

# My Best Retirement



**SOCIAL**



**HEALTH**



**LEGACY**



**FINANCIAL**



A workbook for those who can see retirement in the future, but don't yet know what it looks like.

Investments are not FDIC-insured, nor are they deposits of or guaranteed by a bank or any other entity, so they may lose value.



## You are here.

If you are reading this, it's because you are approaching a turning point –not a specific age, but a stage of retirement readiness.

You see retirement in the near future and may have tried to imagine how your life might be different once you give up the 9-to-5 (or 5-to-9) grind. You may have done some initial planning. But research shows that what most people plan for in retirement is not necessarily what they experience. A recent survey of current retirees by the Employee Benefits Research Institute (EBRI) found only 32% of respondents said their current life in retirement was in line with what they expected.\*

*My financial advisor asks me, 'What are you going to do with your money?' But the question I needed to be asked was, 'What are you going to do with your time?'*

—Frank, 66



## A new take on retirement.

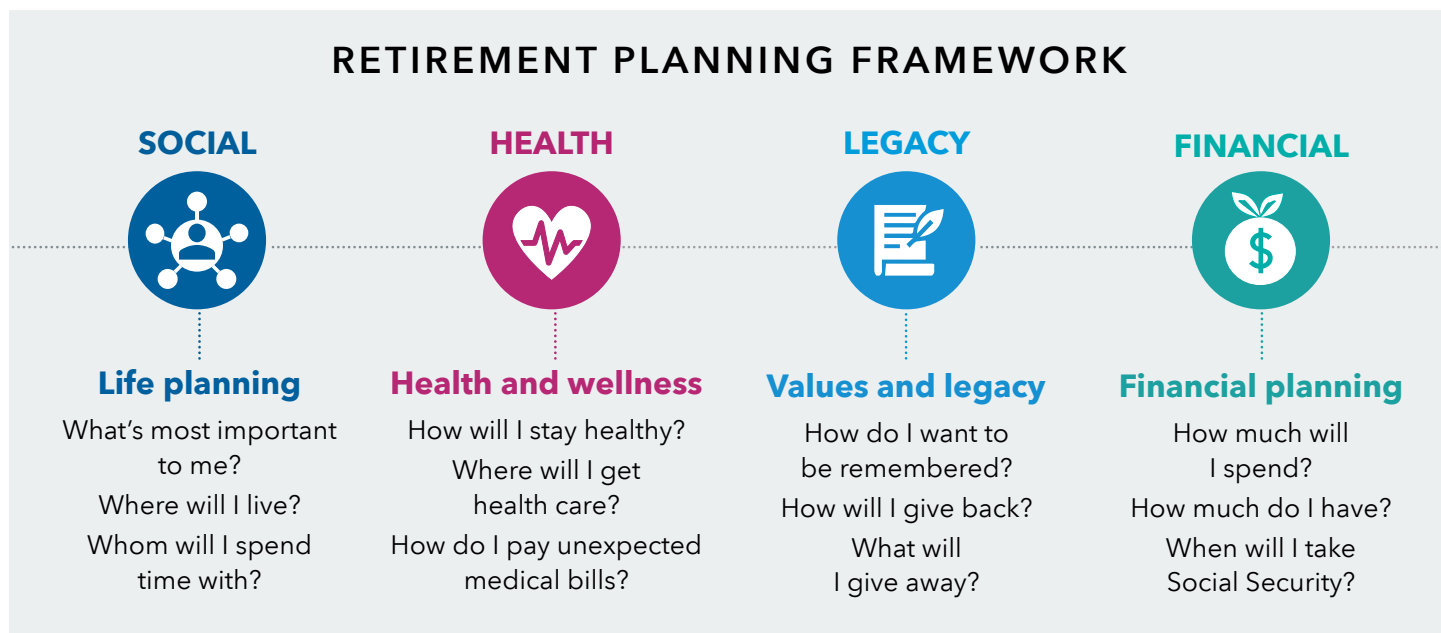
In research from Capital Group, retirees describe a modern midlife: a time of reimagined identity, transformation, renewed vitality and a sense of opportunity. It's a chance to reassess and become an even better version of yourself –no holding back –or at least to do exactly what you want to do, if you know what that is.

With this redefinition comes new questions, shifting priorities, a rewriting of your script. While retirement is often synonymous with career-long financial planning, success in modern midlife goes beyond money matters. Investments and income planning are crucial, as they are the foundation supporting connection, vitality, purpose, well-being and joy. You can plan for all of it.

\*Source: EBRI Spending in Retirement Survey, 2024.

# Retirement planning framework: 4 aspects of success.

Based on these exciting research findings, we have identified a framework to help you see the full retirement picture and to guide you through it. It includes four important areas of reflection: life planning, health and wellness, values and legacy and financial planning.



For each aspect of your plan, we have questions and activities to help you define what success in modern midlife looks like. You can fill it out yourself and, for even greater insight, have your spouse or partner do the same and compare the results. It's a great way to start important conversations, together as a couple and with a financial professional.

## Start here: More or less

To get at those possibilities, start by asking yourself some big questions.

