



## Within Reach:

Transitioning from career  
to retirement

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## Staying on course: Today's agenda

- Evaluate where you are now
- Retirement income
- Taxes
- Healthcare
- Insurance
- Estate planning
- Risks
- Action steps and Q&A



## Quick quiz

**What's the most important thing to consider doing as you approach retirement?**

- A. Signing up for Medicare
- B. Planning your retirement party. Then plan what you'll do once you're retired.
- C. Talking to a financial consultant about how much you'll need to live on
- D. Writing your will



## Evaluate where you are now: A mental checklist

- Evaluate your retirement savings
- Pay off debt and reduce expenses to free up cash to fund short- and long-term goals
- Know how to fund the retirement you want





## Assess where you are now

- Define your personal goals
- Consider your benefits
- Assess your savings
- Make a budget for retirement





## Retirement income: A few tips for wannabe retirees

- Be flexible
- Allocate assets wisely
- This is a risky endeavor. Exercise caution!
- Be realistic
- Diversification can be an important strategy

Diversification is a technique to help reduce risk. However, there is no guarantee that diversification will protect against a loss of income. There is no guarantee that asset allocation reduces risk or increases returns.

## Checklist: Retirement income

- Possible sources
  - Social Security
  - Stock dividends
  - Bonds
  - Annuities
  - Interest income and savings accounts
  - IRAs, 401(k) and 403(b)
  - Continuing to work
  - Pay off debt and reduce other expenses



Bank savings accounts are insured by the FDIC and may offer a fixed rate of return, whereas the return and principal value of other investments will fluctuate with changes in market conditions. Rates on government bonds are fixed and principal, if held to maturity, is guaranteed. U.S. corporate bonds offer a fixed rate of return and principal value.



## Checklist: Taxes

- Decide on a realistic retirement date
- Determine which income sources to draw from first
- Integrate your planning with retirement plans for your spouse or significant other
- What will you do with your 401(k) or 403(b), your pension?  
(There are tax implications.)
- Selling a house? You may need to consider capital gains tax.

The TIAA group of companies does not offer tax or legal advice. Please see your personal tax and legal advisors regarding your particular situation.



