax or after-tax retirement plan contribution is best for me
- ☐ Max out my 401(k) or 403(b) contributions, or at least enough to get the company match
- ☐ Use the "Rule of 72" to help understand the power of compounding in my savings efforts
- ☐ Determine if Roth accounts and an HSA (if available) fit into my plan
- ☐ Understand the meaning and importance of tax diversification

Creating and Managing Wealth

- ☐ Get a basic idea of how big my retirement savings will have to be by using the "Rule of 25"
- ☐ Complete a risk tolerance assessment to help identify an asset allocation that reflects my investment objectives
- ☐ Review my investments regularly to make sure they are well diversified

Establishing Your Retirement Income Stream

- ☐ Review my Social Security statement regularly and understand how to maximize benefits
- ☐ Think about how my expenses will change in retirement
- ☐ Determine my dependable retirement income sources and what percent will be guaranteed

Making the Most of What You Have

- ☐ Ensure that all my beneficiary designations are correct, especially on life insurance, 401(k)s, 403(b)s, and IRAs, since named beneficiary(ies) supersede a will
- ☐ Determine how much life and disability income insurance I need
- ☐ Take the time to look at additional benefits offered by my employer
- ☐ Prepare the five basic elements of an estate plan

How to find money for your emergency fund

An emergency fund is essential to a solid financial plan to help with unplanned expenses and save you from a bad situation. For many, it's challenging to create, but here are some ways to get started.

Get paid

- Treat reimbursements from your Flexible Spending Account (FSA) and Dependent-Care FSA as a windfall – the money has already been spent.
- Use MissingMoney.com to search for unclaimed property held in state treasury departments.
- Get a no-fee credit card that pays points that can convert to cash, but make sure you pay off the balance in full.
- Increase your tax withholding from your paycheck which will generally result in a larger tax refund, unless you owe taxes at the end of the year.

Spend less

- Manage debt payments – never pay less than the minimum but if they are manageable, consider 50% toward extra debt payments and 50% towards emergency fund.
- Refinance your mortgage and other loans (auto, personal or student) if you can obtain a lower rate and the savings justify it.

Save more

- Build up your Health Savings Account (HSA) if you have one and pay for regular out-of-pocket healthcare expenses with other money.
- Increase deductibles on your auto and homeowners policies and eliminate collision coverage on older cars to lower your premiums.*
- Don't spend your raise.

*This is not insurance advice and you should consult with your insurance professional as to your specific insurance needs

Budget Worksheet

Use this budget worksheet to help you track your current and future spending, dividing it into "needs" and "wants." Once you have a better idea of your spending habits, you can make adjustments to reach your goals.

	Current		Next Milestone (wedding, vacation, car, tuition)	Retirement	
	Needs	Wants		Needs	Wants
Income					
Salary after deductions					
Spouse/partner salary after deductions					
Other income (pension, alimony)					
Total income:	0	0	0	0	0
Housing and Related Expenses					
Mortgage, rent					
Real estate association, maintenance fees					
Property taxes					
Home, renter's insurance					
Utilities (heat, gas, electric, water, sewer, garbage, cable, Internet, phone)					
Home maintenance/repairs					
Other housing expenses					
Total housing expenses:	0	0	0	0	0
Transportation					
Car payments					
Car insurance					
Gas, parking, rideshare, tolls					
Other car-related expenses (repairs)					
Total transportation:	0	0	0	0	0
Medical Expenses and Insurance Premiums					
Medical and dental (copays, prescriptions)					
Eye care (exams, glasses, contacts)					
Life insurance					
Long-term care insurance					
Disability income insurance					
Other medical expenses					
Total medical expenses:	0	0	0	0	0

	Current		Next Milestone (wedding, vacation, car, tuition)	Retirement	
	Needs	Wants		Needs	Wants
Savings					
Emergency fund					
Short-term savings and investments					
Long-term savings and investments					
Retirement plan contributions (other than 401(k))					
Additional 401(k) contributions					
Other savings					
Total savings:	0	0	0	0	0
Debt					
Credit cards					
Loans (personal, student)					
Extra loan payments					
Other debt					
Total debt:	0	0	0	0	0
Flexible Spending					
Childcare					
Education					
Groceries					
Restaurants and take-out					
Entertainment					
Clothing					
Vacation					
Gifts					
Personal care (beauty, gym, hobbies)					
Charitable contributions					
Monthly subscription services (Amazon, Netflix, Spotify)					
Other flexible spending					
Total flexible spending:	0	0	0	0	0
Total expenses:	0	0	0	0	0
Budget result:	0	0	0	0	0

Get to know your credit score

Virtually all lenders use your credit score as a factor when you apply for credit. Whether you are applying for a credit card, a mortgage, a car loan, or refinancing your student loans, your score will matter.

How scores are calculated

- **Payment history**
- **Amounts owed on credit and debt**
- **Length of credit history**
- **Type of credit used**
- **New credit**

Aim for 740 or higher

Your FICO* credit score can range from 300 to 850 and can influence what credit is available to you, how much interest you'll pay, and even how much you pay for utilities and car insurance.

Credit Score	Rating	% of people	Impact
300-579	Poor	16%	Applicants may be required to pay a fee or deposit or may not be approved for credit at all.
580-669	Fair	17%	Scores in this range are considered to be subprime borrowers.
670-739	Good	21%	Only 8% of applicants in this score range are likely to become seriously delinquent in the future.
740-799	Very Good	25%	Applicants with scores in this range are likely to receive better than average rates from lenders.
800-850	Exceptional	21%	Scores in this range put applicants at the top of the list for the best rates from lenders.

*The most widely used credit scores are FICO Scores created by Fair Isaac Corporation.
Experian, "740 Credit Score: Is it Good or Bad?", Last accessed March 9, 2023

Check your score

You are entitled to one free credit report every 12 months from each of the three reporting agencies – Experian, TransUnion or Equifax. You can order your credit report online from **annualcreditreport.com** or by calling **877-322-8228.** After you get your report always check it for accuracy – especially if you are a victim of identity theft, trying to repair credit, or applying for a major loan.

Factors that affect your credit score

- The longer a credit account has been open and in good standing, the better it reflects on your credit score.
- A home loan has a more positive impact on your credit score than a credit account with some financing companies.
- The number of times you apply for credit because frequent credit applications may lower your score.

Improve your score

Once you know your score and have your credit reports in hand, there are steps you can take to improve your credit score.

- Make all your loan and credit card payments on time and for the appropriate amount. Even one late payment can affect your score.
- Avoid carrying large balances on your credit cards and stay below 30% of your maximum borrowing limit.
- Paying off or even reducing your debt will generally improve your score within a few months.

Feed the meter: A $35 expired-meter ticket can turn into a $500 problem that could hurt your credit history for years. Some cities contact a collection agency when a parking ticket is not paid on time.

Envision your retirement checklist

Some see retirement as a new chapter in their lives – whether it is to start a new career, travel, or spend more time with family and friends. But many of us retire with no goals or planning. Without first envisioning your retirement, you can be thrown into a new life that may leave you anxious and unfulfilled. However, if you spend some time envisioning an ideal retirement, you may be better prepared for this new chapter of your life. Here are some things to think about.

- [ ] **Create your retirement bucket list**

  Take time to decide what's on your list, when, who, and how you will do them so you can plan your time and budget accordingly.

- [ ] **List five things you want to accomplish in retirement**

  Answering this question could take time and might lead you to create a list of your life goals which may be very different from your bucket list.

- [ ] **Start to think about where you want to live**

  It's best to be flexible and consider affordable options that fit your lifestyle and budget.

- [ ] **Try to anticipate spending**

  Take the time to consider all your current areas of spending and how they will change and impact your life in retirement, including increased healthcare expenses.

- [ ] **Expand your social circle**

  You'll have more free time in retirement to meet new people. You can do this through volunteering, joining a book club, playing in a Pickleball league, or attending community events.

- [ ] **Map out your travel plans**

  Think about how much it will cost, whom you want to travel with, and what you would like to do while traveling.

- [ ] **Consider working part-time**

  If you want to keep working after your formal retirement, think about if you're going to pursue something in your current profession or try something new.

Remember: For many, a gap may exist between what retirees say they want to do with their time vs. what they do.

Meet your match — literally

When it comes to retirement planning the very first place you should start is with your employer plan, if available. At the very minimum, try to take advantage of the match/any match your employer provides on contributions to your 401(k) or other retirement plan.

How does the employer 401(k) match work?

($50,000	x	3%)	x	50%	=	$750
salary		salary contribution		company match		employer contribution

This employee has earned a 50% return ($750) on a $1,500 contribution.

In this example: Company match is 50% of employee salary contribution up to a maximum of 3%. For every $1 put into the 401(k), this employer will put in 50¢ up to a maximum of 3% of the annual salary. If the annual salary is $50,000, 3% of that salary is $1,500. If the employee contributes $1,500, this employer will add another $750.

This example is hypothetical and for illustrative purposes only.

