

Retirement

Building a Comfortable Lifestyle for Tomorrow



When You Imagine Your Retirement,
What Do You See?



With So Many Financial Challenges, How Do You Make Retirement a Priority?



Three Keys to Funding a Comfortable Retirement

- 1. Evaluate Your Needs and Set a Goal**
2. Develop a Strategy
3. Protect Your Nest Egg

Factors That Influence Your Retirement Income Needs: The “Whys”

- Retirement age
- Length of retirement
- Health-care needs
- Inflation
- Lifestyle



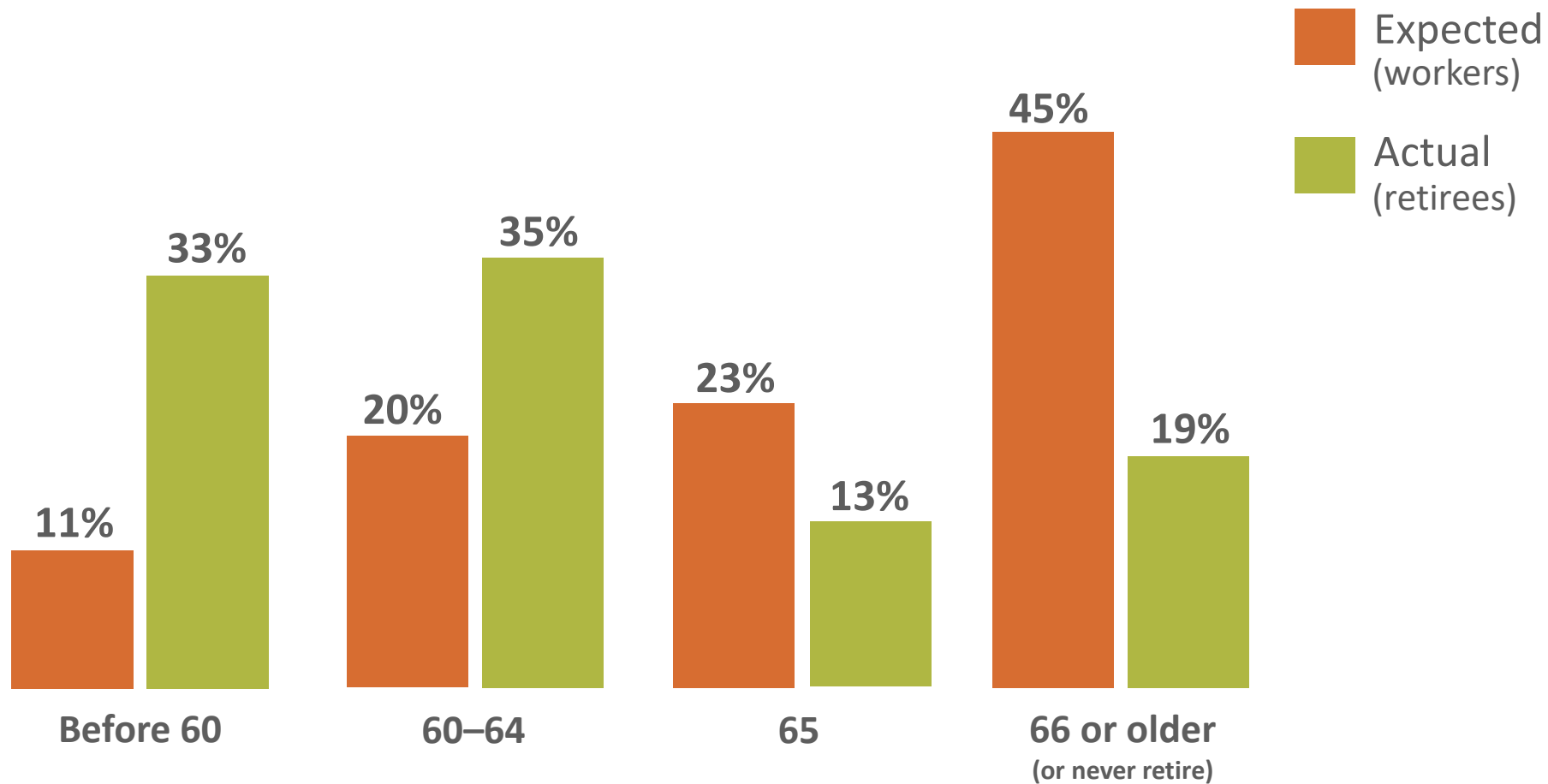
Retirement Age

- The earlier you retire, the shorter the period of time you have to accumulate funds, and the longer those dollars will need to last
- Social Security isn't available until age 62*
- Medicare eligibility begins at age 65

*Claiming Social Security at age 62 results in a permanently reduced benefit amount.



