welcome to countdown to retirement: a 10-year action plan. we'll start at 12 pm CT

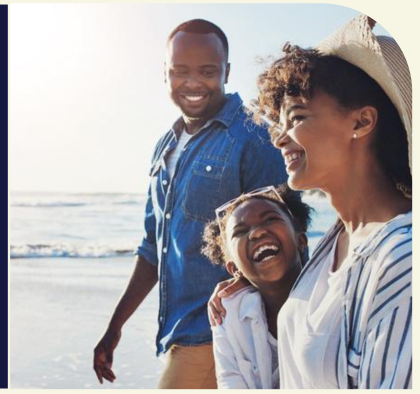
check out our upcoming webinars

market trends: a fresh perspective from intellicents

August 18
12-12:30 pm CT

get started strong: your health benefits toolkit

September 8
12-12:30 pm CT



FLOWCODE
PRIVACY.FLOWCODE.COM

intellicents.com/webinars


countdown to retirement:
a 10-year action plan
intellicasts

CFP®

betsy fugenschuh

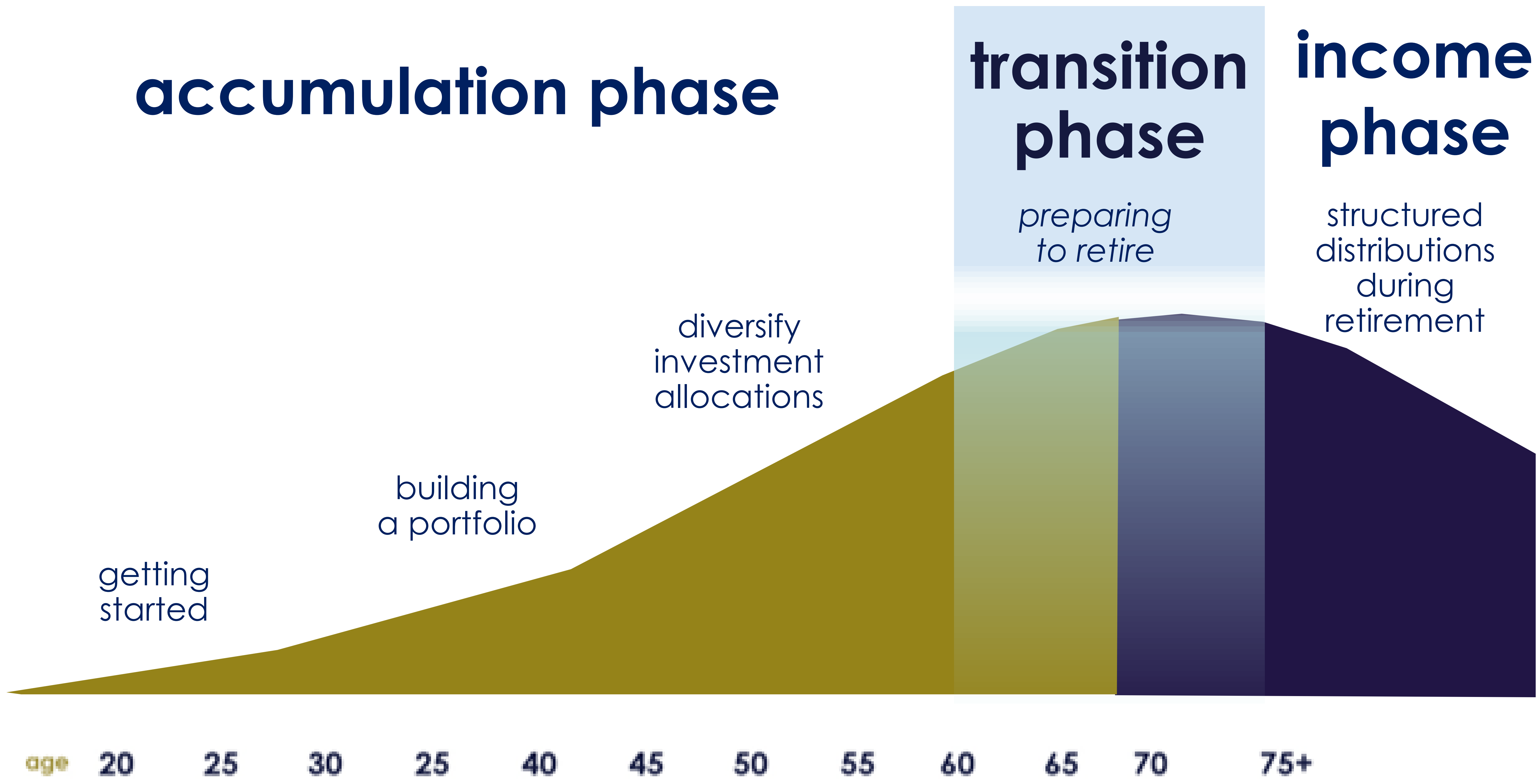
financial consultant

CFP®

nick madl

president of wealth management

saving for retirement
three phases

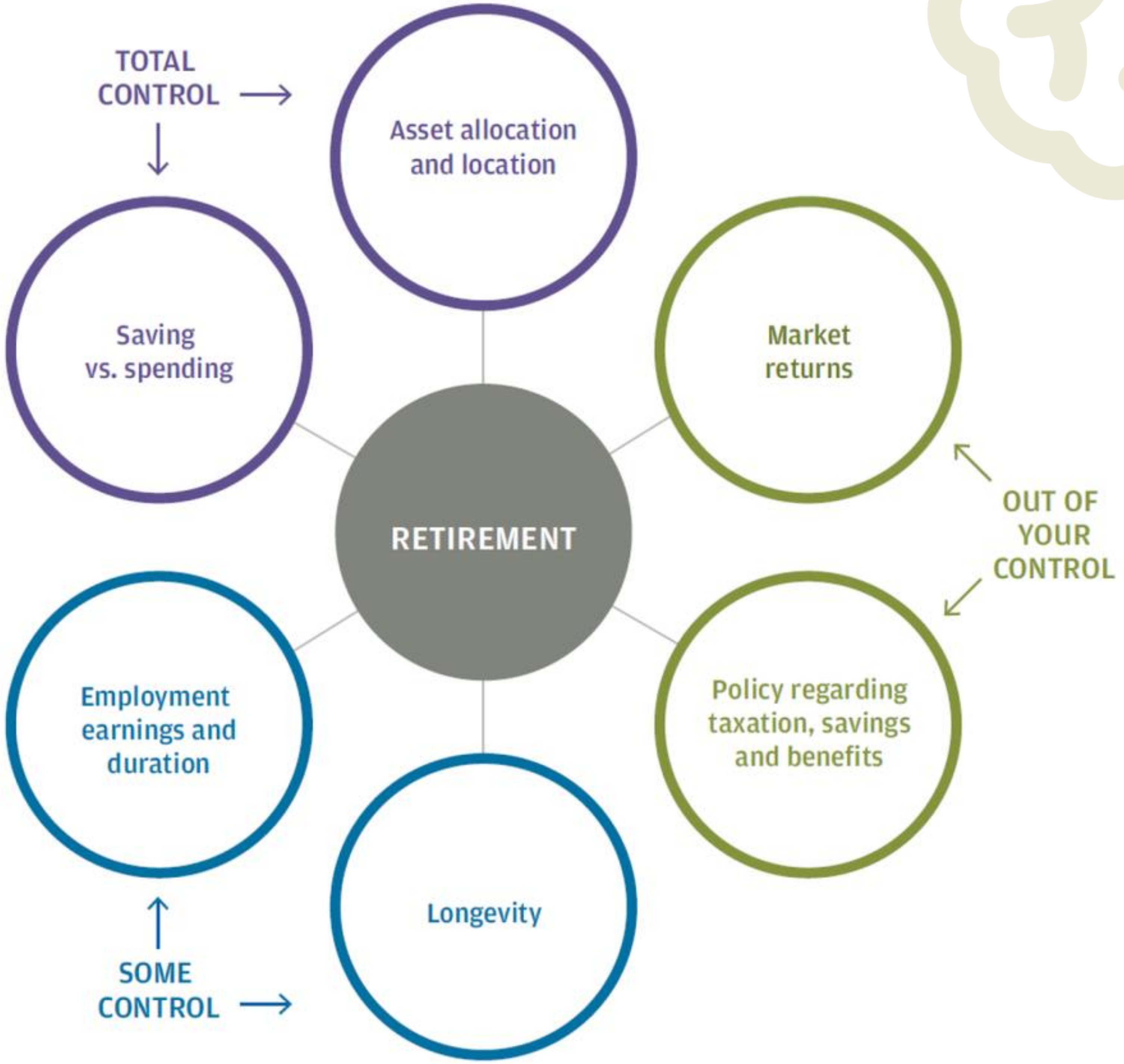


For illustrative purposes only.

the retirement *equation*

a sound retirement plan

Make the most of the things that you can control but be sure to evaluate factors that are somewhat or completely out of your control within your comprehensive retirement plan.



Source: The Importance of Being Earnest, J.P. Morgan Asset Management, 2013.