Here is how to find out your employer contribution

($________	x	___%)	x	____%	=	$ 0
Your salary		Your salary contribution		Your company match		Your employer contribution

Leverage the power of 1%

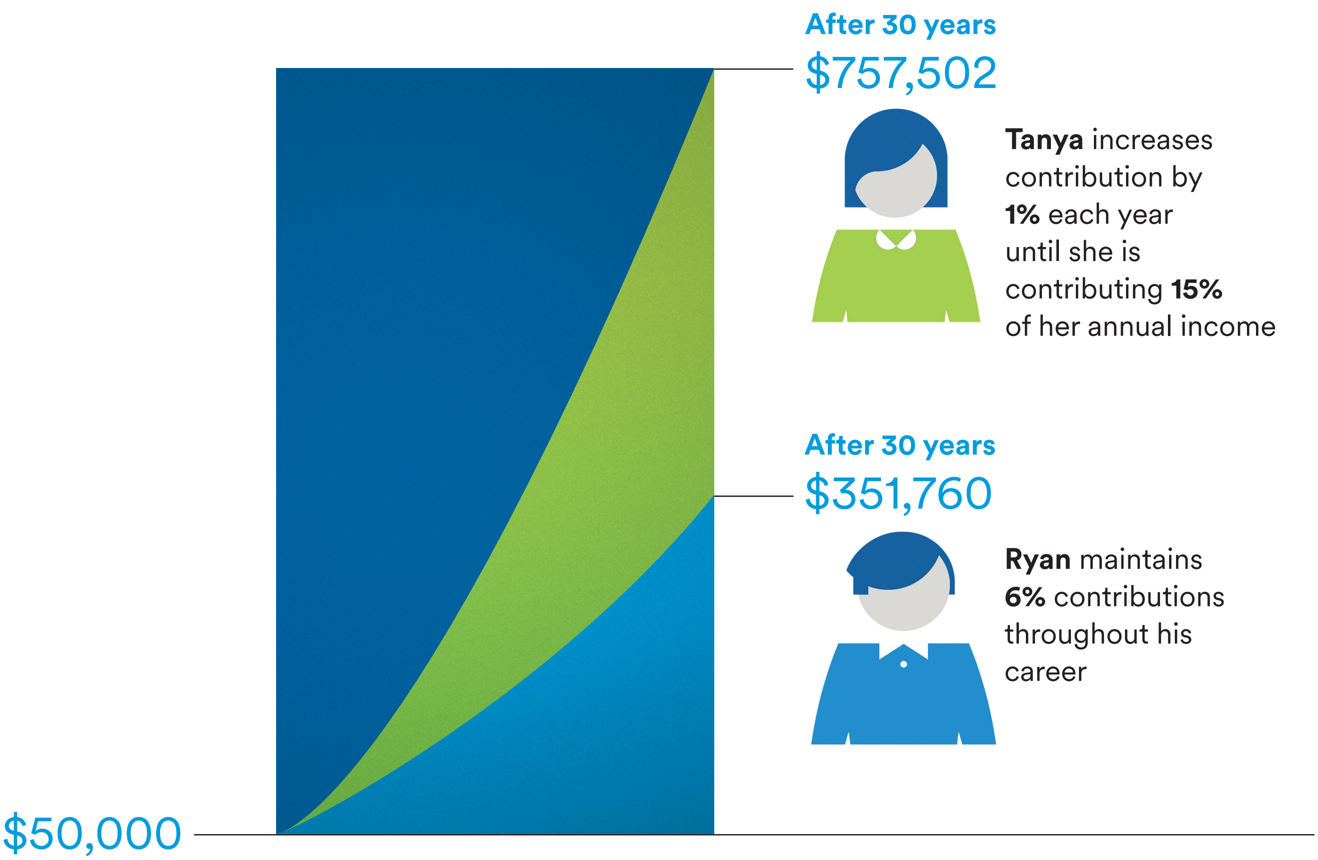
One of the benefits of contributing to a 401(k) or any savings plan is the power of compounding. A 1% increase may not sound like much, but it could make a big difference throughout your career. As your income climbs, make an effort to increase your savings – first to your retirement plan and then to other accounts.

Meet Tanya and Ryan.

Both have a starting salary of **$50,000.**

Both contribute **6%** of their salaries to retirement plan accounts.

Both receive a **3%** salary increase each year.



Assumes 6% average annual rate of return, monthly salary deferral and monthly compounding of earnings and no deductions or loans. Hypothetical examples of mathematical compounding are used. Fees, taxes and expenses are not considered and would reduce the results if shown. Actual results may vary.

Remember: Every small change you make can add up to a big difference.

How long will it take to double your money?

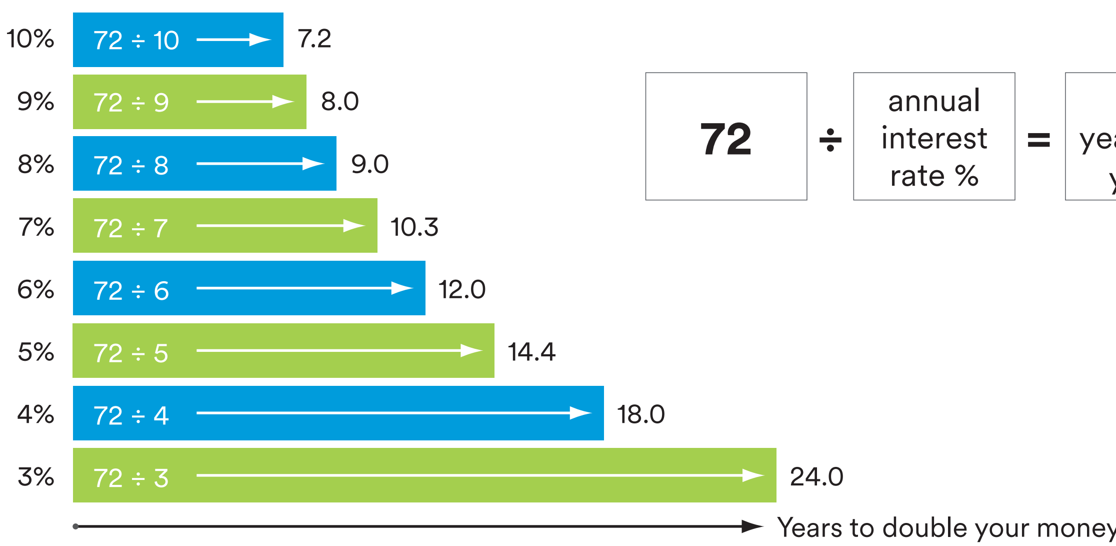
The Rule of 72 can be used for any asset that grows at a compounded rate. Compounding returns is a powerful force for saving and investing since interest is calculated on the initial principal plus accumulated interest from previous periods.

Here's a simple way to illustrate the power of compounding in your retirement and financial planning efforts.

You can use the Rule of 72 to:

- Determine how many years it will take to double your money at various rates of return.
- Estimate the return you will have to earn to double your money within a specific time frame.

Annual interest rate %



72 ÷ annual interest rate % = number of years to **double** your money

The Rule of 72 is based on a hypothetical illustration and is not a guarantee of future performance.
This illustration does not represent the performance of any specific product and there is no assurance that investments would double or triple within any specific time frame.

How are things taxed?

A key part of any investment strategy is developing the right mix of short and long-term investments. But not all investments receive the same tax treatment – some are taxed at capital gains rate and others as ordinary income.

While it's generally not a good idea to make an investment based solely on tax considerations, it's smart to know the tax consequences on any move you make.

How are things taxed?

Interest income	In most cases, as ordinary income
Dividends	0%-20% depending on income[1]
Capital gains	
Short-term: assets held one year or less	Ordinary income
Long-term: assets held for more than one year	0%-20% depending on income tax rate
Capital gains distributions from mutual funds	0%-20% depending on income tax rate
Tax-deferred investment earnings	Taxed as ordinary income when withdrawn[2]

1. Some dividends may still be taxed as ordinary income tax rates. For higher income brackets, a 3.8% Medicare surtax may result in a higher tax rate.
2. Additional penalties may apply.

Key Takeaways:

- When calculating capital gains taxes, the holding period matters. Long-term investments gains are subject to lower tax rates.
- Typically, the tax rate on long-term (more than one year) capital gains is 0%, 15%, or 20%, depending on the individual's taxable income and filing status. The tax rate on short-term (less than one year) capital gains is the same as your income tax rate.
- Interest income from investments is generally treated as ordinary income for federal tax purposes.
- The initial cost basis is the amount paid for the investment when purchased.
- Capital gains distributions from a mutual fund or exchange-traded fund (ETF) are taxed as long-term capital gains, no matter how long the individual has owned shares of the fund – which means a tax rate of 0%, 15%, or 20%, depending on the individual's taxable income and filing status.
- Some strategies offset capital gains with capital losses (selling an investment for less than the purchase price) to lower an individual's capital gains taxes.

When does a Roth make sense?

There's a saying in investing: Don't allow tax considerations to dictate your investment decisions. But when it comes to retirement savings, you typically have a choice between traditional and Roth accounts, where the tax treatment varies considerably, and understanding the differences is important.

Pay tax now, not later

A Roth IRA/401(k) is the reverse of your traditional IRA/401(k). There is no tax break up front as Roth contributions are made post-tax. With a Roth IRA/401(k), your current taxable income would be higher than if you contributed to a traditional 401(k). But every dollar you withdraw from a Roth in retirement is tax-free, even the gains.