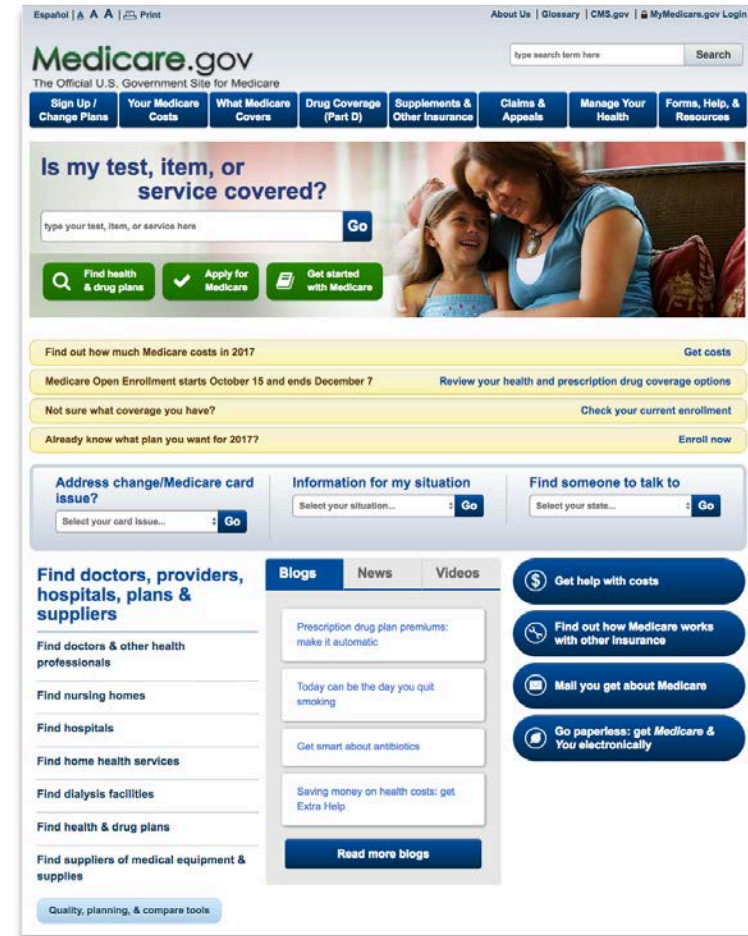


# Checklist: Milestone review

Age	Milestone
59½	Withdrawals from tax-advantaged retirement plans no longer subject to 10% early-withdrawal penalty
62	Minimum age to receive Social Security benefits, but at a reduced amount
66	Full Social Security benefits (regardless of any future earnings) available if you were born between 1943 and 1954
67	Full Social Security benefits available if you were born in 1960 or later
70½	Must begin withdrawing funds from your retirement plans <ul style="list-style-type: none"><li>▪ Employer plans: By April 1 following the year you turn age 70½ or retire from the sponsoring employer, whichever is later</li><li>▪ IRAs (except Roth IRAs): By April 1 following the year you turn age 70½</li></ul>
75	Must begin withdrawing funds exempt from age 70½ distribution requirement (funds contributed to a 403(b) plan before January 1, 1987), unless you are still employed and meet certain criteria
90	Must begin income from after-tax annuities. Latest you can start taking lifetime annuity income from a TIAA retirement account

# Checklist: Healthcare

- Sign up for Medicare within three months of your 65<sup>th</sup> birthday
- Get familiar with the options at [medicare.gov](https://www.medicare.gov)
- Call 1-800-MEDICARE
- Consider Medigap coverage, too



The screenshot shows the Medicare.gov website interface. At the top, there are navigation links for 'Español', 'About Us', 'Glossary', 'CMS.gov', and 'MyMedicare.gov Login'. The main header features the 'Medicare.gov' logo and a search bar. Below the header is a navigation menu with buttons for 'Sign Up / Change Plans', 'Your Medicare Costs', 'What Medicare Covers', 'Drug Coverage (Part D)', 'Supplements & Other Insurance', 'Claims & Appeals', 'Manage Your Health', and 'Forms, Help, & Resources'. The main content area has a large banner asking 'Is my test, item, or service covered?' with a search input and a 'Go' button. Below the banner are three green buttons: 'Find health & drug plans', 'Apply for Medicare', and 'Get started with Medicare'. A series of yellow boxes provide quick links: 'Find out how much Medicare costs in 2017' (Get costs), 'Medicare Open Enrollment starts October 15 and ends December 7' (Review your health and prescription drug coverage options), 'Not sure what coverage you have?' (Check your current enrollment), and 'Already know what plan you want for 2017?' (Enroll now). Further down, there are three search boxes: 'Address change/Medicare card issue?', 'Information for my situation', and 'Find someone to talk to'. The bottom section is divided into 'Find doctors, providers, hospitals, plans & suppliers' (with sub-links for professionals, nursing homes, hospitals, home health services, dialysis facilities, drug plans, and medical equipment) and 'Blogs' (with sub-links for 'Get help with costs', 'Find out how Medicare works with other insurance', 'Mail you get about Medicare', and 'Go paperless: get Medicare & You electronically'). A 'Read more blogs' button is also present.



# Checklist: Insurance

- Health
- Long-term care





## Checklist: Estate planning

- Leave your estate in order. (Your loved ones will be eternally grateful.)
- Consult the proper experts to help you create an estate plan
  - Attorneys
  - Tax advisors / Accountants
- Check with people you know who have worked with an attorney on estate planning; interview the attorney before hiring him or her
- Consider meeting with a financial consultant for support on product needs



# Help curb your risk

## Diversify your portfolio

- Diversification may help you avoid big changes in the value of your investments
- Diversify by sector, too

## Allocate appropriately

- Most of a portfolio's performance is linked to the way it's allocated

## Adjust as needed

- Change your draw down strategy and asset allocation, as needed, throughout your retirement

Diversification is a technique to help reduce risk. However, there is no guarantee that diversification will protect against a loss of income. Please note that there is no guarantee that asset allocation reduces risk or increases returns.



## Tools and resources

### Find all of our helpful online tools at [TIAA.org/tools](https://TIAA.org/tools)

- Retirement Income Planner
- Asset Allocation Evaluator
- Retirement Advisor - [TIAA.org/setyourgoals](https://TIAA.org/setyourgoals)

### And some additional resources...

[aarp.org](https://aarp.org)

[myretirement.org](https://myretirement.org)

[medicare.gov](https://medicare.gov)

You will find these tools and many others described in your workshop materials and also on our website at [TIAA.org/tools](https://TIAA.org/tools).