life expectancy has *increased*

84.2

a man who's 65 today can expect to live to a little over age 84

86.8

a woman who's 65 today can expect to live to almost 87

90+

1 in 4 people who are 65 today will live to 90+

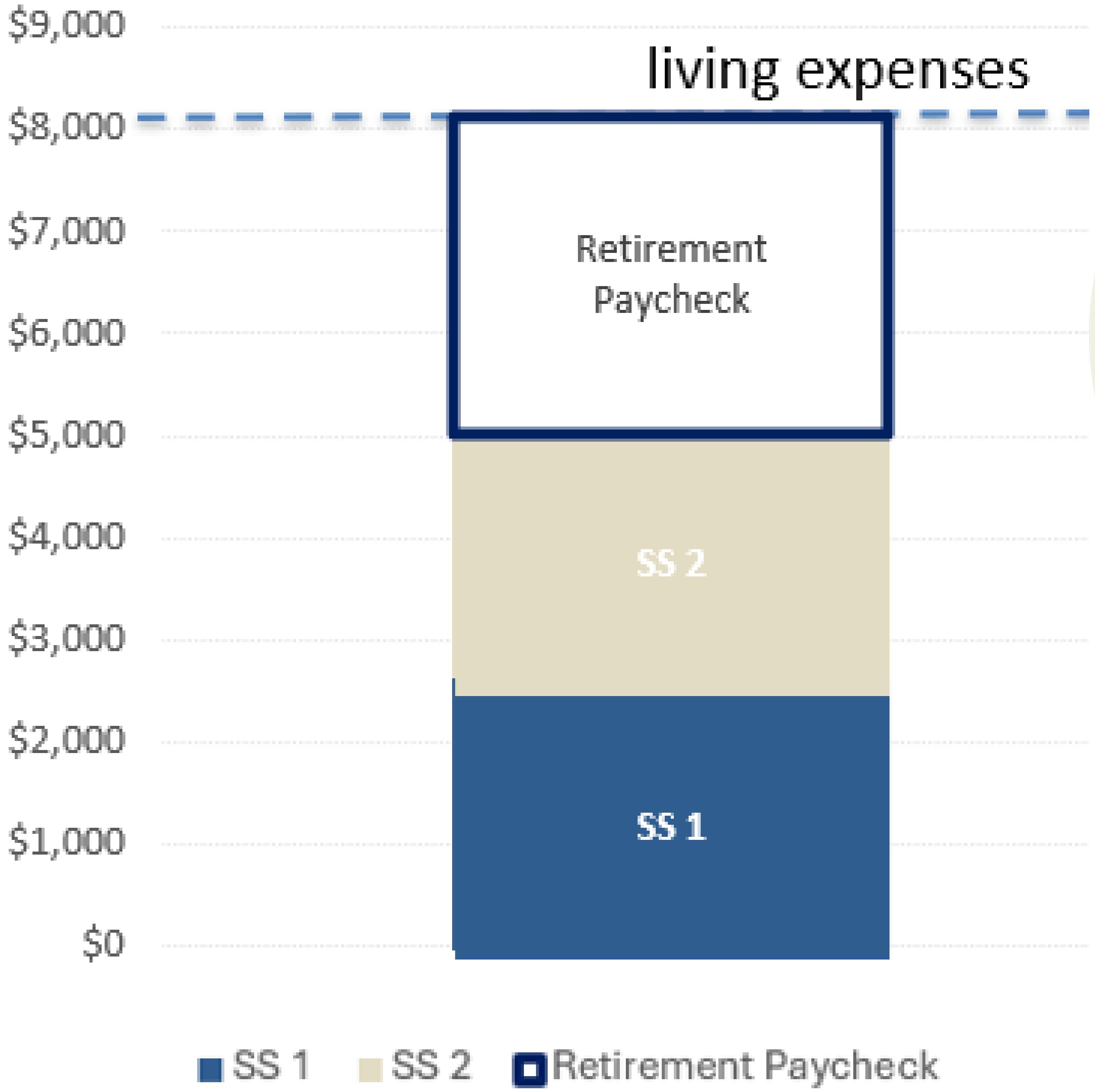
source: Empower: Retirement Readiness

hypothetical household

Total Household Living Expenses: $8,000

Retirement Income:

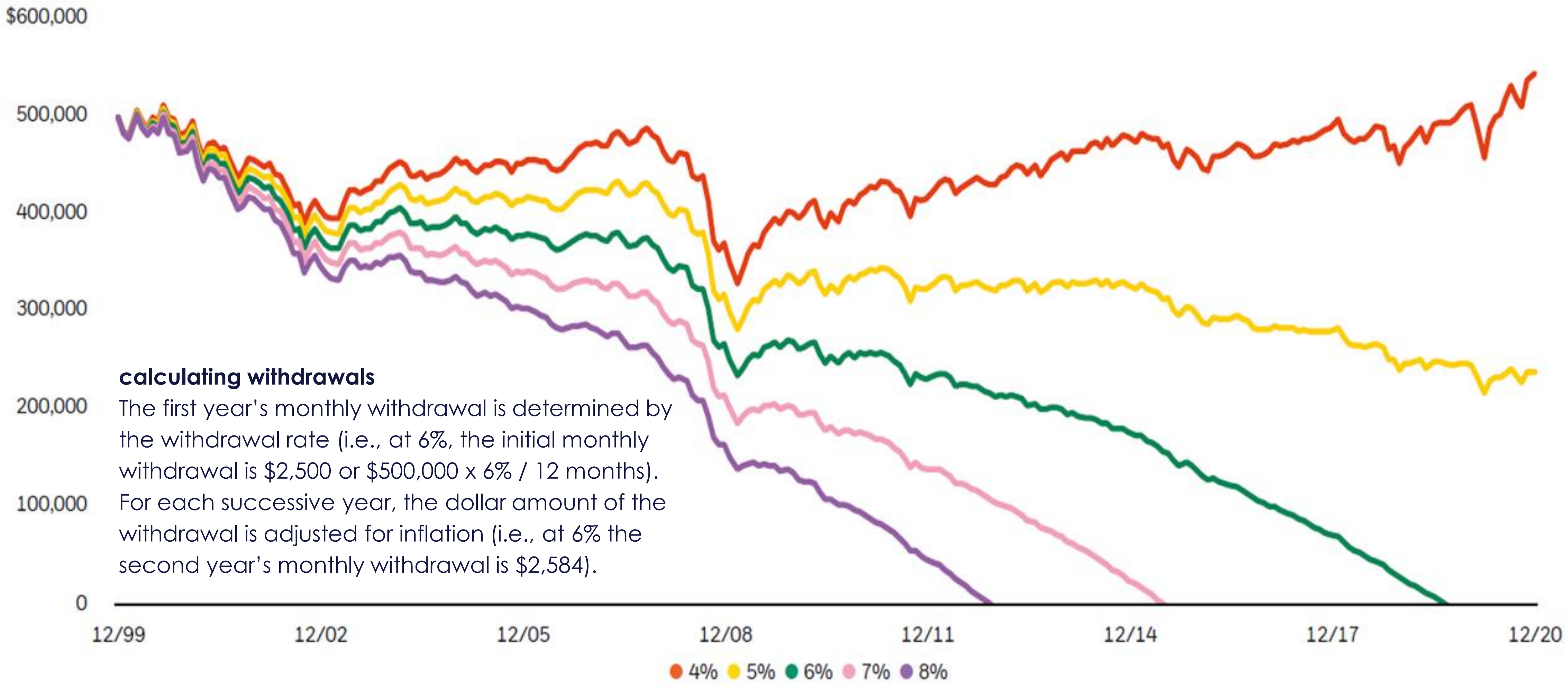
- Spouse 1 Social Security: $2,500
- Spouse 2 Social Security: $2,500
- Investment Income Retirement Paycheck
- Understand COLA Risk



withdrawal rates

A modest withdrawal rate can increase the longevity of your portfolio

Portfolio value starting withdrawals in 2000



Sources: BlackRock; Informa Investment Solutions. This graphic looks at the effect that the amount withdrawn from a portfolio has on how long that portfolio may last. A prudent withdrawal rate (3% to 5%, adjusted and revisited annually) can increase the probability of success. Other factors that may affect the longevity of assets include the investment mix, taxes, expenses related to investing and the number of years of retirement funding (life expectancy). This is a hypothetical illustration starting at the beginning of a severe stock market downturn in 2000 to 2002. Beginning withdrawals in a rising market could improve the longevity of your portfolio. The portfolio is made up of 50% stocks and 50% bonds. Stocks are represented by the S&P 500 Index. Bonds are represented by the Bloomberg Barclays Aggregate Bond Index. Inflation is represented by the Consumer Price Index. This illustration assumes a hypothetical initial portfolio balance of $500,000 as of December 31, 1999, and monthly withdrawals beginning in 2000. Each monthly withdrawal is adjusted annually for inflation. Each portfolio is rebalanced monthly. All dividends and interest are reinvested. Results will vary based on selection of other time frames and over time as assumptions change. These figures are for illustrative purposes only and do not represent any particular investment, nor do they reflect any investment fees or expenses, or taxes. It is not possible to invest directly in an index. Past performance is no guarantee of future results.