So, which way to go?

Roth 401(k) or IRA candidates generally include those who:

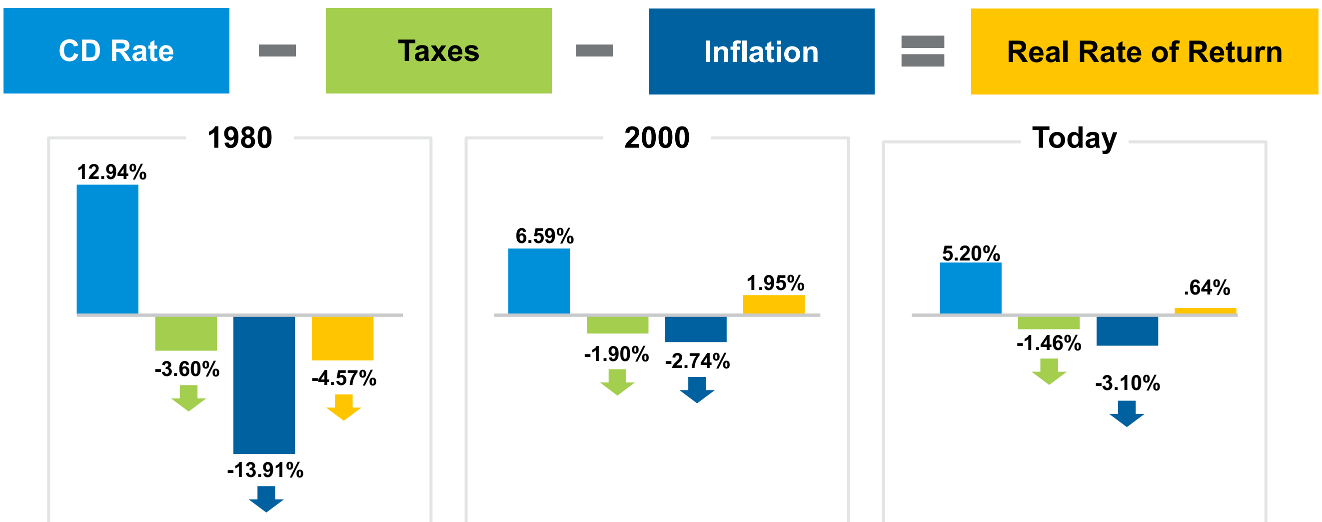
- Expect a higher income and tax rate in retirement
- Want to tax-diversify to minimize taxes payable in retirement
- Have a desire to leave an income tax-free account to heirs

Like all investments, everyone's situation is different. That's why it's important to speak with a financial professional to determine if a Roth is right for you.

How do taxes and inflation impact your investment return?

It's not easy to outpace inflation and taxes

Taxes and inflation can put downward pressure on the growth of your investments and savings.



Like other savings accounts, bank CDs are insured up to the prescribed limits by the Federal Deposit Insurance Corporation (FDIC). Source: TIAA 6 month CD, Inflation for November, 2023, US Bureau of Labor Statistics, a federal tax rate of 28% in 1980, 2000 and 24% for 2024

With taxes, you can quantify and see their impact on your savings and investments because, except for tax-deferred accounts, you must pay taxes year after year.

With inflation, no one is taking that money out of their accounts every year, but the downward impact is still there. You may think you are doing fine, but over time inflation adds up. Keeping your money in CDs or a low-interest bank account may seem a good way to preserve your capital, but ultimately, it diminishes your money's purchasing power.

Key action steps

- ☐ Max out my 401(k) contributions, or at least enough to get my company match if it's offered
- ☐ Create and manage a budget
- ☐ Build my emergency fund
- ☐ Start saving now to take advantage of compounding
- ☐ Know how taxes and inflation affect my investments

2

Creating and Managing Wealth

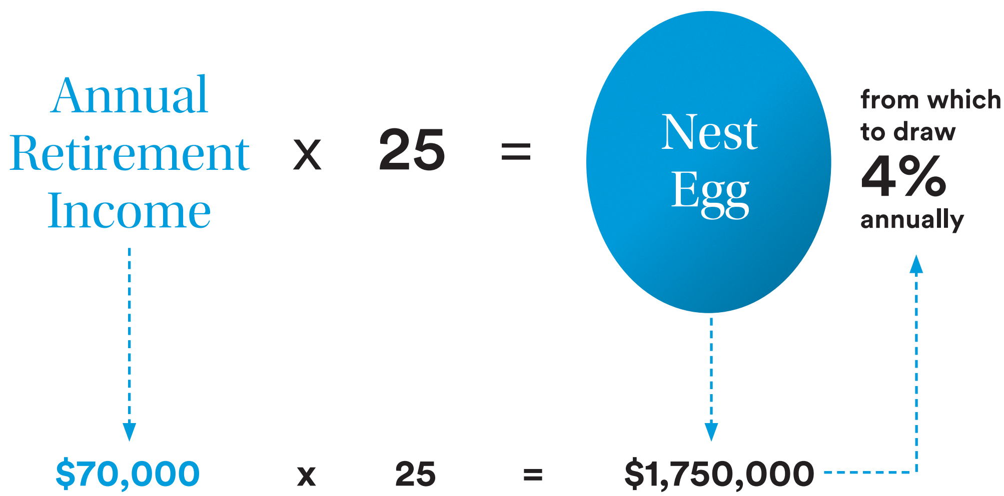
We start the discussion about investments by choosing the right investments, in the right amount and at the right time and creating a diversification strategy to protect your money.

What's the Rule of 25?

The Rule of 25 is a way to estimate how much money you need to save for a 30-year retirement. It would require a 4% annual withdrawal rate and works by calculating the annual retirement income you expect to provide from your personal savings and multiplying that number by 25.

Let's assume you've settled on a retirement budget of $100,000 a year and have calculated that Social Security, pensions, a part-time job, or other income sources will cover $30,000 of this amount. As a result, you must cover the remaining $70,000 from your personal savings.

The Rule of 25 calculation would look like this:



According to the Rule of 25, you would need to save at least $1.75 million to be able to safely withdraw $70,000 annually. Remember that depending on the type of account the money is withdrawn from, you may owe income or capital gains tax.

This concept does not account for the potential impact of reducing purchasing power due to inflation and taxes, unanticipated expenses reducing the principal, and the possibility of outliving your money. If you plan to spend more time in retirement, you will need to adjust your savings accordingly.

The value of a diversified approach

This chart on the next page resembles the periodic table you probably last saw in high school chemistry class. But in reality, it shows the changes in the best-performing types of investments each year from 2012-2023.

Can you see a pattern here? The pattern is that there is no pattern. If, for example, you look at the Small Cap Equity Index (shown by circled boxes on the chart), the performance is pretty much all over the place.

The point is that different investment categories fall in and out of favor in different market environments. So how do you know which ones are best for you? The answer depends on your specific objectives, risk tolerance, and time horizon.

Annual index returns 2012–2023

2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Real Estate 27.73%	Small Cap Equity 38.82%	Real Estate 15.02%	Large Cap Equity 1.38%	Small Cap Equity 21.31%	Emerging Market Equity 37.28%	Cash Equivalent 1.87%	Large Cap Equity 31.49%	Small Cap Equity 19.96%	Large Cap Equity 28.71%	Cash Equivalent 1.46%	Large Cap Equity 26.29%
Emerging Market Equity 18.23%	Large Cap Equity 32.39%	Large Cap Equity 13.69%	U.S. Fixed Income 0.55%	High Yield 17.13%	Developed ex-U.S. Equity 24.21%	U.S. Fixed Income 0.01%	Small Cap Equity 25.52%	Large Cap Equity 18.40%	Real Estate 26.09%	High Yield -11.19%	Developed ex-U.S. Equity 17.94%
Developed ex-U.S. Equity 16.41%	Developed ex-U.S. Equity 21.02%	U.S. Fixed Income 5.97%	Cash Equivalent 0.05%	Large Cap Equity 11.96%	Large Cap Equity 21.83%	High Yield -2.08%	Developed ex-U.S. Equity 22.49%	Emerging Market Equity 18.31%	Small Cap Equity 14.82%	U.S. Fixed Income -13.01%	Small Cap Equity 16.93%
Small Cap Equity 16.35%	High Yield 7.44%	Small Cap Equity 4.89%	Real Estate -0.79%	Emerging Market Equity 11.19%	Small Cap Equity 14.65%	Global ex-U.S. Fixed -2.15%	Real Estate 21.91%	Global ex-U.S. Fixed 10.11%	Developed ex-U.S. Equity 12.62%	Developed ex-U.S. Equity -14.29%	High Yield 13.44%
Large Cap Equity 16.00%	Real Estate 3.67%	High Yield 2.45%	Developed ex-U.S. Equity -3.04%	Real Estate 4.06%	Global ex-U.S. Fixed 10.51%	Large Cap Equity -4.38%	Emerging Market Equity 18.44%	Developed ex-U.S. Equity 7.59%	High Yield 5.28%	Large Cap Equity -18.11%	Emerging Market Equity 9.83%
High Yield 15.81%	Cash Equivalent 0.07%	Cash Equivalent 0.03%	Small Cap Equity -4.41%	Developed ex-U.S. Equity 2.75%	Real Estate 10.36%	Real Estate -5.63%	High Yield 14.32%	U.S. Fixed Income 7.51%	Cash Equivalent 0.05%	Global ex-U.S. Fixed -18.70%	Real Estate 9.67%
U.S. Fixed Income 4.21%	U.S. Fixed Income -2.02%	Emerging Market Equity -2.19%	High Yield -4.47%	U.S. Fixed Income 2.65%	High Yield 7.50%	Small Cap Equity -11.01%	U.S. Fixed Income 8.72%	High Yield 7.11%	U.S. Fixed Income -1.54%	Emerging Market Equity -20.09%	Global ex-U.S. Fixed 5.72%
Global ex-U.S. Fixed 4.09%	Emerging Market Equity -2.60%	Global ex-U.S. Fixed -3.09%	Global ex-U.S. Fixed -6.02%	Global ex-U.S. Fixed 1.49%	U.S. Fixed Income 3.54%	Developed ex-U.S. Equity -14.09%	Global ex-U.S. Fixed 5.09%	Cash Equivalent 0.67%	Emerging Market Equity -2.54%	Small Cap Equity -20.44%	U.S. Fixed Income 5.53%
Cash Equivalent 0.11%	Global ex-U.S. Fixed -3.08%	Developed ex-U.S. Equity -4.32%	Emerging Market Equity -14.92%	Cash Equivalent 0.33%	Cash Equivalent 0.86%	Emerging Market Equity -14.57%	Cash Equivalent 2.28%	Real Estate -9.04%	Global ex-U.S. Fixed -7.05%	Real Estate -25.10%	Cash Equivalent 5.01%