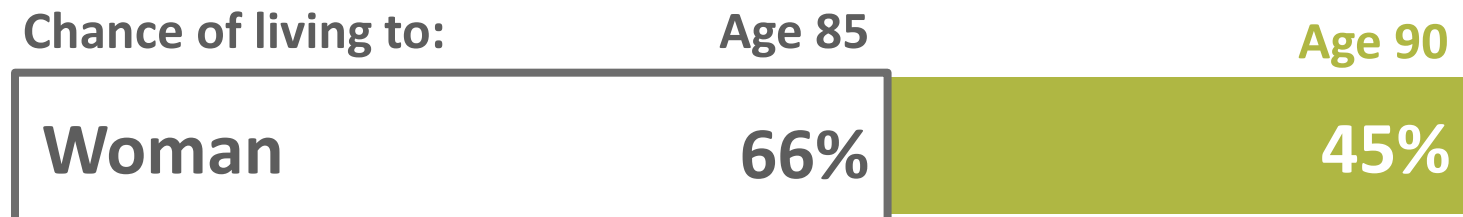
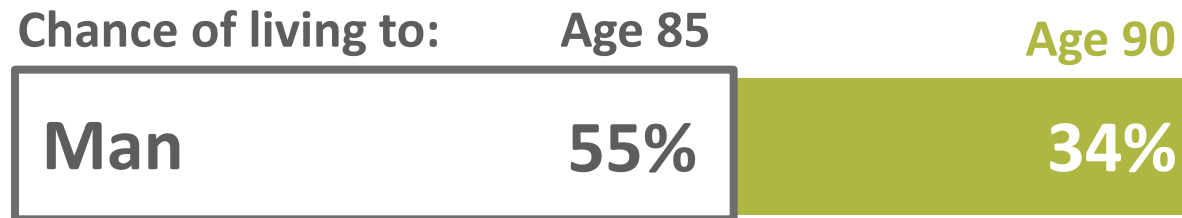
Planned and Actual Retirement Age



Source: Employee Benefit Research Institute, 2023 (numbers don't add up to 100% due to rounding)

Length of Retirement

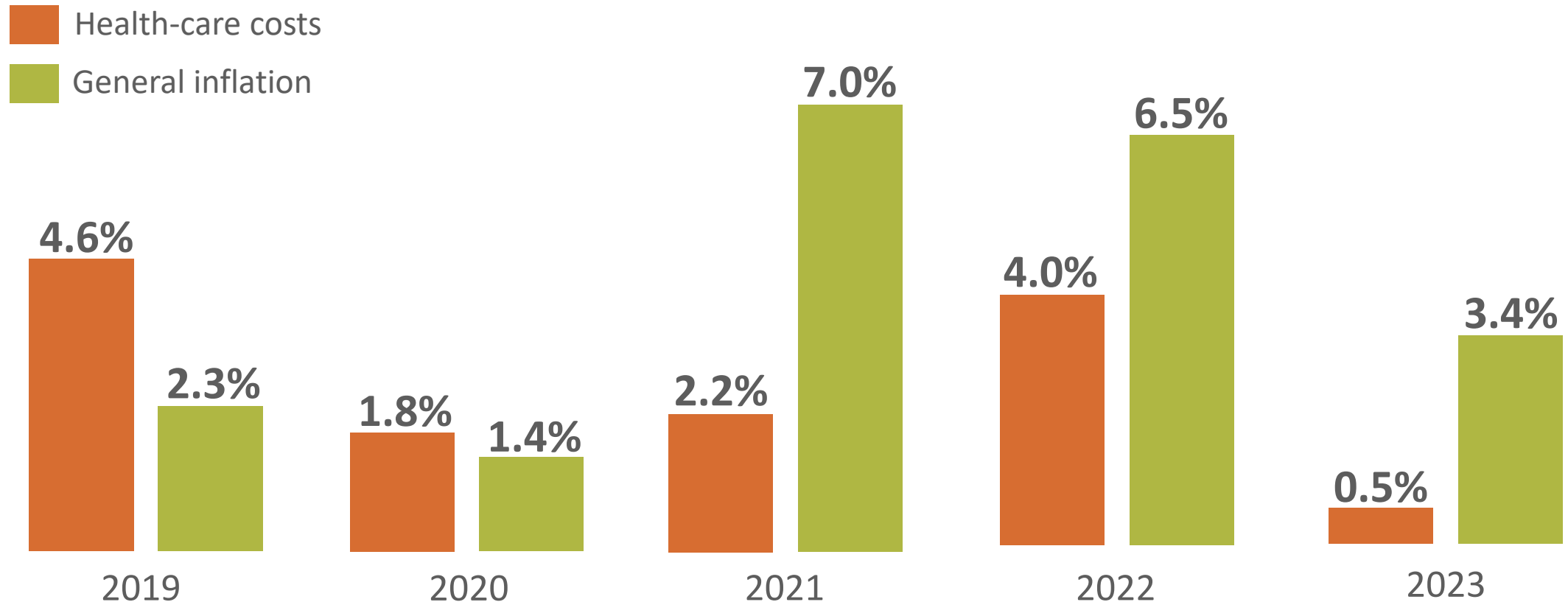
At **age 65**, a healthy individual may expect to spend **20 years** or longer in retirement.



Source: Society of Actuaries, 2024





Health-Care Needs

A 65-year-old couple who retired in 2022 may need **\$351,000** to cover their health-care expenses in retirement.



Sources: Employee Benefit Research Institute, 2024; U.S. Bureau of Labor Statistics, 2024

Inflation

	Item	Cost Today	Future Cost in 20 Years
	Gallon of milk	\$4.00	\$7.22
	Haircut	\$45.00	\$81.28
	Running shoes	\$100.00	\$180.61
	New car	\$47,000	\$84,887

Assumes a 3% inflation rate

Future costs in this hypothetical example are based on mathematical principles and used for illustrative purposes only. A 3% annual inflation rate cannot be guaranteed. Actual results will vary.

Lifestyle

You may need anywhere from **70% to 100%** of your pre-retirement income to **live comfortably** in retirement.