*Use the space below to think through your answers.*

✓ What provides me with the most meaning in life today? Five things I want more of:

\_\_\_\_\_

✓ Which obligations are least fulfilling in my life today? Five things I want less of:

\_\_\_\_\_



## Life planning. Envision your life in retirement.

Perhaps the most important factor is one that gets the least consideration: what your day-to-day life will look like. The freedom of space and time creates the opportunity to restructure life in big and small ways. You may envision a total life “redo” –new location, new home, new social life, new possibilities. Or you may rely on simple day-to-day routines to create a new rhythm of events.

**To get started, select five examples of things that are most important to you in retirement (or add in your own). You can cross out those that don’t matter at all.**

### ✓ What’s most important to me?

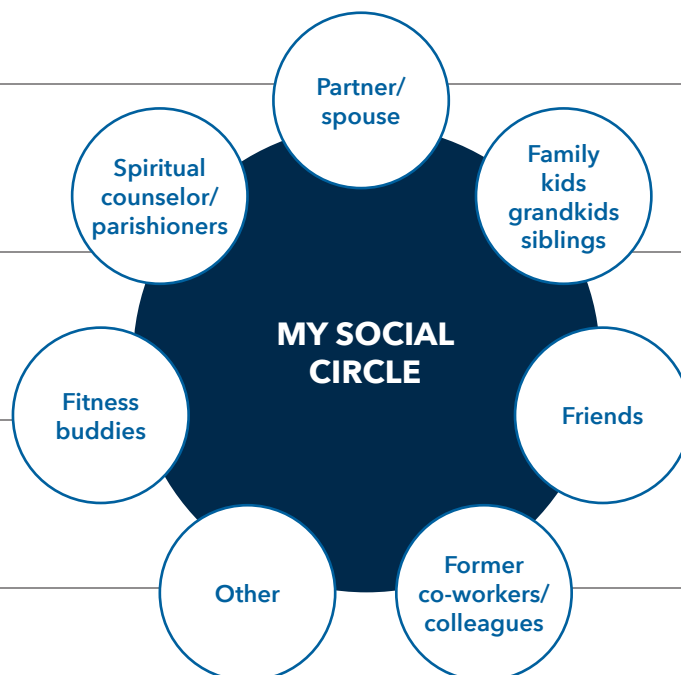
- ☐ stay busy ☐ kick back and relax ☐ have plenty of alone time ☐ be near family ☐ spend time with partner
- ☐ keep in contact with friends ☐ spend time on hobbies ☐ travel and see the world ☐ have more spiritual time
- ☐ spend time volunteering ☐ spend time with kids and grandkids ☐ try something completely new
- ☐ always be learning ☐ continue to work a bit ☐ not work at all ☐ start own business ☐ start own nonprofit

### ✓ Where will I live? I see myself...

- ☐ staying where I am ☐ possibly downsizing ☐ upsizing ☐ relocating (to \_\_\_\_\_) ☐ not sure

### ✓ Whom will I spend time with?

Fill your social circles by adding people you plan to spend time with or see regularly.



## Life planning. How you will spend your time.



From memorable moments to just marking time, the freedom of your post-work schedule may take a little getting used to. It can help to imagine exactly how you might spend your time during a typical year –and a typical day.

### A year in retirement

Map out how you might spend an early year in retirement. Include any travel plans, community or professional obligations, and scheduled time with friends and family.

Jan	Feb	Mar	Apr	May	Jun
Jul	Aug	Sep	Oct	Nov	Dec

***You don't want to become bored. If you slow down too much, you can actually get overwhelmed. I have church on Thursdays, I volunteer on Mondays, I have eggs on Fridays. But there's a fine line between structure and obligation – you want to keep control of your own time while still allowing yourself choice and flexibility.***

– Sally, 69

### A view of a typical week

Considering the things you want to do and plans for the year, what might an average week look like? Include regular events like date night, lunch or exercising with friends, volunteering or spiritual routines.

M	T	W	Th	F	Sat	Sun



## Health and wellness. Keep vitality high and medical costs low.

Because we are generally living longer, fuller lives, staying healthy and well is as important as ever. While some health issues are generally out of our control, there are ways to encourage a healthy lifestyle.

### ✓ How will I stay healthy?

Forget the idea of retirement as a time to slow down and think of it in terms of your “EVP index”: energy, vitality and passion. Select three or more of the following you can commit to.

#### Energy

- ☐ Eating whole foods
- ☐ Balanced social choices
- ☐ Sufficient sleep
- ☐ Stress management

#### Vitality

- ☐ Regular movement/exercise
- ☐ Portion control (eat to 80% full)
- ☐ Mental stimulation/agility
- ☐ Positive thinking

#### Passion

- ☐ Daily activity and routines
- ☐ Social connections
- ☐ Work, volunteering or group activity
- ☐ Continuing education

### ✓ Where will I get health care?

Individuals are eligible for Medicare at age 65. Part A covers certain hospital expenses, Part B is for routine care, and Part D can help with prescriptions. Part C is Medicare Advantage plans, which combines the benefits of the other parts along with additional benefits such as vision and dental. Offered by private insurers, Medicare Advantage plans often have monthly premiums. Learn more at [ssa.gov/benefits/medicare/](https://ssa.gov/benefits/medicare/).