Source: Kleopfer, Jay, “The Callan Periodic Table of Investment Returns”, Callan, Last accessed January 18, 2024

Large Cap Equity (S&P 500) measures the performance of large capitalization U.S. stocks. The S&P 500 is a market value-weighted index of 500 stocks. The weightings make each company’s influence on the Index performance directly proportional to that company’s market value.

Small Cap Equity (Russell 2000) measures the performance of small capitalization U.S. stocks. The Russell 2000 is a market value-weighted index of the 2,000 smallest stocks in the broad-market Russell 3000 Index.

Developed ex-U.S. Equity (MSCI World ex USA) is an index that is designed to measure the performance of large and mid-cap equities in developed markets in Europe, the Middle East, the Pacific region and Canada.

Emerging Market Equity (MSCI Emerging Markets) is an index that is designed to measure the performance of equity markets in 25 emerging countries around the world.

U.S. Fixed Income (Bloomberg Barclays US Aggregate Bond Index) includes U.S. government, corporate, and mortgage-backed securities with maturities of at least one year.

High Yield (Bloomberg Barclays High Yield Bond Index) measures the market of USD-denominated, non-investment grade, fixedrate, taxable corporate bonds. Securities are classified as high yield if the middle rating of Moody’s, Fitch, and S&P is Ba1/BB+/BB+ or below, excluding emerging market debt.

Global ex-U.S. Fixed Income (Bloomberg Barclays Global Aggregate ex US Bond Index) is an unmanaged index that is comprised of several other Bloomberg indices that measure the fixed income performance of regions around the world, excluding the U.S.

Real Estate (FTSE EPRA Nareit Developed REIT Index) is designed to measure the stock performance of companies engaged in specific real estate activities in the North American, European, and Asian real estate markets.

Cash Equivalent (90-day T-bill) is a short-term debt obligation backed by the Treasury Department of the U.S. government.

A mutual funds portfolio may differ significantly from the securities held in the indices. These indices are not available for direct investment, therefore, their performance does not reflect the expenses associated with the active management of an actual portfolio. Past performance is no guarantee of future results and investment results and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Total return includes reinvestment of dividends and capital gains.

Determine your risk tolerance

Use this tool to help determine your risk tolerance. Individuals should work with their financial professionals to determine their financial strategy. Select the statement that best describes your answer to the following questions. Total your score to find your investment profile.

	Points
1. What is your overall investment objective?	
a) Preserving initial investment	1 ●
b) Generating income and achieving slight growth	2 ○
c) Achieving moderate to substantial growth	3 ○
d) Seeking maximum growth	4 ○
2. What is your investment time horizon?	
a) Less than 5 years	1 ●
b) 6–10 years	2 ○
c) 11–15 years	3 ○
d) More than 16 years	4 ○
3. Over the next 10 years, do you expect your income to:	
a) Decline (High living and education expenses, retirement, slow economy)?	1 ●
b) Keep pace with inflation?	2 ○
c) Outpace inflation and grow steadily?	3 ○
d) Increase considerably?	4 ○
4. If the value of your investments dropped suddenly by 30%, would you:	
a) Sell all of your investments and move to cash?	1 ●
b) Transfer some of your money to more conservative investments?	2 ○
c) Do nothing and wait for the value to come back?	3 ○
d) Add to your investments to take advantage of low prices?	4 ○
5. You can live off your current savings and investments for:	
a) 0–3 months	1 ●
b) 4–6 months	2 ○
c) 7–12 months	3 ○
d) More than 1 year	4 ○
6. How much risk are you willing to take to achieve a potentially higher return?	
a) None. You are risk-averse	1 ●
b) A little risk. You are somewhat concerned about significant market fluctuations	2 ○
c) Moderate risk. You understand the relationship between risk and reward	3 ○
d) A lot of risk. You can tolerate significant market fluctuations	4 ○
7. How knowledgeable do you consider yourself to be about economic issues, personal finance, and investing?	
a) Virtually no understanding of the economy, personal finance, and investing	1 ●
b) Not very knowledgeable	2 ○
c) Somewhat knowledgeable	3 ○
d) Very knowledgeable	4 ○

Your risk tolerance score 7

What is your investment objective profile?

7–10	11–14	15–18	19–23	24–28
Income with limited growth	Income with moderate growth	Growth and income	Primarily growth	Growth

Income with limited growth 7–10

I am willing to accept a limited risk to my investment principal in this account, even if that means this account does not generate significant returns and may not keep pace with inflation. This objective generally focuses on the generation of current income. Accounts with this objective may be invested primarily in fixed income/bonds, with up to 25% in equities/stocks, but actual investment allocations will differ based on individual goals, concerns, and market conditions. This objective has historically been the most conservative on a relative basis and has exhibited lower volatility than objectives that allocate a greater portion of investments to the equity/stock markets; however, past performance is no guarantee of future results.

Income with moderate growth 11–14

I am willing to accept a relatively low risk to my investment principal and will tolerate some volatility to seek a modest level of income and objective returns. This objective generally focuses on asset appreciation sufficient to offset inflation over time while generating current income. This objective may consist of most fixed income/bonds, with up to 45% in equities/stocks. Still, actual investment allocations will differ based on individual goals, concerns, and market conditions. This objective has historically exhibited modest volatility compared with objectives that allocate a greater portion of investments to the equity/stock markets over time; however, past performance is no guarantee of future results.

Growth and income 15–18

I am willing to accept moderate risk and volatility to my investment principal to seek higher returns. This objective generally targets a balanced asset allocation approach that seeks to provide growth potential and generate interest or dividend income. This objective may consist of up to 65% in equities/stocks, with the remainder in fixed income/bonds. Still, actual investment allocations will differ based on individual goals, concerns, and market conditions. This objective has historically exhibited less overall volatility than objectives that allocate a greater portion of investments to the equity/stock markets over time; however, past performance is no guarantee of future results.

Primarily growth 19–23

I am willing to accept a relatively higher risk to my investment principal, including greater volatility, to seek higher returns over time. This objective generally targets the growth of the portfolio, which may or may not focus on the generation of interest or dividend income. This objective may consist of up to 85% in equities/stocks, with the remainder in fixed income/ bonds. Still, actual investment allocations will differ based on individual goals, concerns, and market conditions. This objective has exhibited greater market value fluctuations than those that allocate a greater portion of investments to fixed-income markets; however, past performance does not guarantee future results.

Growth 24–28

I am willing to accept significant risk to my initial principal to aggressively seek maximum returns. This objective generally seeks maximum growth potential or generation of income from equities or alternative investments. This long-term-oriented objective is typically invested almost entirely in equities/stocks, with the remainder, if any, in fixed income/bonds or alternative investments. However, actual investment allocations will differ based on individual goals, concerns, and market conditions. This objective has historically offered the highest level of risk and widest market value fluctuations compared to other objectives, especially in the short term; however, past performance is no guarantee of future results.

Let dollar-cost averaging work for you

The goal of dollar-cost averaging is to help even the cost of investing and minimize the guesswork about the best time to buy. It involves making regular investments, regardless of fluctuating price levels. If you are contributing to a 401(k) plan with your employer, you are already using this strategy.

When using this approach, you should consider your ability to continue making purchases in periods of low or fluctuating price levels.

Let's take a look at our example:

Monthly	Monthly Investment	Share Price	Shares Purchased
January	$500	$10.00	50.0
February	$500	$9.00	55.6
March	$500	$8.00	62.5
April	$500	$9.00	55.6
May	$500	$10.00	50.0

This example is hypothetical and for illustrative purposes only.