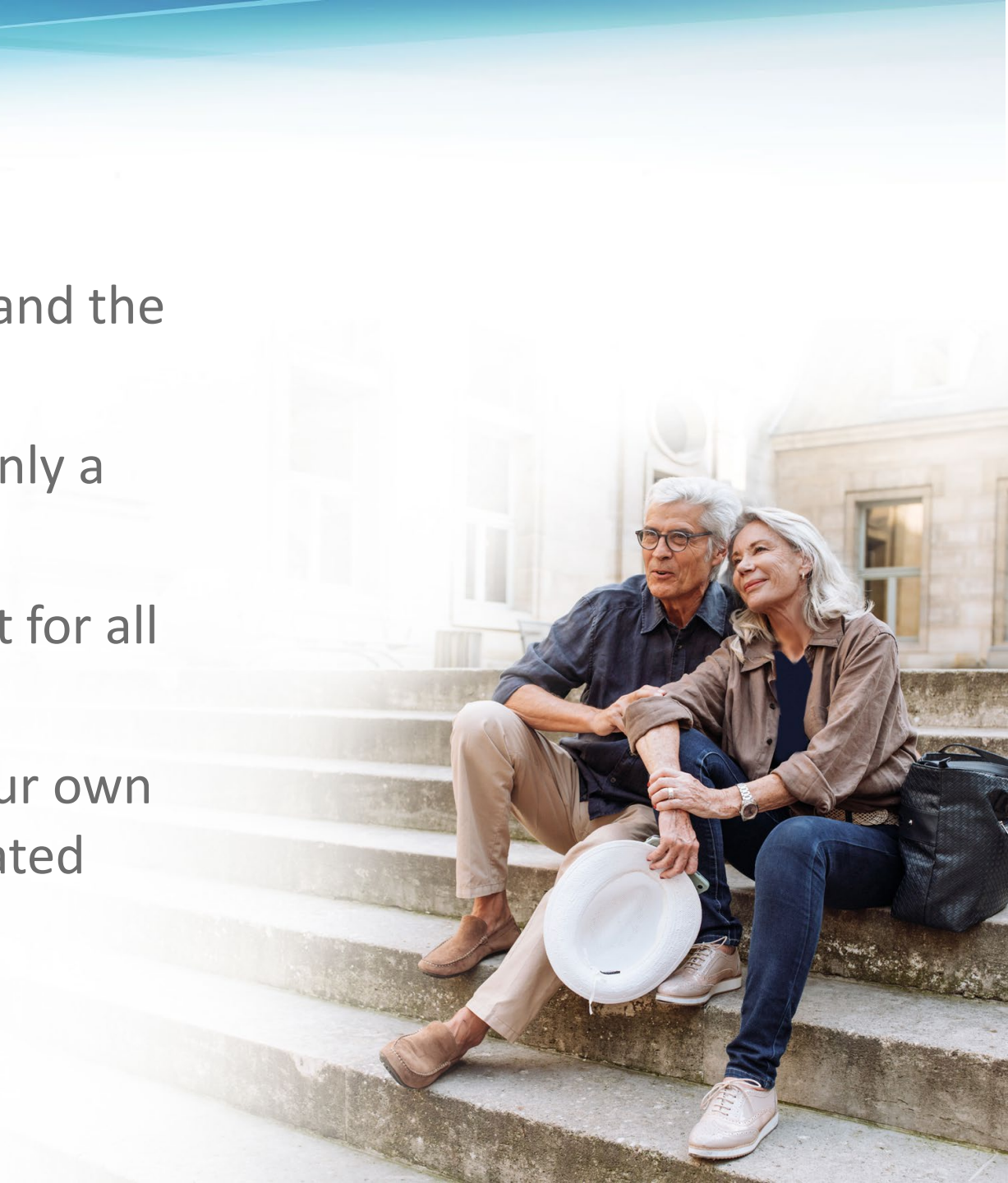
Possible Sources of Income

- Social Security
- Continued employment earnings
- Personal savings and investments
 - Tax deferred
 - Taxable



Social Security

- Benefits are based on career earnings and the age when you claim Social Security
- Social Security is designed to replace only a portion of pre-retirement income
- The estimated average monthly benefit for all retired workers in 2024 is **\$1,907**
- Visit ssa.gov/myaccount to create your own personal account and view your estimated Social Security benefits online