agenda

- **Investments**
- Tax Planning
- Social Security
- Medicare

asset allocation

→ Asset allocation is the process of developing a diversified investment strategy by mixing different assets in varying proportions.

bucket *strategy*

sample household

Long Term Bucket
Stocks

Jim Roth IRA
Monica IRA
Joint Account

→

Short Term Bucket
Bonds
2-3 Years of Living Expenses

Jim 457
Monica IRA
Joint Account

→

Checking Account
Monthly

bucket *approach*

to retirement planning

1 account

20% loss for stocks
3% gain for bonds

$1,000,000 → **$846,000**

bucket approach

20% loss for stocks
3% gain for bonds

$200,000 short-term | **$800,000** long-term → **$206,000** short-term | **$640,000** long-term

*assumes a portfolio invested 80% in stocks and 20% in bonds Hypothetical Scenario; For Illustrative Purposes Only.

agenda

→ Investments

→ **Tax Planning**

→ Social Security

→ Medicare

taxes on a "go forward" basis

how do we plan for it?

taxable	tax free	partially taxed
• pre-tax 401k • Social Security** • traditional IRA	• Roth 401k • Roth IRA • Health Savings Account • life insurance	• after-tax savings and investments • annuities

distribution phase

distributing taxable income can push you into a higher tax bracket

taxable

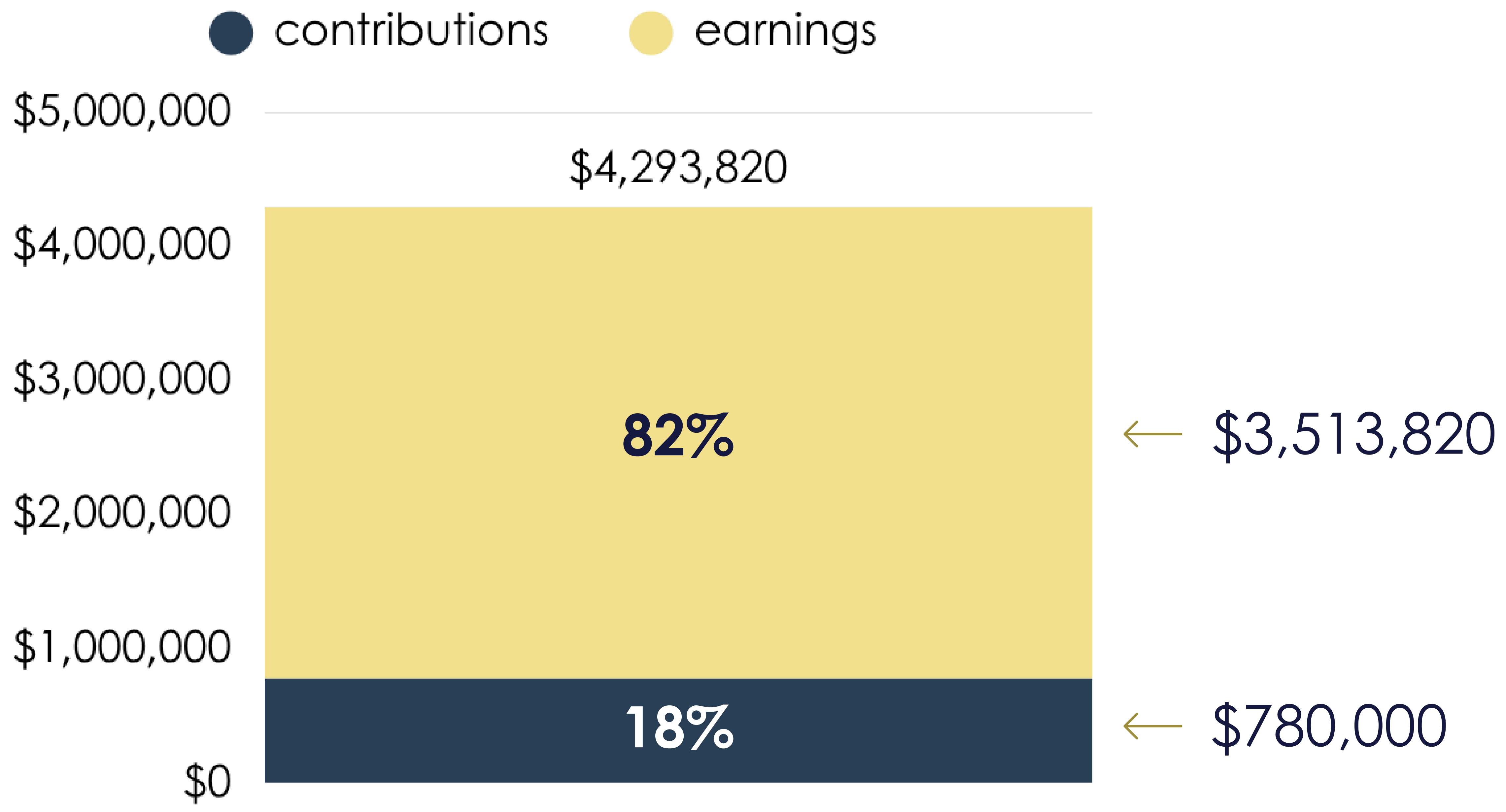
(Pre-Tax 401k / Pension)

→

increases adjusted gross income ↑

- SS Taxable
- Medicare Premiums
- Effective Tax Rate

power of roth



Assumptions: Save $19,500 per year from 25-65, 7% return
Hypothetical Scenario; For Illustrative Purposes Only.

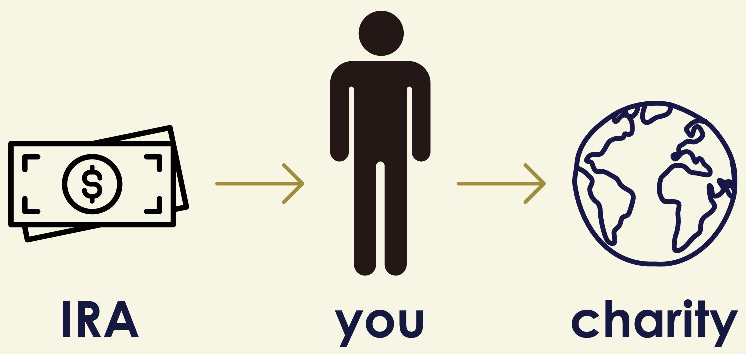
qualified charitable distribution (QCD)

taxable

→ If you accept a distribution and then give the money away, the distribution is recorded as taxable income.

vs. non-taxable

→ If you instruct your IRA administrator to make a distributiondirectly to a charity, you satisfy your RMD without adding to your taxable income.