Assume you purchase $500 of the same investment in January, February, March, April, and May, even though your investment's share price went up and down. When the price was up, that money bought fewer shares. When it was down, that share price bought more shares. **Because you were continually investing, your actual share price was, on average, $9.13.**

Keep in mind, that while dollar-cost averaging can reduce your average share price and the average cost per share, it does not ensure a profit or protect against a loss in declining markets.

Key action steps

☐ Figure out my "Rule of 25" to get the basic idea of how big my retirement nest egg will have to be

☐ Review my investments and make sure they are properly diversified

☐ Complete a risk tolerance assessment so I can create an asset allocation model that works for me

☐ Use dollar-cost averaging to balance out the effects of market volatility

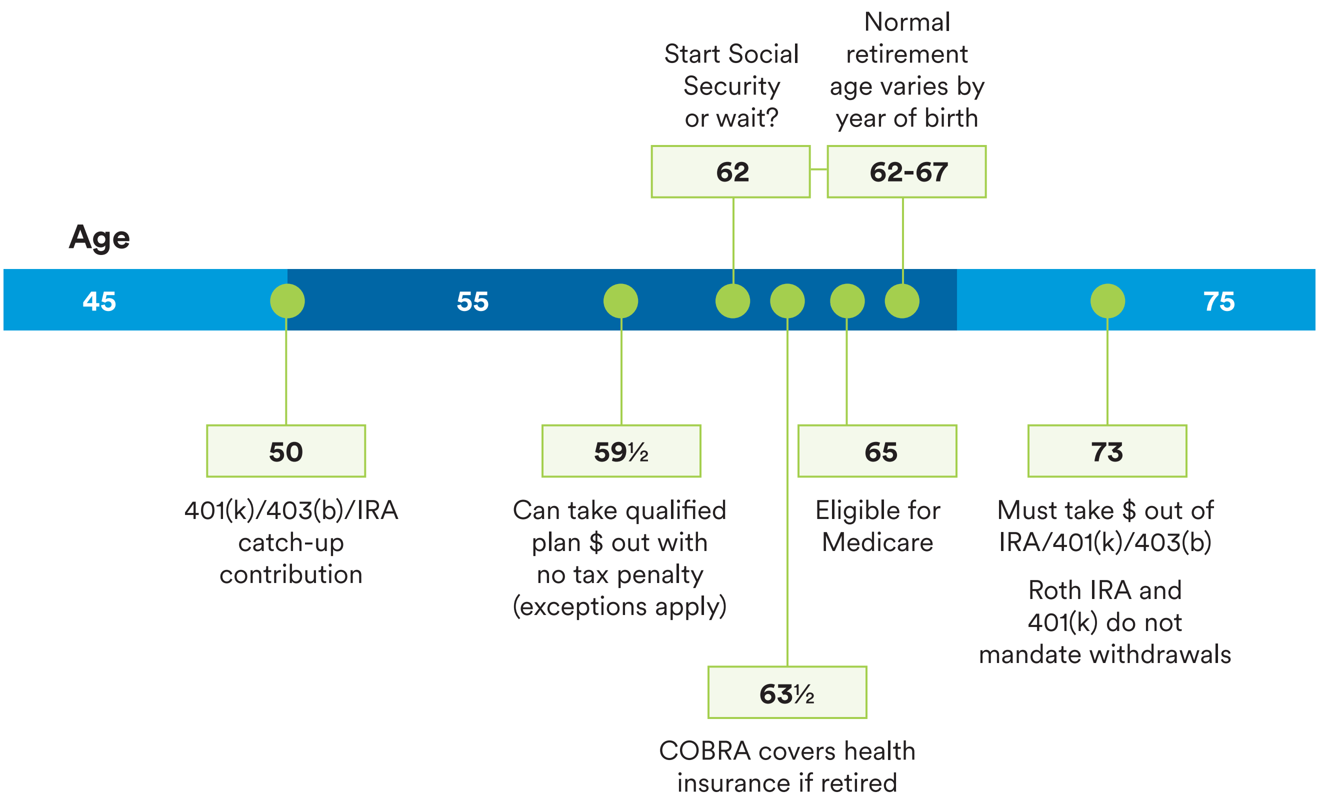
☐ Evaluate my risks to make sure they are properly managed

3 Establishing Your Retirement Income Stream

Planning for a retirement that can last 30 or more years is not easy, but with a sensible and efficient withdrawal strategy, you can learn how to spend your money in the right way to reach the level of income you'll need each year in retirement.

Think ahead about important milestones

Yes, age is only a number, but it's an important number to make sure you prepare for these key age-related tax and financial planning milestones.



Order and understand your Social Security statement

Get your Social Security statement online anytime by creating your account at ssa.gov/myaccount

Your monthly benefits estimates for each year.

See if you have enough credits to qualify for Medicare.

Check your historical earnings record for accuracy.

Summary of 10 important things to know about your Social Security benefits.

Your Social Security Statement

ssa.gov

Your full retirement age is here.

WANDA WORKER
456 ANYWHERE AVENUE
MAINTOWN USA 11111-1111

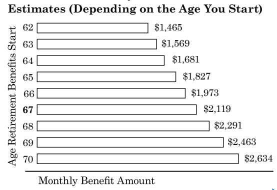
Retirement Benefits

You have earned enough credits to qualify for retirement benefits. To qualify for benefits, you earn "credits" through your work — up to four each year. Your full retirement age is **67**, based on your date of birth: April 5, 1962. As shown in the chart, you can start your benefits at any time between ages 62 and 70. **For each month you wait to start your benefits, your monthly benefit will be higher—for the rest of your life.**

These personalized estimates are based on your earnings to date and assume you continue to earn $54,489 per year until you start your benefits.

To learn more about retirement benefits, visit ***ssa.gov/benefits/retirement/learn.html***.

Personalized Monthly Retirement Benefit Estimates (Depending on the Age You Start)



Disability Benefits

You have earned enough credits to qualify for disability benefits. If you became disabled right now, your monthly payment would be about **$2,083 a month**.

Survivors Benefits

You have earned enough credits for your eligible family members to receive survivors benefits. If you die this year, members of your family who may qualify for monthly benefits include:

Minor child:	**$1,562**
Spouse, if caring for a disabled child or child younger than age 16:	**$1,562**
Spouse, if benefits start at full retirement age:	**$2,083**
Total family benefits cannot be more than:	**$3,802**

Your spouse or minor child may be eligible for an additional one-time death benefit of $255.

Medicare

You have enough credits to qualify for Medicare at age 65. Medicare is a federal health insurance program for:

- people age 65 and older,
- under 65 with certain disabilities, and
- people of any age with End-Stage Renal Disease (ESRD) (permanent kidney failure requiring dialysis or a kidney transplant).

Even if you do not retire at age 65, you may need to sign up for Medicare within 3 months of your 65th birthday to **avoid a lifetime late enrollment penalty**. Special rules may apply if you are covered by certain group health plans through work.

For more information about Medicare, visit ***medicare.gov*** or ***ssa.gov/medicare*** or call **1-800-MEDICARE (1-800-633-4227)** (TTY **1-877-486-2048**).

We base benefit estimates on current law, which Congress has revised before and may revise again to address needed changes. Learn more about Social Security's future at *ssa.gov/ThereForMe*.

Earnings Record

Review your earnings history below to ensure it is accurate. This is important because we base your future benefits on our record of your earnings. There's a limit to the amount of earnings you pay Social Security taxes on each year. Earnings above the limit do not appear on your earnings record. We have combined your earlier years of earnings, but you can view them online with *my* Social Security. **If you find an error**, let us know by visiting ***myaccount.ssa.gov*** or calling **1-800-772-1213**.

Work Year	Earnings Taxed for Social Security	Earnings Taxed for Medicare (began 1966)
1971-1980	$ 2,142	$ 2,142
1981-1990	87,102	87,102
1991-2000	246,069	246,069
2001	34,147	34,147
2002	34,846	34,846
2003	36,021	36,021
2004	38,032	38,032
2005	39,711	39,711
2006	41,829	41,829
2007	43,971	43,971
2008	45,170	45,170
2009	44,603	44,603
2010	45,666	45,847
2011	47,093	47,093
2012	48,560	48,560
2013	49,095	49,095
2014	50,605	50,605
2015	51,996	51,996
2016	52,108	52,108
2017	53,251	53,251
2018	53,966	53,966
2019	54,559	54,559
2020	54,489	54,489
2021	Not yet recorded	

Taxes Paid

Total estimated Social Security and Medicare taxes paid over your working career based on your Earnings Record:

Social Security taxes	Medicare taxes
You paid: $75,568	You paid: $18,158
Employer(s): $77,498	Employer(s): $18,158

Earnings Not Covered by Social Security

You may also have earnings from work not covered by Social Security. This work may have been for federal, state, or local government or in a foreign country.

If you participate in a retirement plan or receive a pension based on work for which you did not pay Social Security tax, it could lower your benefits. To find out more, visit ***ssa.gov/gpo-wep***.