Continued Employment Earnings

73% of workers expect to continue working for pay after reaching retirement age



30% of retirees say they have worked for pay in retirement

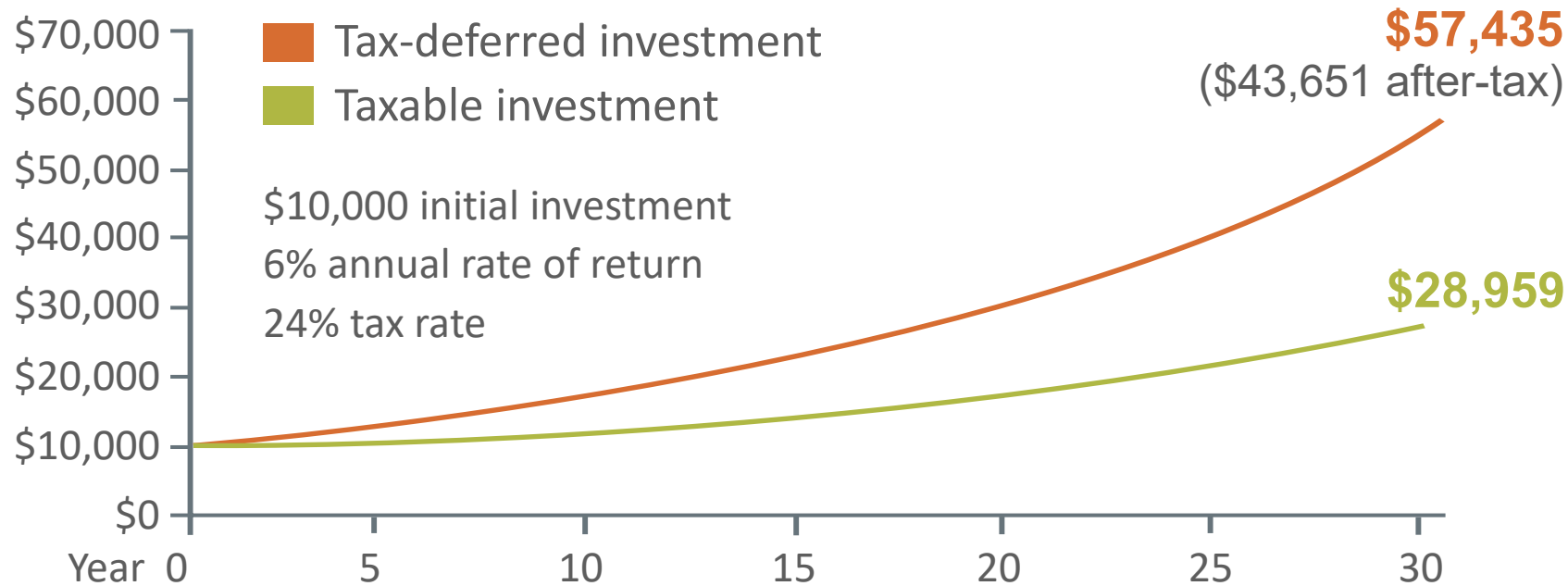


Personal Savings and Investments

- Tax-deferred vehicles
 - Work-based retirement savings plans
 - IRAs
 - Annuities
- Taxable vehicles
 - Stocks, bonds, cash alternatives
 - Mutual funds, ETFs



The Value of Tax Deferral



This hypothetical example is used for comparison purposes only and does not reflect the actual performance of any specific investments. The taxable account assumes that a portion of assets is used to pay taxes (24%) attributable to the account's earnings. Rates of return will vary over time, especially for long-term investments. Actual results will vary. Investment fees and expenses are not considered and would reduce the results shown if they were included. Lower maximum tax rates for capital gains and qualifying dividends, as well as the tax treatment of investment losses, could make the taxable investment return more favorable, reducing the difference in performance between the two accounts.

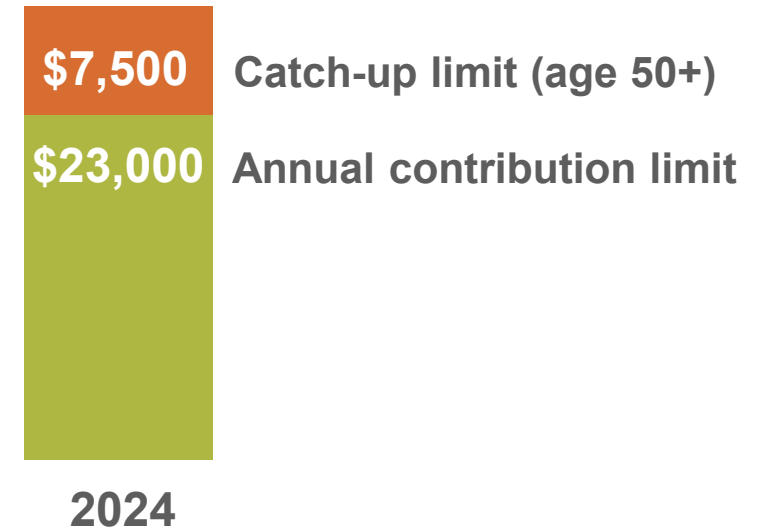
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Work-Based Retirement Savings Plans

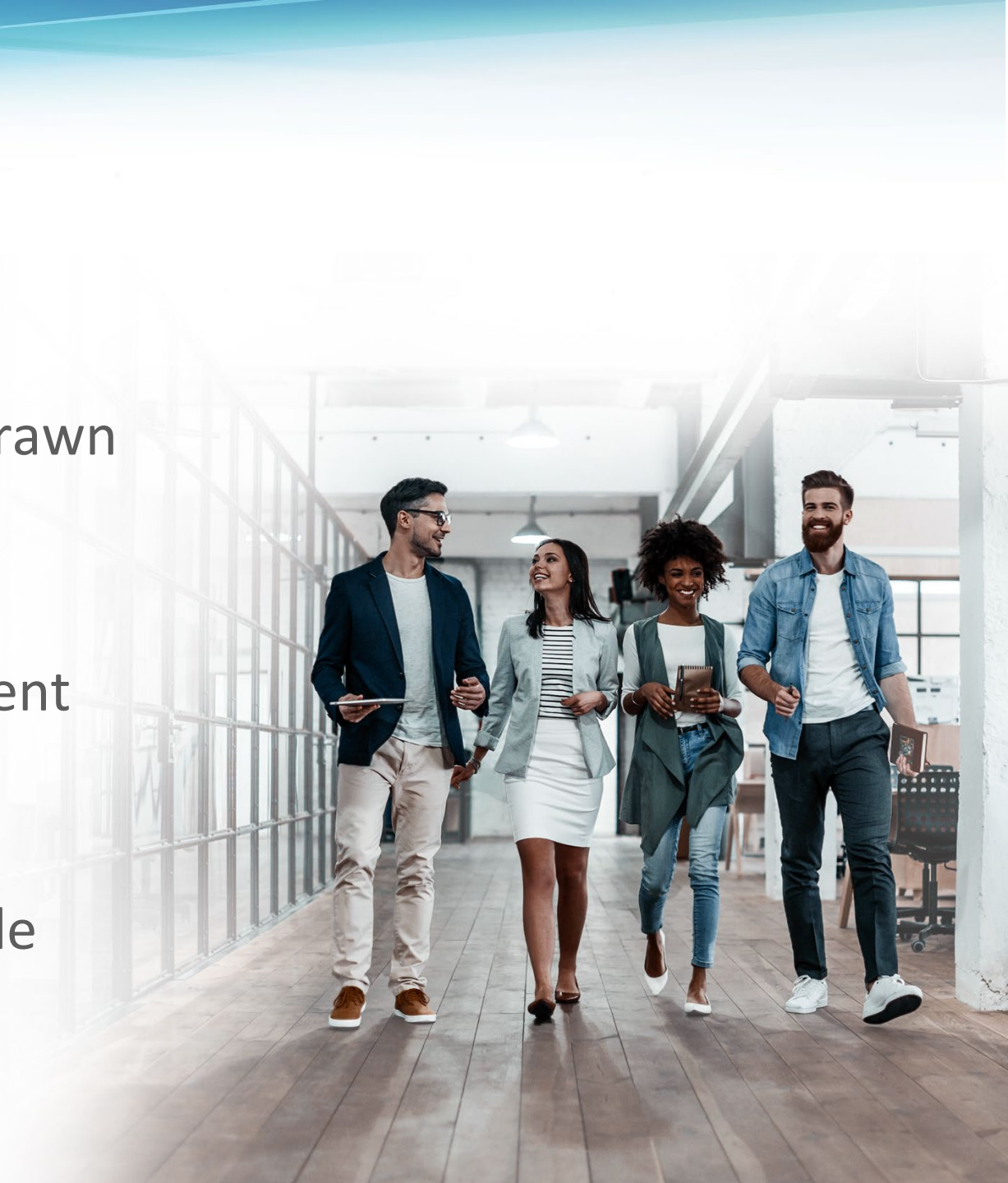
- Pre-tax contributions
- Tax-deferred accumulation
- Possible employer match
- Annual contribution limits