→ Maximum distribution allowance is $100,000 per year per individual

health savings account

available with qualified high deductible health care plans

- what if I start HSA at age 50?
  - $7,000 per year
  - 1,000 catch up at age 55
  - 2% annual increase in contribution
  - 8% market return
  - NO REIMBURSEMENTS

age 67: $342,132

tax free

maxiumum HSA contributions	2026	2027
Single	$4,400	$4,500
Family	$8,750	$9,000
55 and older catch-up (each spouse)	$1,000	$1,000

Hypothetical scenario. Return is for illustrative purposes only. Returns never come in straight line percentages. Calculations are using simple interest.

agenda

- Investments
- Tax Planning
- **Social Security**
- Medicare

social security

Your Earnings Record

Years You Worked	Your Taxed Social Security Earnings	Your Taxed Medicare Earnings
1986	578	578
1987	1,427	1,427
1988	2,534	2,534
1989	4,215	4,215
1990	5,813	5,813
1991	7,199	7,199
1992	9,045	9,045
1993	[illegible]	11,245
1994	13,585	[illegible]
1995	15,837	15,837
1996	18,155	18,155
1997	20,718	20,718
1998	23,177	23,177
1999	25,703	25,703
2000	28,197	28,197
2001	29,851	29,851
2002	30,982	30,982
2003	32,430	32,430
2004	34,617	34,617
2005	36,544	36,544
2006	38,822	38,822
2007	41,162	41,162
2008	42,601	42,601
2009	42,492	42,492
2010	Not yet recorded	Not yet recorded

Best 35 Years

Your Estimated Benefits

***Retirement** You have earned enough credits to qualify for benefits. At your current earnings rate, if you continue working until...
your full retirement age (67 years), your payment would be about........$ 1,554 a month
age 70, your payment would be about........$ 1,938 a month
age 62, your payment would be about........$ 1,072 a month

***Disability** You have earned enough credits to qualify for benefits. If you became disabled right now, your payment would be about........$ 1,419 a month

***Family** If you get retirement or disability benefits, your spouse and children also may qualify for benefits.

***Survivors** You have earned enough credits for your family to receive survivors benefits. If you die this year, certain members of your family may qualify for the following benefits.
Your child........$ 1,107 a month
Your spouse who is caring for your child........$ 1,107 a month
Your spouse, if benefits start at full retirement age........$ 1,477 a month
Total family benefits cannot be more than........$ 2,720 a month
Your spouse or minor child may be eligible for a special one-time death benefit of $255.

...$ 1,554 a month
...$ 1,938 a month
...$ 1,072 a month

Online statements or retirement estimator at www.ssa.gov

Source: Social Security Administration (www.ssa.gov)

the tradeoff for *individual benefits*

Age 62

Full Retirement Age

Age 70

Reduced Benefits

Increased Benefits

Primary Insurance Amount (PIA)

Full Retirement Age (FRA)