Important Things to Know about Your Social Security Benefits

- Social Security benefits are not intended to be your only source of retirement income. You may need other savings, investments, pensions, or retirement accounts to make sure you have enough money when you retire.
- You need at least 10 years of work (40 credits) to qualify for retirement benefits. Your benefit amount is based on your highest 35 years of earnings. If you have fewer than 35 years of earnings, years without work count as 0 and may reduce your benefit amount.
- We use cost of living adjustments so your benefits will keep up with inflation.
- The age you claim benefits will affect the benefit amount for your surviving spouse.
- If you get retirement or disability benefits, your spouse and children also may qualify for benefits.
- If you are divorced and were married for 10 years, you may be able to claim benefits on your ex-spouse's record. If your divorced spouse receives benefits on your record, that does not affect your or your current spouse's benefit amounts.
- When you apply for either retirement or spousal benefits, you may be required to apply for the other benefit as well.
- For more information about benefits for you and your family, visit ***ssa.gov/benefits/retirement/planner/applying7.html***.
- When you are ready to apply, visit us at ***ssa.gov/benefits/retirement/apply.html***.
- The *Statement* is updated annually. It is available upon request, either online or by mail.

SSA.gov | Follow us on social media ***ssa.gov/socialmedia***

Form SSA-7005-SM-SI (11/21) | Enclosures: Publication No. 05-10706, Publication No. 05-10701

Benefits will increase every month you delay filing between ages 62 and 70.

Your personalized earnings estimate is based on historical earnings.

Disability benefits if you qualify to receive them.

Survivor benefits available to family members.

Estimates are based on current law and congress can change the Social Security program.

Total paid Social Security and Medicare taxes.

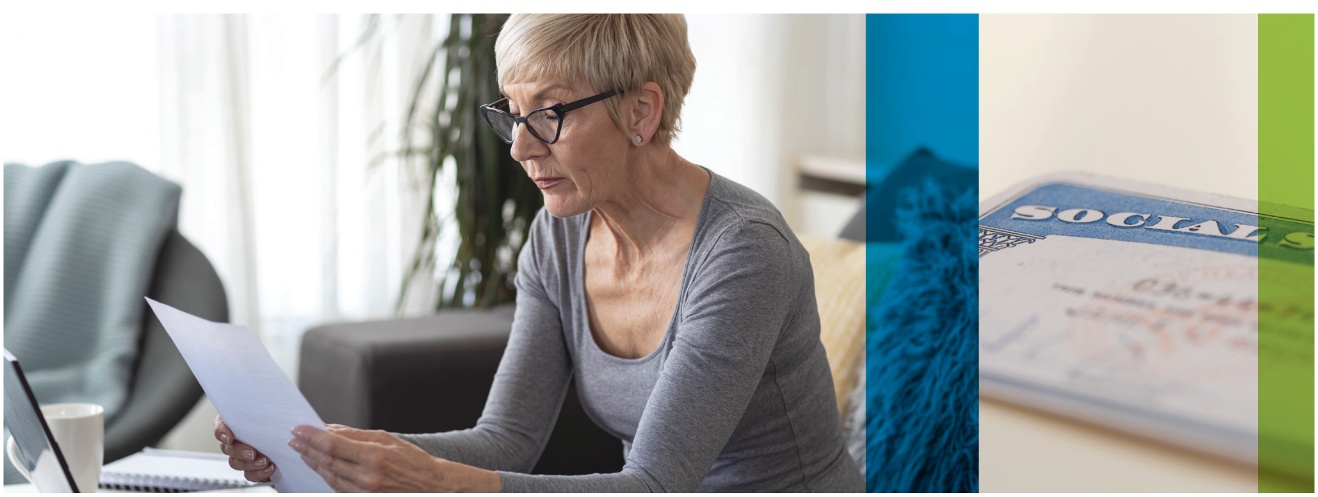
The benefits of waiting

You can collect Social Security as early as age 62, but if you do so, your benefits will be permanently reduced. If you wait until your Full Retirement Age, which is based on the year you were born, you are entitled to 100% of your earned benefit.

As you can see below, delaying your Social Security payments beyond the Full Retirement Age results in a significant increase in monthly guaranteed income payments.

These examples are based on a hypothetical Social Security statement and current Social Security policy.

Remember: Just because you're retired doesn't mean you have to take Social Security. Generally, if your health is good and you can live without the income, you will ensure the maximum payment for yourself and lock in the maximum spousal benefit by waiting until age 70.



Match sources of retirement income with expenses

Matching your different income sources with types of expenses can be the first step in determining if you have a retirement income gap that you need to plan for. What's important is to make up any shortfall in your basic needs before contributing to your personal wants. Try this for yourself – list your income sources and expenses below.

Income sources	Match	Expenses
Guaranteed • Social Security • Pensions • Fixed annuities • Veteran's benefits • Survivor's benefits • ________ • ________ • ________ • ________ • ________ • ________	Cover needs →	**Needs** • Food • Mortgage or rent • Property taxes • Utilities • House and car maintenance • Transportation • Healthcare • ________ • ________ • ________ • ________
Other • Retirement plan accounts • Variable annuities • Defined contribution plans • Earned income • Investment income • Rental income • Alimony • Income from trusts • ________ • ________ • ________ • ________	Cover wants →	**Wants** • Clothing • Memberships/subscriptions • Entertainment/vacations • Additional insurance • ________ • ________ • ________ • ________ • ________ • ________ • ________

Do you have a retirement income gap?

Here's how to determine if you have an income gap. You'll need your total expenses and income sources.

Total anticipated monthly income		Total anticipated monthly expenses		Potential monthly income gap		Potential annual income gap
	–		=	0	x 12 =	0

If you still have an income gap

- Extend your career
- Work part-time
- Start a new business

- Minimize expenses
- Downsize your home
- Consider relocating

Think about converting some of your personal savings to dependable income

Key action steps

- ☐ Track my current expenses and think about how they would change in retirement

- ☐ Order and review my Social Security statement

- ☐ Match my retirement income sources with types of expenses to determine if I have an income gap

Notes

4

Making the Most of What You Have

It's important to make sure your family is properly protected and your estate is in order. Your employee benefits play a large role in your overall financial and retirement planning process, so review them carefully.

Common types of life insurance

Group	Sometimes offered by an employer, group insurance pays a death benefit that is typically a multiple of your salary. Since an employer offers it, the premiums are often partially or completely paid for by the company.
Term	Pays if the insured dies during the specified term period (e.g. 10, 15 or 20 years). The longer the policy is in effect, the higher the premiums will be. Premiums typically increase as the insured ages.
Whole	It will pay at your death. The benefit payment is not limited by time, like term life. Premiums are based on an insured's age at issue and remain level for the insured's lifetime. Generally, it costs more than term insurance, and it builds cash value.
Universal	A form of permanent insurance like whole life. However, premiums and the benefit at death may vary based on the insured's age and the performance of an underlying savings account. You have a degree of control over your premium payment and death benefit. You may have a choice of death benefits.
Variable	A form of permanent insurance like whole and universal life. However, you choose how to invest your cash values in the sub-accounts offered by the contracts. The policy cash value and death benefits will fluctuate based on the performance of the sub-accounts. Premiums may change based on the age of the insured.

Variable life insurance is offered by prospectus only, which is available from your registered representative. You should carefully consider the product's features, risks, charges and expenses and the investment objectives, risks and policies of the underlying portfolios, as well as other information about the underlying funding choices. This and other information is available in the prospectus, which you should read carefully before investing. Product availability and features may vary by state. All product guarantees are based on the claims-paying ability of the issuing insurance company. The amounts allocated to the variable investment options of your account balance are subject to market fluctuations so that, when withdrawn or surrendered it may be worth more or less than its' original value.

When making any life insurance decision, keep in mind that different products have different features which should be taken into account, and different insurers price their insurance products differently because they use different underwriting criteria and have different experience groups based on their customer demographics.

Understanding your life insurance needs

Some people feel they need life insurance for a certain period of time – just long enough to meet their responsibilities for those who depend on them.

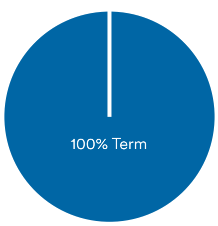
This is typically done with term insurance. Others, however, recognize that owning some form of life insurance for their entire lives can provide them with added protection and flexibility as they prepare for life's possibilities. This is typically done with permanent insurance. Many people find their objectives are best met with a combination of term and permanent insurance.

Check your preference	Agree	Disagree
1. The idea of leaving an inheritance is important to me – either for my family or a charitable organization. I would want to do this in an efficient manner.	◉	○
2. In the future, my adult children and/or parents may rely on me for financial support. I want to make sure my life insurance policy is there if they need it.	◉	○
3. I would prefer the least expensive type of life insurance, even though my benefits may expire at some point in the future.	◉	○
4. I only want life insurance for a limited period of time (e.g., until my mortgage is paid, children finish college, or other financial obligations are met).	◉	○
5. If I die prior to my spouse during retirement, I want to ensure they receive a life insurance death benefit.	◉	○
6. If I were to die during my working years, I would want my family to receive a life insurance death benefit that would replace my income.	◉	○
7. Regardless of how long I may live, it's important for me to have my life insurance in place when I die.	◉	○
8. I don't want to commit to permanent insurance today, however I'd like to have the right to convert term coverage into permanent coverage in the future should my situation change, without having to undergo additional medical screening.	◉	○

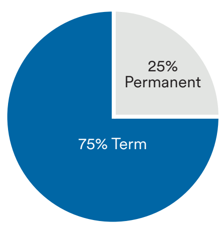
Instructions:
Circle your answers in the table to the right. Add the scores to determine the type of policy or policies that should be considered based on your situation.