Retirement Savings Plan Contribution Limits



Roth Contributions

- After-tax contributions
- Funds grow tax deferred until withdrawn
- Qualified distributions are free of federal income tax
- Must meet 5-year holding requirement AND have reached age 59½ or be disabled
- Nonqualified distributions are taxable



Traditional IRA

- Broad eligibility
- Tax-deductible contributions
- Tax-deferred accumulation
- Typically, more investment options
- Annual contribution limits
- Subject to required minimum distributions



Roth IRA

- After-tax contributions
- Tax-deferred accumulation
- Tax-free qualified withdrawals
- No required minimum distributions (if you're the original owner)
- Annual contribution limits
- Income eligibility phaseouts



Annuities



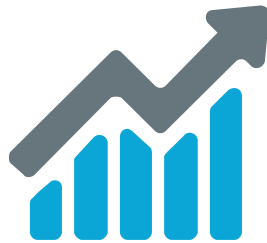
- After-tax contributions
- Tax-deferred accumulation
- No federal contribution limits
- No mandatory distributions
- Guaranteed returns*

*The guarantees of fixed annuity contracts are contingent on the financial strength and claims-paying ability of the issuing insurance company.

Types of Annuities



Fixed



Variable



Indexed

Variable annuities are sold by prospectus. Please consider the investment objectives, risks, charges, and expenses carefully before investing. The prospectus, which contains this and other information about the variable annuity contract and the underlying investment options, is available from your financial professional. Be sure to read the prospectus carefully before deciding whether to invest.



Taxable Investments



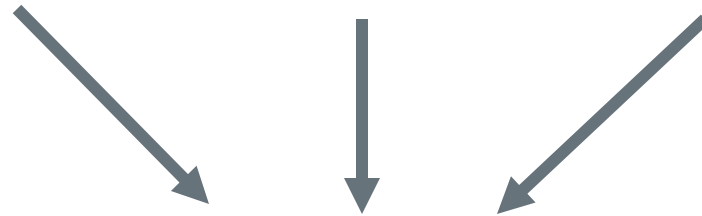
Stocks



Bonds



Cash alternatives



Mutual funds and ETFs

Mutual funds and exchange-traded funds are sold by prospectus. Please consider the investment objectives, risks, charges, and expenses carefully before investing. The prospectus, which contains this and other information about the investment company, is available from your financial professional. Be sure to read the prospectus carefully before deciding whether to invest.