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## What will you do next?

- Be flexible as you reach retirement
- Allocate appropriately for your situation
- Review your retirement plan regularly. Adjust it when needed



Questions?







Thank you!



You can call **800-732-8353**, weekdays, 8 a.m. to 8 p.m. (ET) to schedule a one-on-one session with a TIAA Financial Consultant.



Or you can schedule online at [TIAA.org/schedulenow](https://www.tiaa.org/schedulenow)

The AARP retirement checklist begins with defining your own goals for retirement.<sup>1</sup>

<sup>1</sup>AARP, "How to Retire Happy," accessed online November 2016

When it comes to your actual investment portfolio, no other factor will have a bigger impact on your portfolio's success or failure than your asset-allocation plan.<sup>2</sup>

<sup>2</sup>Morningstar, "6 Retirement Asset-Allocation Pitfalls to Avoid," January 2016

It pays to wait – Social Security monthly benefits are 76% higher at age 70 than 62.<sup>3</sup>

<sup>3</sup>Social Security Administration, "When to Start Receiving Retirement Benefits," October 2016

Short-term capital gains are from the sale of investments held for one year or less, while long-term capital gains are from the sale of shares held for one year or more. The capital gains tax rate usually depends on your income. For most taxpayers a zero or 15 percent rate will apply, though this can go up to a 25 or 28 percent rate on certain types of net capital gains.<sup>4</sup>

<sup>4</sup>IRS, "Ten Facts That You Should Know about Capital Gains and Losses," accessed online November 2016

Average life expectancy for a 65-year-old in the United States is 84 years old for men and 87 years old for women.<sup>5</sup>

<sup>5</sup>Social Security Administration, "Calculators: Life Expectancy," accessed online September 2016

In 2016, 29 percent of all workers were in high-deductible plans, up from 20 percent in 2014. In 2016, 83 percent of covered workers face a deductible that's risen 12 percent from 2015, and 49 percent since 2011.<sup>6</sup>

<sup>6</sup>Kaiser Family Foundation, "Average Annual Workplace Family Health Premiums Rise Modest 3% to \$18,142 in 2016; More Workers Enroll in High-Deductible Plans With Savings Option Over Past Two Years," September 2016

Fewer companies are offering full or even partial spousal healthcare coverage. Employee-funded coverage has grown from 40% in 2013 to 52% in 2015.<sup>7</sup>

<sup>7</sup>BenefitsPro, "Employers Dropping Spousal Coverage," accessed online November 2016

Average annual out-of-pocket recurring healthcare expenses can reach nearly \$4,400 for 65-74-year-olds; over \$6,600 for those 85 and older<sup>8</sup>

<sup>8</sup>Employee Benefit Research Institute, "Utilization Patterns and Out-of-Pocket Expenses for Different Health Care Services Among American Retirees," accessed online June 2016

According to the SSA, your Medicare medical insurance and prescription drug coverage may cost you more money.<sup>9</sup>

<sup>9</sup>Social Security Administration, "Retirement Planner: Benefits by Year of Birth," accessed online November 2016

For the approximately 49 million Americans enrolled in Medicare Part B, the standard premium in 2016 is \$121.80 (or higher depending on your income) and the deductible is \$166.<sup>10</sup>

<sup>10</sup>Medicare, "Part B Costs," accessed online November 2016



Withdrawals of earnings from a retirement account or annuity are subject to ordinary income tax, plus a possible federal 10% penalty if you make a withdrawal before age 59½.

Annuities are designed for retirement savings or for other long-term goals. They offer several payment options, including lifetime income. Guarantees are based on the claims-paying ability of the issuing company. Payments from variable annuities are not guaranteed, and the payment amounts may rise or fall depending on investment returns. The contract value of a deferred variable annuity is subject to market fluctuations and investment risk so that, when withdrawn, it may be worth more or less than its original value.

***You should consider the investment objectives, risks, charges and expenses carefully before investing. Please call 877-518-9161 or log on to TIAA.org for underlying product and fund prospectuses that contain this and other information. Please read the prospectuses carefully before investing.***

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Thank you!



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