Question	Agree	Disagree	Score
1.	1	0	1
2.	1	0	1
3.	0	1	0
4.	0	1	0
5.	1	0	1
6.	0	1	0
7.	1	0	1
8.	0	1	0

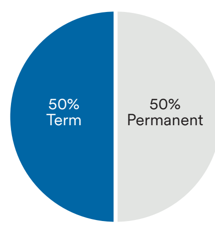
0 Points



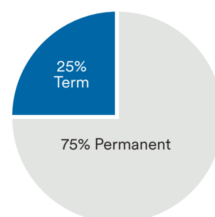
1–2 Points



3–5 Points



6–7 Points



8 Points

100% Term

Clearly you're concerned about protecting those who depend on you; however, today you feel you only want coverage for a limited period of time. Based on your answers, a term life insurance policy with the option of future conversion should be considered.

75% Term
25% Permanent

You recognize the importance of owning life insurance throughout your entire life; however, you also acknowledge that your biggest concern is protecting those who depend on you during your working years. Life insurance products with mostly term insurance and a small amount of permanent insurance should be considered based on your answers.

50% Term
50% Permanent

Your answers show that you appreciate both the benefits of permanent and term insurance. Life insurance products consisting of equal amounts of term and permanent protection should be considered based on your answers.

25% Term
75% Permanent

Protecting those who depend on you for your entire lifetime – regardless of how long you may live – is most important to you. Your preferences indicate that life insurance products consisting mostly of permanent insurance should be considered based on your answers.

100% Permanent

You want lifetime protection, to leave a legacy and to protect your spouse's retirement income. A permanent life insurance policy should be considered based on your answers.

Life insurance planning over your lifetime

Life insurance is rarely a “set it and forget it” solution. Like asset allocation, insurance allocation can be just as important by combining the appropriate amounts of term and permanent life insurance based on your current and long-term objectives.

Permanent Life Insurance

Term Life Insurance

	Starting out	Growing	Midlife	Retirement ready	Retirement
Age	25	35	45	55	65+
	• Early career • Marriage • Rental/First home	• Higher income • Growing family • Home ownership	• Higher income • Larger family • Bigger home	• Highest income • Empty nest • Downsize home	• Fixed income • Leaving a legacy • Relocation

Financial professionals suggest reviewing your policies at every life stage to determine whether more, less, or a different combination of coverage may be appropriate.

How much life insurance is enough?

It is important to make sure you have the proper protection in place in the event of an unforeseen circumstance.

10 x $__________ = 0

salary (before taxes)

approximately how much life insurance coverage you need

You can multiply your salary by 10 to determine approximately how much coverage you may need, and your partner should do the same. Of course, this is just a guide, and everyone's situation is different but it's a good starting point.

How much disability income insurance is enough?

We all run the risk of becoming disabled due to an unexpected illness or accident. What would happen if you were no longer able to earn a living? Your employers may offer you long-term disability insurance to help prepare for that possibility. You may be asked to pay for part or all of the cost.

60%-70% x $__________ = 0

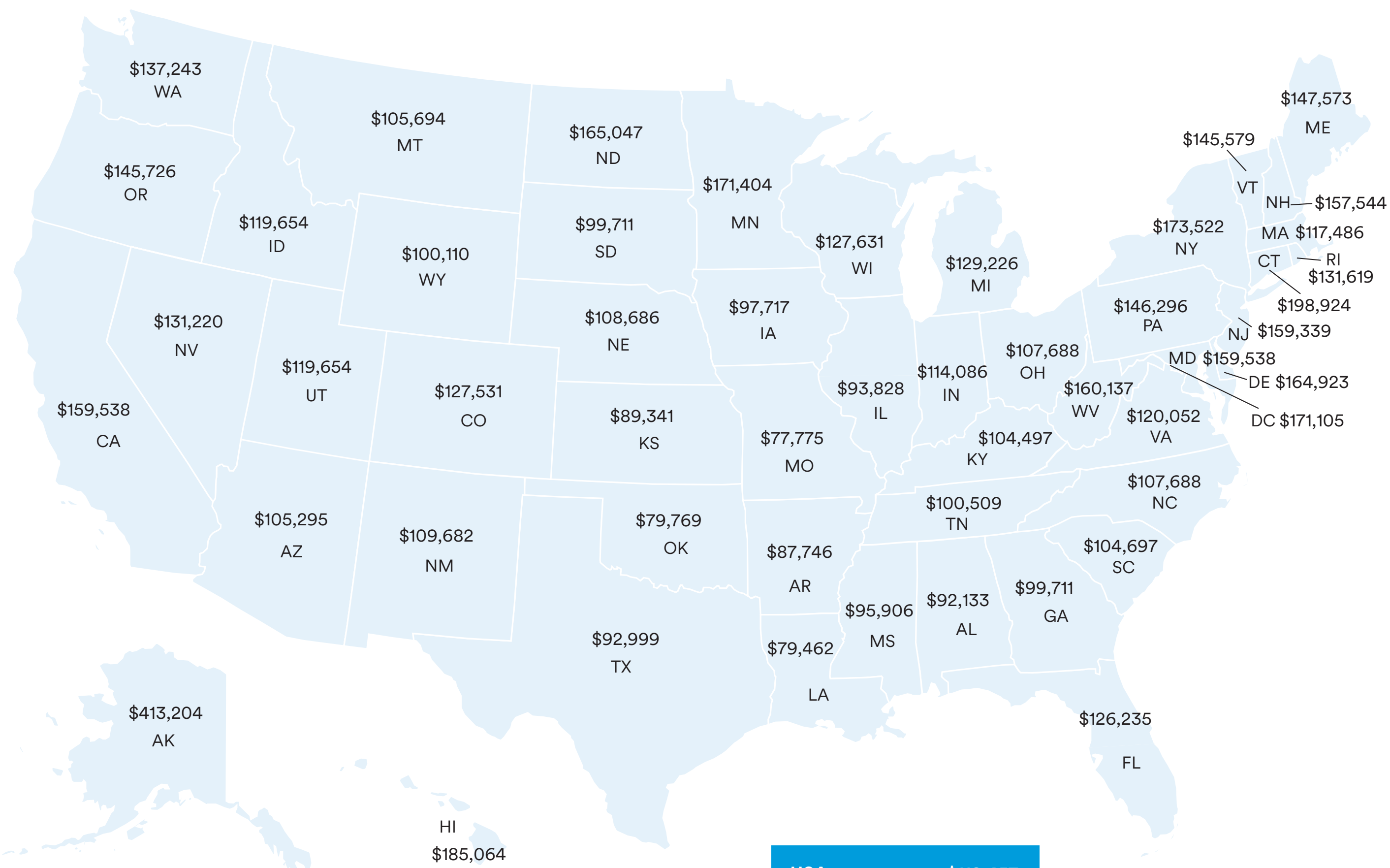
salary (before taxes)

approximately how much disability insurance coverage you need

Depending on your financial obligations and other sources of income, it's probably a good idea to purchase enough long-term disability insurance to replace 60% to 70% of your pay.

Long-term care costs in your state

The cost of care varies based on care setting, geographic location, level of care required, and other factors. Knowing the cost of care is the first step to helping you plan for it.



**Numbers exclude Puerto Rico

Source: Genworth, "Cost of Care Survey", Last accessed January 2024

Separate long-term care myths from realities

Myth	Reality
Medicare pays for long-term care.	Traditional Medicare does not cover long-term care if it is the only care you need. Medicare covers up to 100 days of care in a skilled nursing facility (SNF) for each benefit period if all of Medicare's requirements are met, including the need for daily skilled nursing care with 3 days of prior hospitalization. Medicare pays 100% of the first 20 days of a covered SNF stay and a portion after that.[1]
Most long-term care is provided in a nursing home.	85% of long-term care is provided at home or the home of relatives.[1]
You can qualify for Medicaid to pay for long-term care by transferring assets to other family members.	Medicaid, the health insurance program for people with very limited income or assets, pays for about half of all long-term care costs.[1] Upon application, the state will "look back" over five years to prevent Medicaid applicants from giving away assets at less than fair market value to meet Medicaid's asset limit.[2]
Family history, age, and income are all primary factors in calculating long-term care insurance premiums.	Age, health, gender, and the type of coverage are the primary factors in calculating long-term care insurance premiums.[3]

1. Gleckman, Howard, "Five myths about long-term care", The Washington Post, September 17, 2020; 2. Iversen, Joshua, "Medicaid's Look-Back Period Explained: Exceptions & Penalties", Paying for Senior Care, August 20, 2022; 3. Medicaid Planning Assistance, "American Council on Aging", Last accessed March 7, 2023

Estate planning must-haves

You're not alone if you hear the phrase "estate planning" and immediately tune out. An estate plan is not only for the wealthy, it's for everyone, because estate planning is much more than just dividing up your assets.