Invest Wisely

Three Fundamental Principles

Diversification

Asset allocation

Dollar-cost averaging



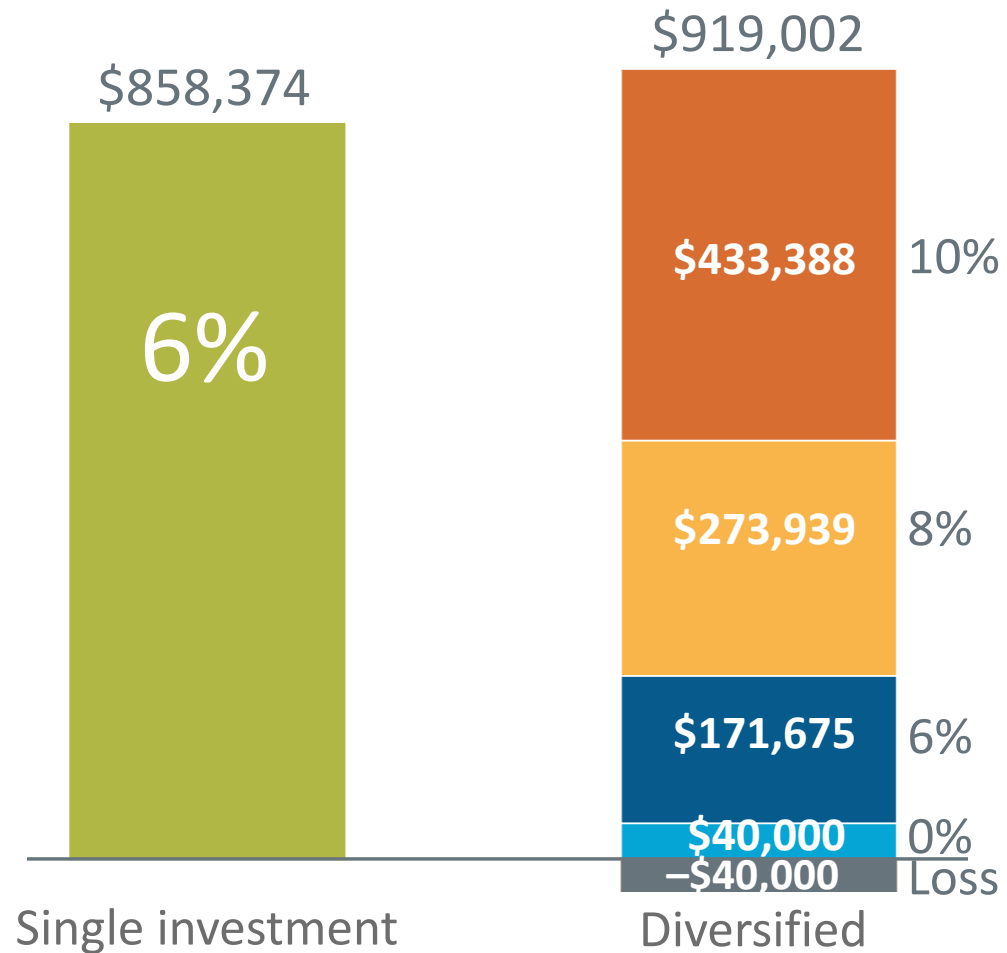
Diversification

Investing in different investment vehicles in an attempt to **limit exposure to losses** in any one sector of the market



Diversification

Original \$200,000 investment portfolios after 25 years



This hypothetical example is used for illustrative purposes only. Taxes, fees, and other expenses are not included. Actual results will vary.

Asset Allocation

A systematic approach to diversification that determines an **efficient mix of assets** for a given investor



Personalizing Your Asset Allocation Model

1 Investment Goal(s)

2 Time Frame

3 Risk Tolerance



Conservative Asset Allocation Model

Time frame

20 years

Primary goal

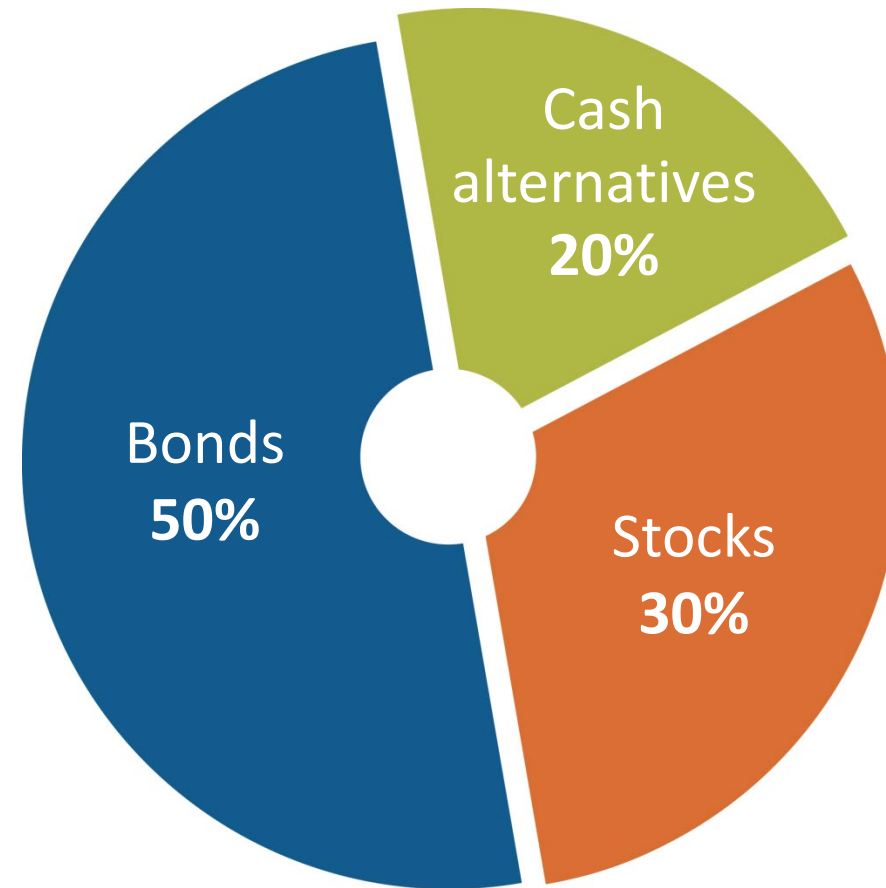
minimize volatility

2004–2023 performance

Best year 20.22%

Worst year -15.76%

Avg. annual 6.19%



Source: London Stock Exchange Group, 2024. This hypothetical example is used for illustrative purposes only. Past performance is not a guarantee of future results. The returns shown do not include taxes, fees, and other expenses. Actual results will vary.