65
1937 or earlier

→

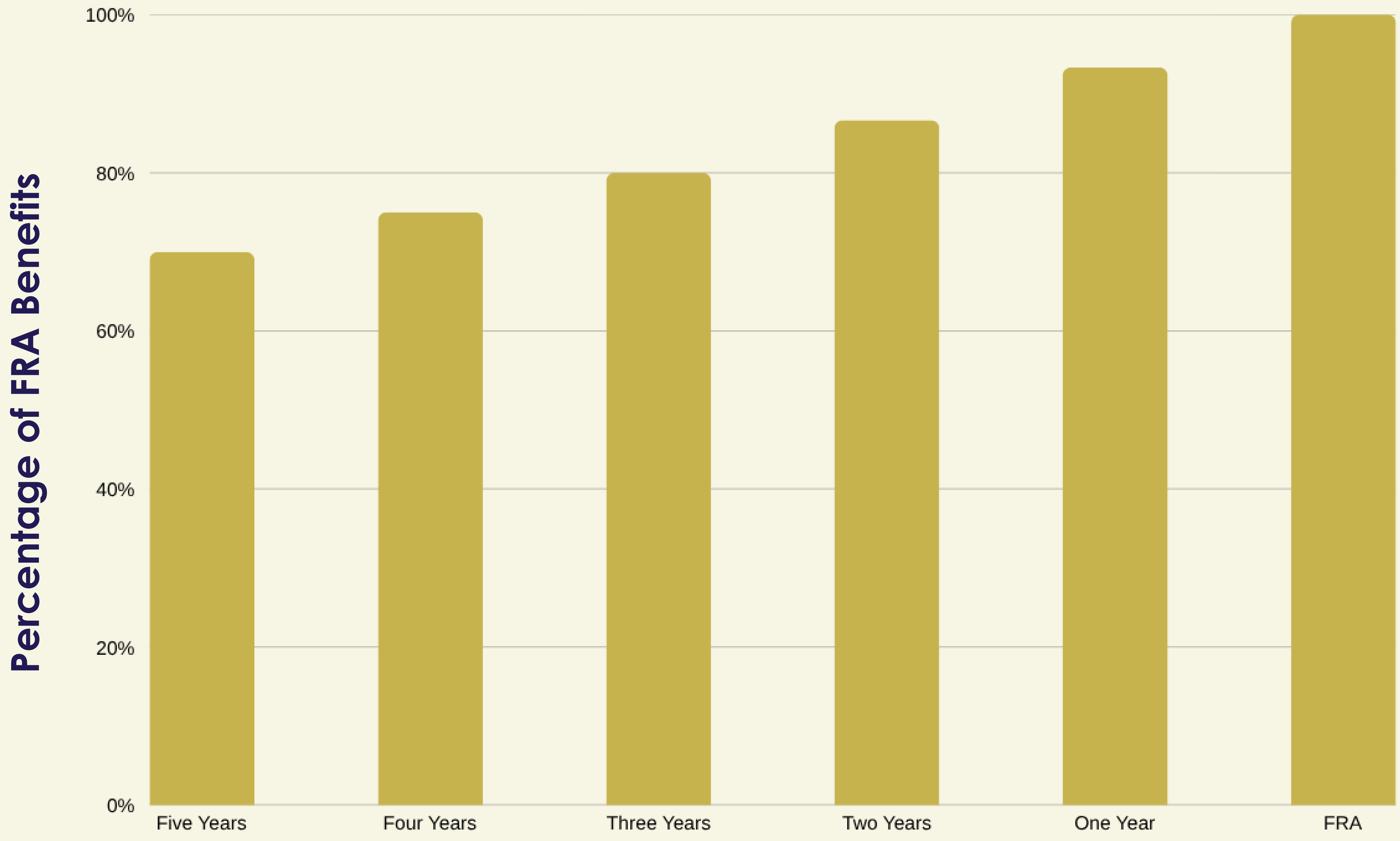
66
1943 - 1954

→

67
1960 and later

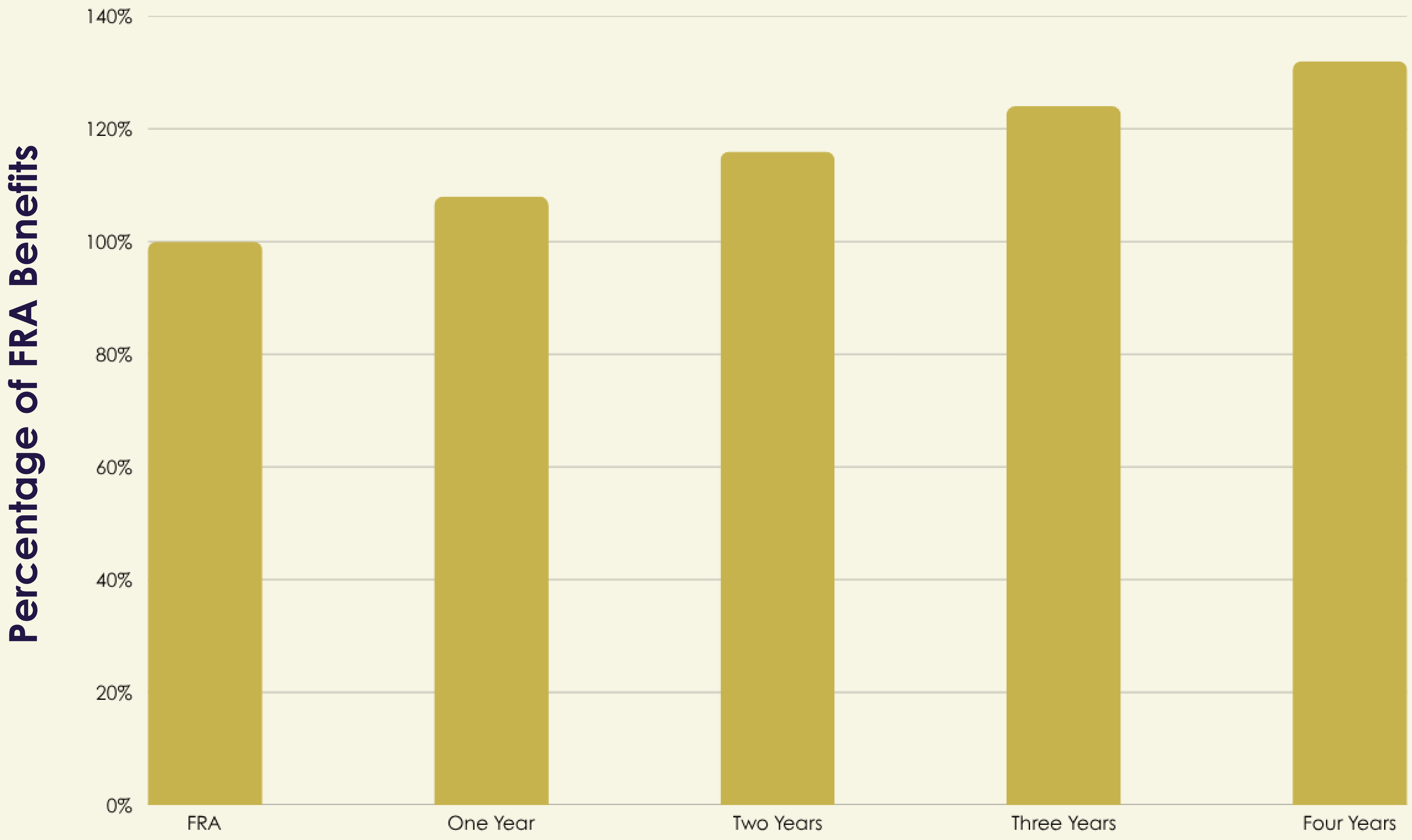
Source: Social Security Administration (www.ssa.gov)

