



APPROACHING RETIREMENT

**The Four Questions Keeping Future
Retirees Up at Night**

LEGACY
FINANCIAL

You've established a rewarding career and worked hard to create your current lifestyle. Before you know it, you start daydreaming about what you want to do in retirement. Perhaps you've always wanted to take that international vacation or help out with the grandkids more often. Maybe you'll finally move to the lake or upgrade to a just-for-fun car. For every exciting daydream, there's an equal amount of dizzying questions that can keep you up at night.

We've worked with many individuals to manage their financial retirement plans. Time and time again, these are the top four questions for our clients. We have the experience and know-how to help you prepare before retirement and successfully be independent from a paycheck.



1. WHEN DO I TURN ON SOCIAL SECURITY?

The best age at which to activate the Social Security Benefit will differ for each person. We can help clients make an informed decision that speaks to factors in their life like:

- **Typical Monthly Spending**
- **Family Longevity**
- **Part-Time Work During Retirement**
- **Healthcare Needs Now and Later**
- **Other Sources of Retirement Income**

Your earnings records and the average life expectancy of people your age determine the monthly benefit. We will walk through what-if scenarios of each benefit option and look at your big picture to help you make the final decision.

We know that this can be overwhelming, but that's why we're your trusted partners. We've helped plenty of clients through the most exciting stages of life, and we're looking forward to helping you too.

2. WHAT PENSION SHOULD I CHOOSE?

Pensions can provide guaranteed income for the rest of your life if you choose the right payout option. There are typically five different payout options available to retirees:

- Lump-Sum
- Single Life
- Joint and Survivor
- Period-Certain
- Social Security Income-Leveling

Most payout options are monthly payments called annuity distributions. Lump-sum payments are sometimes an option, too. Others may consider rolling over the pension into their IRA which defers taxation until you start withdrawing money.

There are specific features of each of the common payout options. It is important to look at these differences carefully. We will spend the time to help analyze the pension documents. Our experience allows us deep insight into the nuances of these payout options.



3. HOW AND WHEN DO I APPLY FOR MEDICARE?

Medical expenses are often the most unknown of retirement. A critical part of our planning process involves discussions about potential healthcare costs. The great news is that people are living longer thanks to medical advances and technology innovation. Your savings and investments need to keep up with your health needs.

Our team understands the several avenues possible when it comes to paying for your medical expenses. The first step is understanding your Medicare coverage. You will be automatically enrolled in the Medicare if you receive Social Security benefits at the age of 65. If you have not yet started the Social Security benefit, you can start applying for Medicare up to three months before your birthday. You can apply for Medicare online at [SSA.gov](https://www.ssa.gov) or by calling the Social Security Administration at 1(800) 772-1213.

There are several levels of Medicare coverage. We assist by illustrating the differences of the options through research and analytics. We have the resources and experience to help assess the coverage you need today and for a successful future.

4. WHAT ARE THE OPTIONS FOR MY WORK RETIREMENT PLAN ONCE I LEAVE?

Your retirement date should be a celebration of your career—not a time to stress about how to supplement your income. We help design what financial life looks like before reaching retirement. By the time that special date arrives, we will have built a strategy together of what to do next after thoughtfully reviewing each option.

We work closely with clients and their tax professional to determine which path to take and how. There are pros/cons to consider for every option. We provide clients the information they need to make an informed decision suitable for their situation.

Here is a brief look at pros and cons to consider for four different options:

Leaving money in former employer's plan, if permitted

Pros: May like the investments offered in the plan and may not have a fee for leaving it in the plan. Not a taxable event.

Cons: Tied to the former employer. Investment catalog determined by employer plan. Inability to change the 20% mandatory Federal tax withholding for employer plan withdrawals.

Rollover the assets to a new employer's plan, if permitted

Pros: Keeping both plans together as a larger sum of money. Not a taxable event.

Cons: Not all employer plans accept rollovers. Investment catalog determined by employer plan. Inability to change the 20% mandatory Federal tax withholding for employer plan withdrawals.

Cash out the account

Pros: Cash at the bank.

Cons: A taxable event. Loss of investing potential. Costly for young individuals under 59 ½ due to 10% penalty in addition to income taxes.

Rollover to an IRA

Pros: Likely more investment options. Not a taxable event. Consolidating accounts and locations under one roof. Control over withdrawal tax withholding.

Cons: Usually advising fees involved. Potential termination fees.

We know that you may have many more questions as you approach this exhilarating time in your life. Be sure to consider all of your available options and the applicable fees and features of each option before moving your retirement assets. You deserve a relaxing and fulfilling retirement.

We're here for you and it is an honor to help.

Contact us today to schedule a complimentary discovery call and learn about how we can help.



**4420 Jackson Road, Suite 101
Ann Arbor, MI 48103
www.golegacyfinancial.com
734.669.2800**

Any opinions are those of Legacy Financial and not necessarily those of RJFS or Raymond James. The information has been obtained from sources considered to be reliable, but Raymond James does not guarantee that the foregoing material is accurate or complete.

Every investor's situation is unique and you should consider your investment goals, risk tolerance and time horizon before making any investment. Prior to making an investment decision, please consult with your financial advisor about your individual situation.

Investing involves risk and you may incur a profit or loss regardless of strategy selected.

Neither Raymond James Financial Services nor any Raymond James Financial Advisor renders advice on tax issues, these matters should be discussed with the appropriate professional.

Securities offered through Raymond James Financial Services, Inc. member FINRA/SIPC.

Please visit <https://www.raymondjames.com/legal-disclosures/social-media-disclaimer-icd> for Additional Risk and Disclosure Information. Raymond James does not accept private client orders or account instructions by email. This email: (a) is not an official transaction confirmation or account statement; (b) is not an offer, solicitation, or recommendation to transact in any security; (c) is intended only for the addressee; and (d) may not be retransmitted to, or used by, any other party. This email may contain confidential or privileged information; please delete immediately if you are not the intended recipient. Raymond James monitors emails and may be required by law or regulation to disclose emails to third parties.

Investment products are: Not deposits. Not FDIC or NCUA insured. Not guaranteed by the financial institution. Subject to risk. May lose value.

This may constitute a commercial email message under the CAN-SPAM Act of 2003. If you do not wish to receive marketing or advertising related email messages from us, please reply to this message with "unsubscribe" in your response. You will continue to receive emails from us related to servicing your account(s).