Aggressive Asset Allocation Model

Time frame

20 years

Primary goal

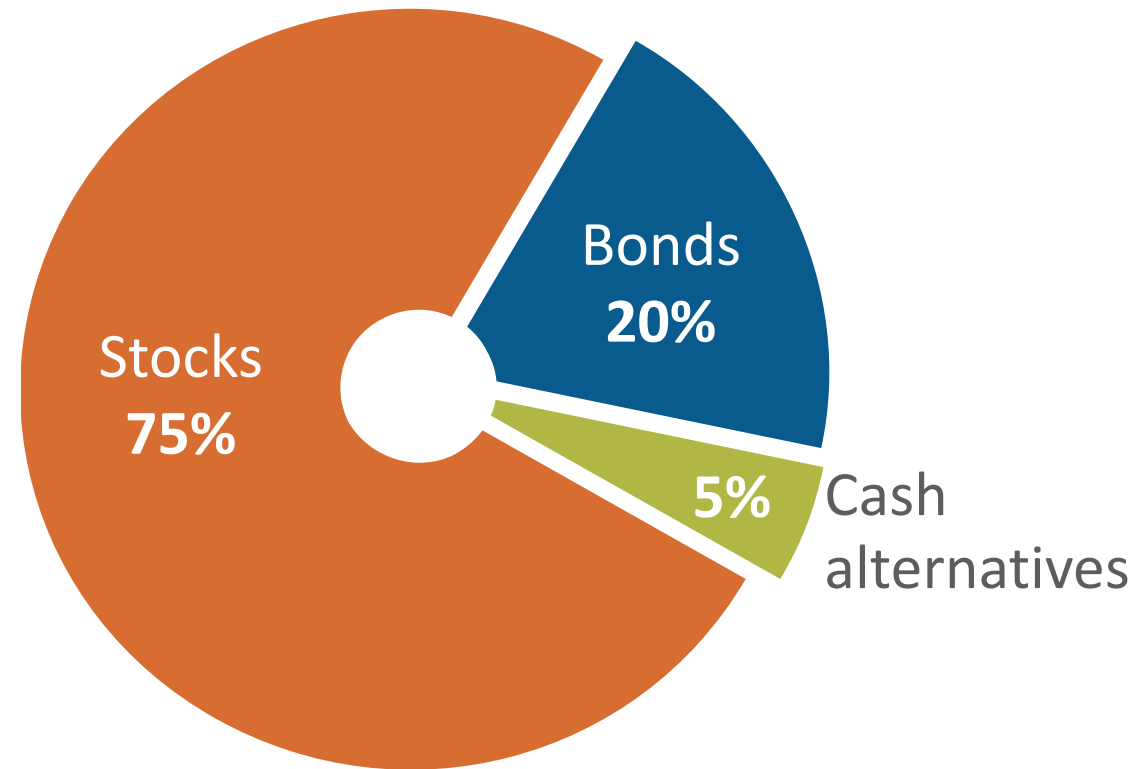
pursue growth

2004–2023 performance

Best year 28.33%

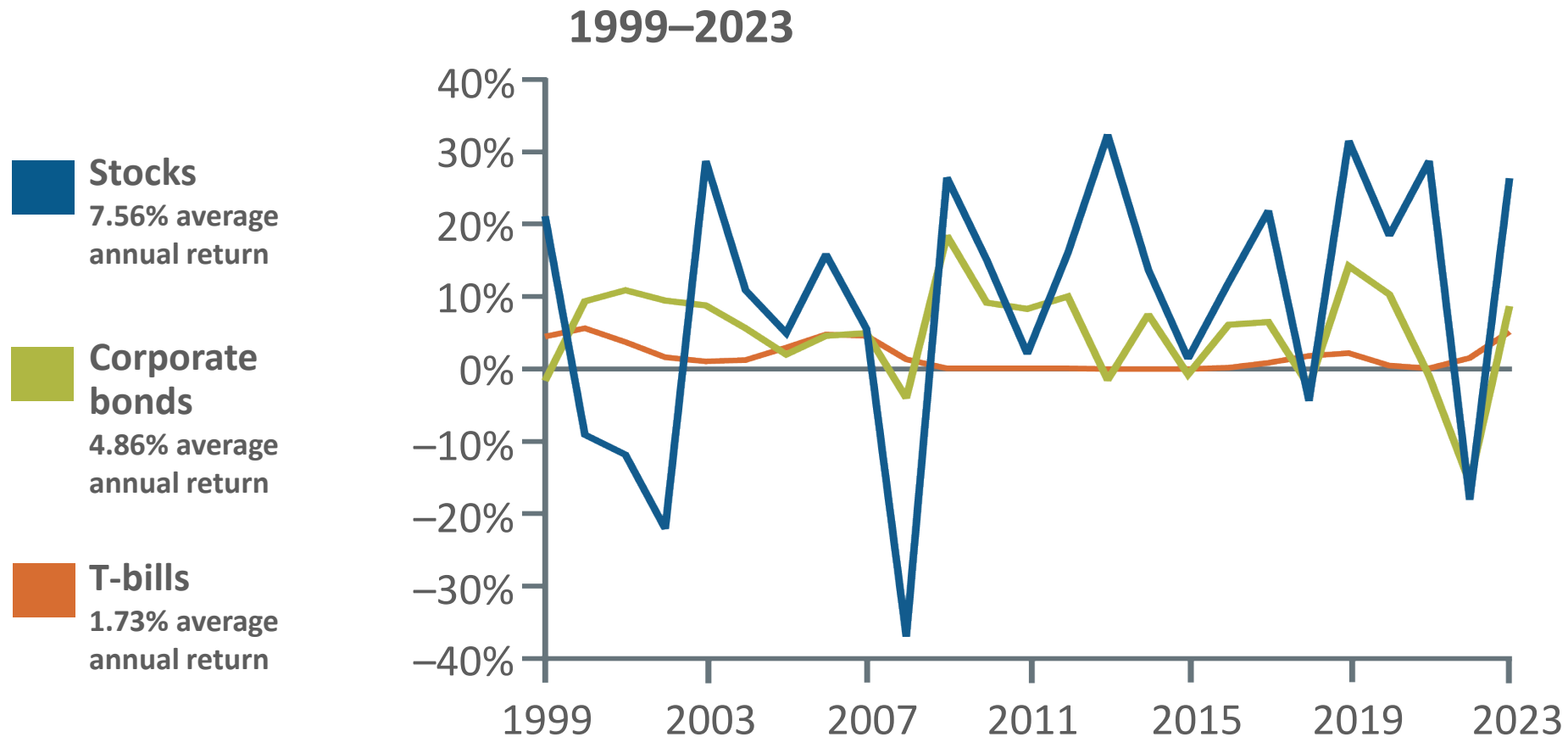
Worst year -29.65%

Avg. annual 8.70%



Source: London Stock Exchange Group, 2024. This hypothetical example is used for illustrative purposes only. Past performance is not a guarantee of future results. The returns shown do not include taxes, fees, and other expenses. Actual results will vary.