Your estate plan should be made up of a set of legal documents that will collectively protect you, your loved ones, and your assets when drafted correctly. Here are the items every estate plan should have:

Will. This is about as basic as it gets. You can hire an attorney to draft this document or you can do it on your own. But if you do it on your own, we suggest having an attorney check it for clarity. If you have a workplace legal plan, they can provide access to qualified attorneys.

Durable power of attorney. There may come a time when, because of physical or mental incapacity, you're not reasonably able to act on your behalf. This document names a person who can legally make financial and other decisions and take action when you're unable to.

Living will and health care proxy. A living will specifies what measures should be taken to keep you alive under certain circumstances. At the same time, a health care proxy appoints an agent to make health care decisions for you.

HIPAA release form. This ensures that your family and other people you identify can receive confidential medical information about your condition, enabling them to make decisions on your behalf.

Beneficiary designations. Maintaining the beneficiary and contingent beneficiary designations you make on your employer benefits and other accounts is important because they can pass without being dictated in a will.

Digital fiduciary. Digital is often overlooked category of assets, but since most of us have many digital accounts, it should also be considered part of your estate plan.

Special needs plan. If you are a caregiver for a dependent with special needs, be mindful of planning issues and options which can include: eligibility for government benefits, types of special needs trusts, and appropriate financial funding vehicles, which might include life insurance.

What else can get in the way of calculating your estate taxes?

As the saying goes, not only can you not *take it all with you* but something called Income in Respect of a Decedent (IRD) may also prevent your beneficiaries from *taking it all with them* too.

IRD refers to untaxed income – such as remaining employee compensation or IRA distributions – that a decedent had earned or had a right to receive during their lifetime.

- IRD is taxed as if the decedent is still living.
- The beneficiaries of your estate are responsible for paying taxes on IRD income under most circumstances.

Take time to look at additional benefits

Many of us don't take enough time to consider the value of the benefits offered by our employers. These additional benefits are typically paid entirely or mostly by employees. They can close the gaps in employer-sponsored coverage, allow easy access through payroll deduction, and help with what can be high and unpredictable out-of-pocket expenses. Here are some of the traditional additional benefits your employer may offer:*

Accident insurance. Accidents and their costs not covered under your employer's existing medical plan can be covered with accident insurance. It generally provides a lump-sum payment after an accident that can be used with out-of-pocket expenses such as deductibles, copays, transportation to medical centers, childcare, and more.

Cancer insurance. A cancer diagnosis can mean unexpected expenses such as deductibles, copays, and costs for out-of-network care. Cancer insurance typically pays for a lump sum payment after a covered cancer diagnosis.

Critical illness insurance. Even quality medical plans can leave you with extra expenses to pay. A critical illness insurance policy can help you deal with extra costs like plan deductibles, copays for doctor visits, and out-of-network care.

Hospital indemnity insurance. This can help with costs not covered by your medical plan. It may pay a lump sum benefit for hospital admission, accident-related inpatient rehabilitation, and hospital stays.

Identity theft insurance. Restoring your identity after its been stolen can be an expensive, time-consuming process, and may require legal assistance. Identity theft insurance doesn't prevent identity theft from happening, but it can cover financial losses, such as debts incurred fraudulently in your name.

Legal services. Group legal plans provide affordable, convenient access to a highly qualified network of attorneys for everyday personal legal matters from buying a home and creating a will to getting a speeding ticket and handling debt collection.

Pet insurance. Helps cover the cost of injuries and illnesses so you can give your pet the best possible care.

Auto insurance. Whether it's a car, boat, or RV, auto insurance protects your vehicles, yourself, and family. Policies generally offer various coverage options, including liability protection, collision, and comprehensive coverage, personal injury protection, and uninsured motorists' coverage.

Home insurance. If you own a house, condo, or apartment, a homeowner's insurance policy can protect you if you have to rebuild your home or replace lost or damaged property. Some policies may also include customizable coverage in the event of tornadoes, hail, fire, theft, and vandalism.

Health Savings Accounts (HSAs). When paired with high-deductible health plans, HSAs offer tax benefits** and are designed both to help you with current healthcare costs and to save for future medical expenses.

*Not all companies will offer these benefits

**HSA contributions can be made pre-tax from a paycheck or made directly and then deducted on a tax return. HSA assets grow tax-free and, when used for qualified medical expenses, can be withdrawn tax-free. HSA funds used for non-qualified expenses are taxed and subject to a 20% penalty if the HSA holder is less than 65 years of age. Beginning at age 65, HSA funds for non-qualified expenses are taxed, but do not incur any penalty.

Understanding Health Savings Accounts (HSAs)

As you probably know, health insurance plans have consistently topped the list of employees' most precious benefits. You may have heard about Health Savings Accounts (HSAs), which are growing in popularity. When paired with high-deductible health plans, HSAs offer tax benefits and are designed both to help you with the rising costs of healthcare and to save for future medical expenses. But is an HSA right for you?

Advantages of an HSA:

- You decide how much money to set aside for out of pocket healthcare costs – puts you in control (subject to IRS limits)
- You can use it tax and penalty-free for qualified healthcare expenses today or allow it to accumulate for future needs
- You always own the account – even if you change jobs, retire or stop contributing, the money is yours
- Any unused money accumulates year over year – there is no "use it or lose it" rule

Disadvantages of an HSA:

- Healthcare needs can be unpredictable making it difficult to budget
- Depending on your situation, it may be challenging to set aside money to put in an HSA
- If you take money out for nonmedical expenses, you will have to pay taxes on it*

Is an HSA right for you?

As you consider your choices, think about your budget and what healthcare you may need. If you are generally healthy and want to save for future expenses, it may make sense to have a savings vehicle that can help. As a result, an HSA may be the right choice. And, if you are near retirement, you may also want to put aside funds for healthcare costs in retirement.

Alternatively, if you think you might need expensive medical care over the next year, you may not want to participate in a high deductible health plan, even with the option for an HSA.

What is right for you? Get all the information and help you need to make the most of your plan options.

*HSA funds used for non-qualified expenses are taxed and subject to a 20% penalty if the HSA holder is less than 65 years of age. Beginning at age 65, HSA funds for non-qualified expenses are taxed, but do not incur any penalty.

Documents you need when your child turns 18

Turning 18 is a big deal, not just from a parent's emotional perspective, but legally too. Parents may not realize they can no longer make legal decisions about their adult child. If your child is going away to college, many of them do a good job of notifying parents of important health, financial and other matters. However, it is probably a good idea to take the initiative by having documents in place. Here are some of the primary ones to consider.

Health care power of attorney/proxy. When we think of a health care power of attorney, it is frequently for an older parent, but it is just as crucial for college-age adult children. This document allows parents to make decisions about their child's health care. Usually, this is not used unless a child becomes incapacitated. If a student goes to school in a different state it is suggested to have a document from each state.

Living will. Also known as an advance directive, it addresses your child's wishes regarding life-extending medical treatment and organ donations. Having this document in place can help avoid the potential pain and anxiety of family members, relatives, or close friends being at odds about handling a tragedy, such as an automobile accident.

HIPAA authorization. This authorization allows doctors to speak about a student's medical condition with whomever the student chooses. Students can also set limits on how much and what type of information can be shared. Even with this authorization, students might still need to sign a release form specific to their college, as many have varying policies and procedures.

Financial power of attorney. This document is a way to allow parents to manage their child's finances and act on all financial matters or have limits on their authority. This would be useful if a child has a car accident or is ill, planning on traveling abroad or has an overdrawn bank account due to fraud.

The Family Educational Rights and Privacy Act (FERPA). This requires students to provide written consent (with very few exceptions) before grades, transcripts, disciplinary actions and financial-aid documents are shared with parents. Colleges usually notify parents of this requirement but some may not.

Key action steps

- ☐ Determine how much disability income and life insurance I need

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- ☐ Look at my additional benefits that can close gaps in my benefits package and may help with possible high, unpredictable out of pocket expenses

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- ☐ Know how much long-term care costs in my state

- ☐ Review my five basic elements of an estate plan, and create or update my will

Are you ready to take action?

Below is a checklist of various actions you can take to help prepare for your financial future

Building the Foundation

- ☐ Max out my 401(k) contributions, or at least enough to get my company match if it's offered
- ☐ Create and manage my budget and build an emergency fund
- ☐ Start saving now to take advantage of compounding
- ☐ Know how taxes and inflation affect my investments

Creating and Managing Wealth

- ☐ Figure out my "Rule of 25" to get the basic idea of how big my retirement nest egg will have to be
- ☐ Review my investments and make sure they are properly diversified
- ☐ Complete my risk tolerance assessment so I can create an asset allocation model that works for me
- ☐ Consider using dollar-cost averaging to balance out the effects of market volatility
- ☐ Evaluate all my risks to make sure they are properly managed

Establishing Your Retirement Income Stream

- ☐ Track my current expenses and think about how they would change in retirement
- ☐ Order and review my Social Security statement
- ☐ Match my retirement income sources with types of expenses to determine if I have an income gap

Making the Most of What You Have

- ☐ Determine how much disability income and life insurance I need
- ☐ Look at my additional benefits that can close gaps in my benefits package and may help with possible high, unpredictable out of pocket expenses
- ☐ Know how much long-term care costs in my state
- ☐ Review the five basic elements of an estate plan, and create or update my will

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