cost of *collecting early*



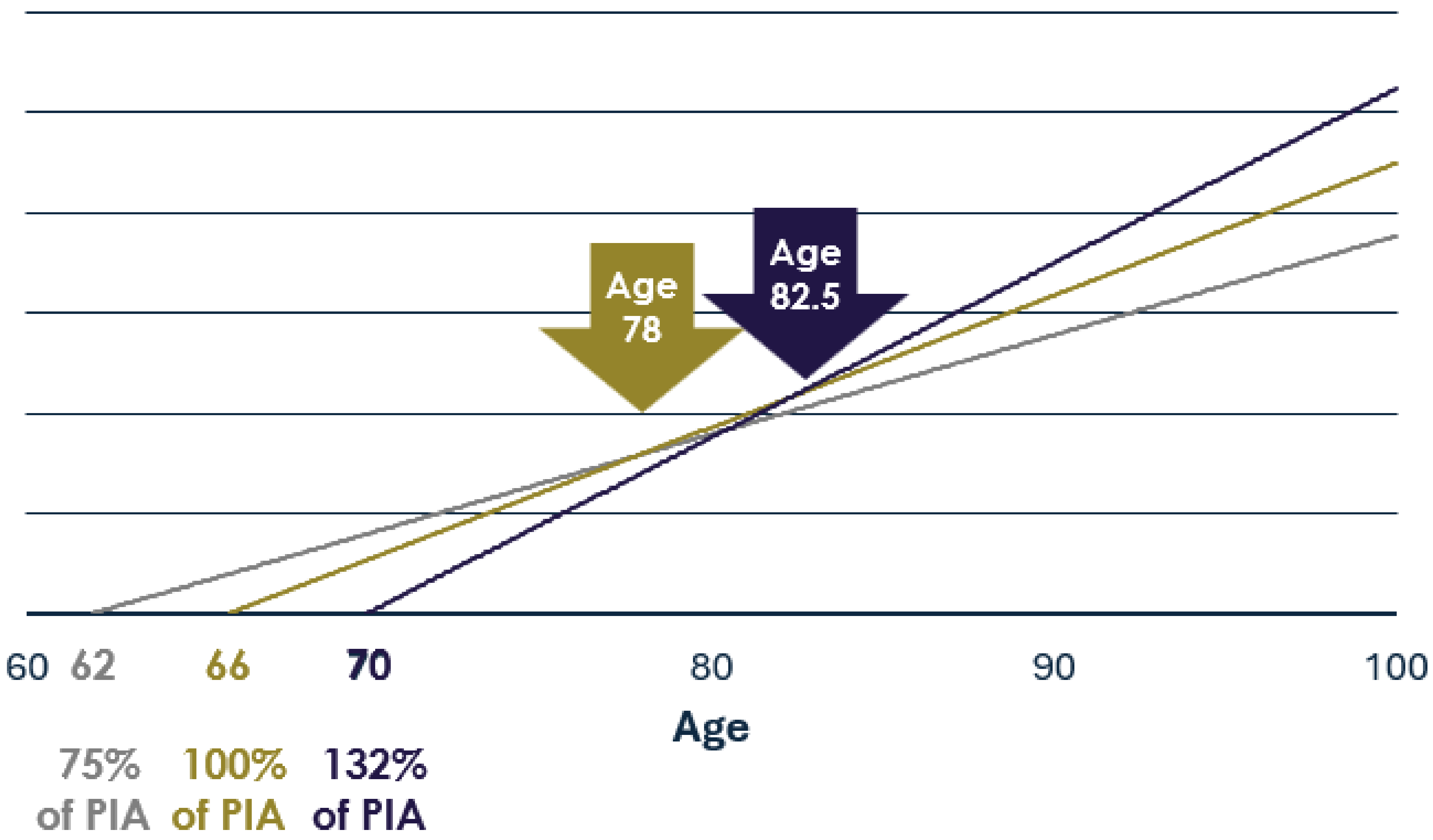
Source: Social Security Administration (www.ssa.gov)

increases for *collecting late*



Source: Social Security Administration (www.ssa.gov). Assumes individual born in 1943 or later

social security
break-even analysis



assumes individual has a Full Retirement Age of 66.

Source: BlackRock; Securing Your Retirement: Transforming Social Security into a Winning Retirement Strategy.

agenda

- Investments
- Tax Planning
- Social Security
- **Medicare**

healthcare costs in retirement

- The average couple retiring at 65 today will spend roughly $315,000 in retirement for out of pocket medical expenses*

Example

- Pay expenses from a pre-tax retirement account (401k or IRA)
  - 20% effective tax rate

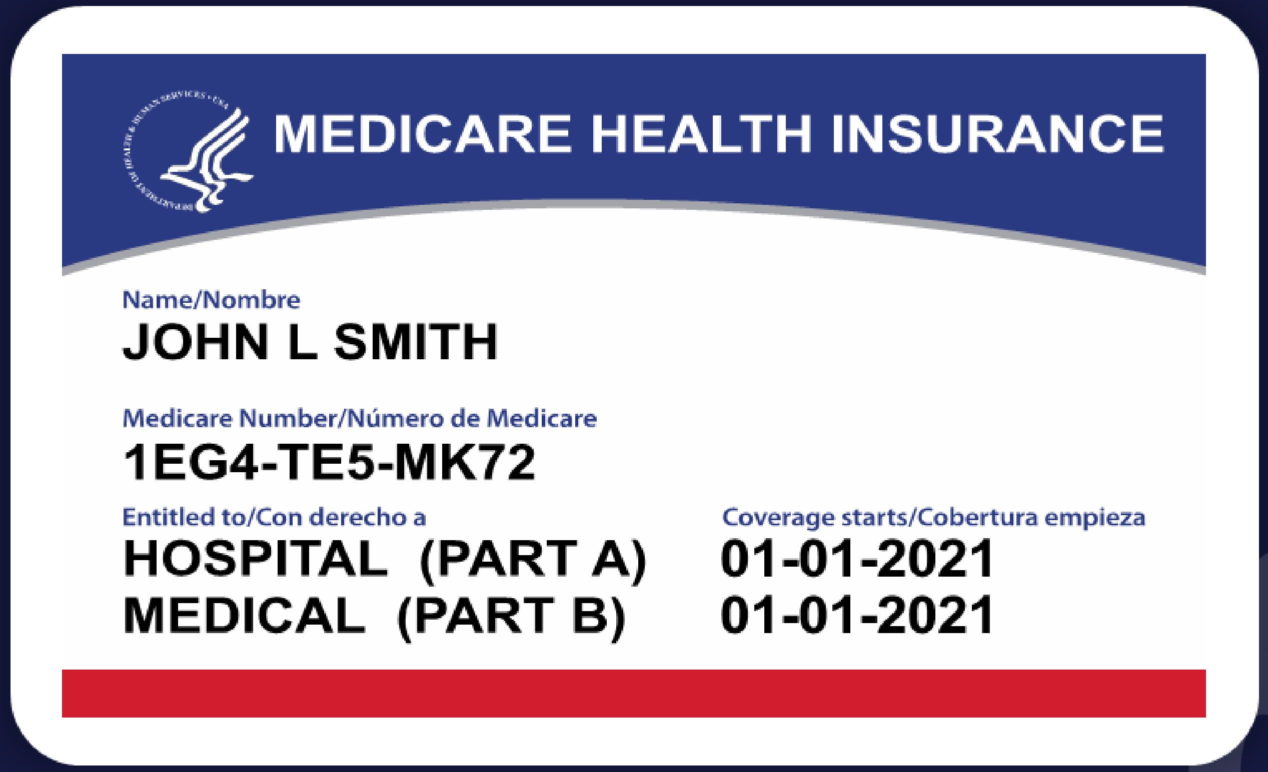
Gross Distribution	$375,000
Taxes	$75,000
Net Distribution	$300,00000

Source: https://www.fidelity.com/viewpoints/personal-finance/plan-for-rising-health-care-costs

what is Medicare?