Why Your Time Horizon and Risk Tolerance Matter



Source: London Stock Exchange Group, 2024. The returns shown do not include taxes, fees, and other expenses, which would reduce the performance if included. Past performance is not a guarantee of future results. Actual results will vary.

Dollar-Cost Averaging

A strategy that involves investing a **set amount of money** at **regular intervals** on an ongoing basis



Dollar-Cost Averaging Example

	Regular Investment	Market Price/Share	Shares Acquired
Month 1	\$100	\$ 6.00	16.7
Month 2	\$100	3.00	33.3
Month 3	\$100	4.00	25.0
Month 4	\$100	8.00	12.5
Month 5	\$100	5.00	20.0
Total	\$500	\$26.00	107.5
Average price per share: \$5.20 ($\$26 \div 5$)			
Average cost per share: \$4.65 ($\$500 \div 107.5$)			

This hypothetical example is used for illustrative purposes only. Actual results will vary.

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- 3. Protect Your Nest Egg**

Periodic Portfolio Reviews and Maintenance

- Typically, at least once a year
- After a major lifestyle change
- As the result of a change in your investing outlook



Prepare for the Unexpected

Insurance products can help you:

- Provide for loved ones
- Fund unexpected expenses
- Protect a business
- Preserve your estate



Long-Term Care Strategy

Most 65-year-olds will need some form of long-term care services during their lifetimes.

Source: U.S. Department of Health and Human Services, 2024

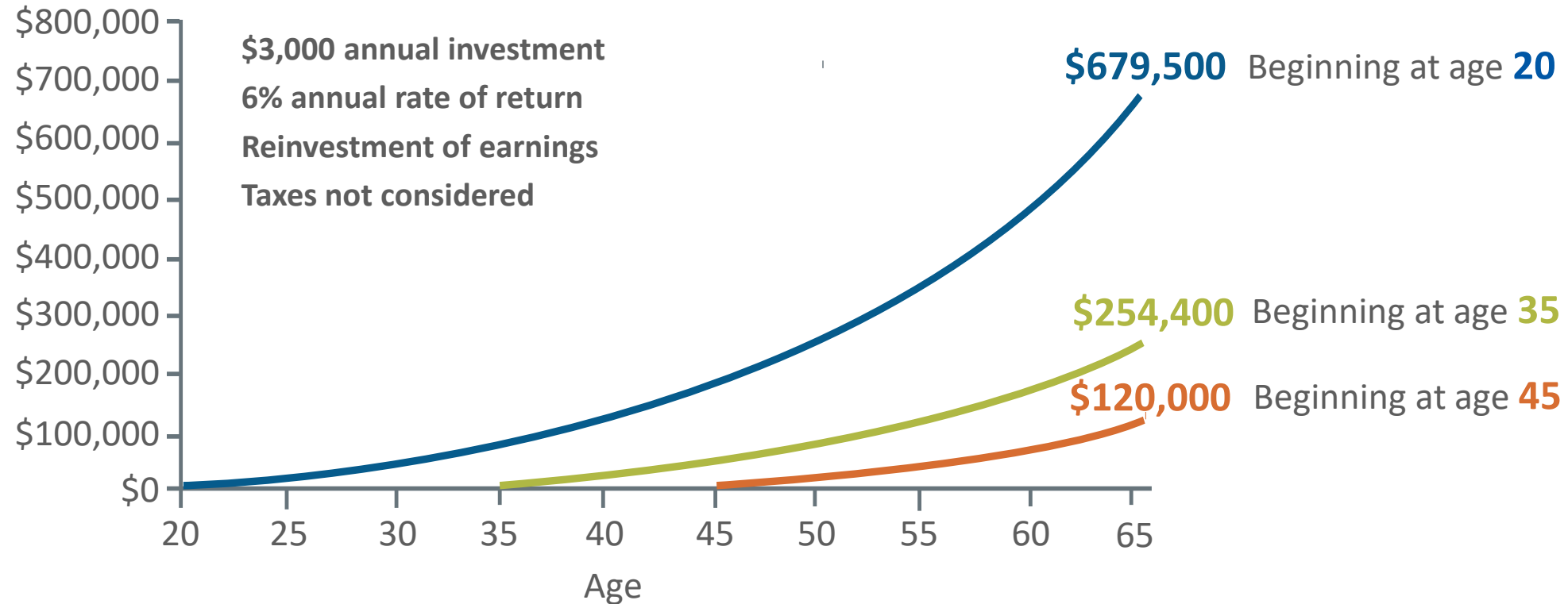


What Can You Do Today?

Commit to developing and keeping your retirement savings plan a high priority



Start Saving Now



This hypothetical example of mathematical compounding is used for illustrative purposes only and does not represent the performance of any specific investments. Taxes are not considered. Rates of return will vary over time, particularly for long-term investments. Investments offering the potential for higher rates of return also involved a higher degree of investment risk. Actual results will vary.

Putting Your Knowledge to Work

- Do it yourself
- **Work with us**
- Procrastinate



Thank You



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