Health Insurance for individuals:

- 65 and older
- under 65 with certain disabilities
- any age with end-stage renal disease



your initial enrollment period

3
months
before

the month
you turn
65

3
months
after

think about signing up early to avoid gaps in coverage and late-enrollment penalties

source: Empower: Healthcare Costs

original Medicare - part A (hospital insurance)

- Hospital care
- Inpatient care
- Room and meals
- Inpatient prescriptions and medical supplies
- Rehabilitation services after a qualified stay
- Skilled nursing services
- Lab tests and imaging
- Operating room and recovery

- Deductible: $1,632
- Copays: Per Day
- Days 1-60 - $0 after deductible
- Days 61-90 - $408 each day
- Days 91-150 - $816 each day
- Utilizing up to your 60 lifetime reserve days
- After day 150 – You pay all costs

original Medicare - part B (medical insurance)

- Doctor visits
- Outpatient labs and scans
- Annual wellness visit
- Preventive vaccinations
- Outpatient therapy
- Ambulance services
- Durable medical equipment

- Deductible: $240
- Coinsurance: 20% after deducitble
- No maximum out of pocket
- Premium starting at $174.70/mo

where are the gaps?

- no out of pocket limit
- no prescription drug coverage
- no dental or vision coverage
- potential access charges

Medicare coverage choices

part A
hospitalization
room & board

part B
medical &
physician services

part D
prescription drug
coverage

Medicare supplement
(Medigap) policy

medicare advantage plan

Part C
Offered by Private Insurance Companies
Combines
Part A, Part B,
& usually Part D
with additional benefits similar to a Medigap Supplement Plans

Most Part C plans cover prescription drugs. You may be able to add drug coverage to some plan types if not already included.)

part D

- Prescription drug coverage
- Pharmacy and mail order
- Vaccines not covered by Part B
- Drugs are tired based on cost
- Possible deductible
- Minimum standard for coverage across the board
- Each plan will have a formulary. A formulary is a list of prescription drugs covered by the plan.
- 2025 - $2,000 out of pocket maximum for drug coverage

stand-alone part D plan

Medicare advantage plan (MAPD)

key takeaways

- withdrawal rates are key to success
- tax planning plays a critical role in your withdrawal strategy
- investment allocations should align with cash flow needs
- analyze your Social Security and Medicare decisions
- long term care
- estate planning

financial planning

financial plan

- free consultation
- discounted fee of for one-time independent financial plan and ongoing investment management.

to learn more about us scan here

FLOWCODE

PRIVACY.FLOWCODE.COM

dream team services

budgeting

insurance & risk

employee benefits

investment management

tax planning

retirement planning

retirement income planning

estate planning

upcoming webinars

august 18th
12:00 - 12:30 pm ct

market trends: a fresh perspective from intellicents

september 8th
12:00 - 12:30 pm ct

get started strong: your health benefits toolkit

disclosures

- This presentation is provided for educational and information purposes only. Information and analysis obtained from outside sources is considered to be reliable but is not verified. Projections are not an indication of future results. Strategic asset allocation and diversification do not assure profit or protect against loss in declining markets. Any and all analyses and opinions presented in or along with this communication are subject to change without notice and no representation is made concerning actual future performance of the markets or economy.
- This presentation is the property of intellicents and is intended solely for the use of the plan participants to whom it is addressed. This presentation may not be reproduced in any manner or re-distributed without the express consent of intellicents.
- Investment Performance illustrated within this document does not reflect any plan related expenses that may be charged against your account. For additional information about these expenses, please refer to the annual fee disclosure provided by the plan administrator or contact them directly.
- Investment advisory services offered through intellicents investment solutions, inc., an SEC registered investment adviser.
- Certified Financial Planner Board of Standards, Inc. (CFP Board) owns the certification marks CFP®, CERTIFIED FINANCIAL PLANNER™, and CFP® (with plaque design) in the United States, which it authorizes use of by individuals who successfully complete CFP Board's initial and ongoing certification requirements.

FLOWCODE
PRIVACY.FLOWCODE.COM

intellicents.com/webinars


thank you!
contact us: 800.880.4015
intellicents®

Medicare Supplement (Medigap)

- Original Medicare Parts A & B
- paired with a stand alone Part D plan
- private insurance companies
- can pay most expenses left over from Original Medicare
- plans are standardized and all states are categorized by letters except for MN, MA, and WI
- guaranteed issue during IEP
  - underwriting required outside of IEP or SEP enrollment
- no network (not including Senior Gold)

Medicare Advantage

- copays or coinsurance for most services
- has a network
- benefits and claims are managed by the insurance company
- most plans have prescription drug coverage
- may offer dental, vision, hearing and fitness benefits
- Part A & B benefits built in (still required to pay Part B premium)

additional things to know about medicare

in general, once you enroll in Medicare, you don't need to renew your coverage every year.

most people are allowed to switch plans once a year during the annual Open Enrollment Period (Oct. 15 - Dec. 7).

source: Empower: Retirement Readiness

take a deeper dive

you can use these additional resources to get more information on the topics you're most interested in.

ssa.gov	official Social Security website
medicare.gov	official Medicare website
irs.gov	official IRS website
psca.org	Plan Sponsor Council of America website

source: Empower: Retirement Readiness