**If I plan to retire before age 65, I will get health insurance through:**

- ☐ Private insurance      ☐ COBRA      ☐ Other \_\_\_\_\_      ☐ Not sure

### ✓ How will I pay for unexpected medical costs?

It can be difficult to estimate medical needs and expenses, because future ailments are unknown and the cost of medicine is ever rising. If you're concerned, consider the following:

- ☐ **Do I have a health savings account (HSA)?** HSAs let you set aside and invest pretax money, which accumulates over time. Plus, withdrawals for qualified medical expenses are free from federal tax.
- ☐ **Will I get Medicare supplement (“Medigap”) coverage?** This insurance, sold by private companies typically for a monthly fee, is designed to fill gaps in Medicare coverage and help pay for costs such as copayments and deductibles.
- ☐ **Have I considered long-term care (LTC)?** LTC insurance is designed to cover the cost of getting help with daily self-care, like bathing and cooking. But not all LTC policies are the same. Talk to your advisor about existing plans or those you are considering.



## Values and legacy. Define what's most important, then share it.



Gratitude is its own reward. The gift of time in retirement may allow you to give back in kind, to a favorite charity, community organization or your own nonprofit. You can also plan to pass along assets, favorite treasures or memories to charities, family and friends. Consult with a tax professional regarding your specific situation.

✓ **How do I want to be remembered? Three words I want used to describe me are:**

\_\_\_\_\_

✓ **What do I have left to do? I will have lived a truly great life if I:**

\_\_\_\_\_

✓ **How will I give back?**

If you can see yourself involved in a charity in the future, what would that be? Would you donate money, time or both? Check all giving opportunities that might work for you:

\_\_Charitable donations \_\_\_\_\_

\_\_Donor-advised funds \_\_\_\_\_

\_\_Community involvement / volunteering \_\_\_\_\_

\_\_Starting your own nonprofit \_\_\_\_\_

### What will I give away?

Under the lifetime exemption from the gift and estate tax, individuals can transfer a certain amount of assets without being impacted by the up to 40% federal gift or estate tax. At \$13.99 million in January 2025, the exemption is set to fall to about \$5 million by the end of 2025. If you want to give assets as part of an estate plan, here are some tools:

**Annual exclusion gifts** – Separate from the lifetime exemption, in 2025, you can give \$19,000 per year, per person, without being impacted by the gift or estate tax, making this a convenient way to move assets from the estate.

**529 plans** – Tax-advantaged treatment applies to savings used for qualified education expenses. State tax treatment varies. You can make sizeable investments or transfer assets out of an estate, including up to \$19,000 a year (\$36,000 for married couples) per beneficiary without gift-tax consequences in 2025. Under a special election, you can combine up to five years into one contribution of up to \$90,000 (\$180,000 for married couples) for 2025 without gift-tax consequences. Additional gifts made to that beneficiary over the next four years after the year in which the one-time gift is made may reduce the donor's lifetime gift and estate tax exemption. If the donor of an accelerated gift passes away within the five-year period, a portion of the transferred amount will be included in the donor's estate for tax purposes.

**Trusts** – Certain irrevocable trusts can be structured to remove the asset from your estate.

**Roth IRA conversions** – Some investors convert traditional IRAs to Roth IRAs, which allows you to pay income taxes now and avoid tax on qualified withdrawals later, including distributions to beneficiaries.

**Review beneficiary designations** – Because retirement assets and insurance policies are distributed by beneficiary designations, it's crucial to review them regularly.



## Financial planning. Run the numbers for income and expenses.

Depending on how far you are from retirement, you may have a good sense of how much you need to get by.

- ✓ **How much will I spend?**  
Budgeting can help you get specific about your income needs, and factor inflation and shifting necessities and “nice to haves.” Use this rudimentary estimator to get started. If you think today’s expense will be more or less in the future, note that as well.

### What I currently spend each month on average

Essential expenses      \$ \_\_\_\_\_  
(home, food, utilities, insurance)

Discretionary expenses      \$ \_\_\_\_\_  
(travel, dining, luxury, gifts)

### What I plan to spend each month in retirement

\_\_\_ More    \_\_\_ Less    \_\_\_ Same    \_\_\_ Not sure

\_\_\_ More    \_\_\_ Less    \_\_\_ Same    \_\_\_ Not sure

- ✓ **How much do I have?**  
To get a sense of where your retirement income will come from, list all personal retirement assets below for you and your spouse or partner. Again, even rough estimates can be used to help provide a clearer overall financial picture. Not sure? Note that here as well.

### Savings and investments

Account type	Where it lives	Balance
Company retirement plans 401(k), 403(b), 457, SIMPLE, ESOP, etc.)	_____	_____
Individual retirement accounts (IRA, Roth IRA, SEP IRA, rollover IRA, etc.)	_____	_____
Investment accounts	_____	_____
Personal savings accounts	_____	_____
Others	_____	_____

**Total retirement savings and investments:** \_\_\_\_\_



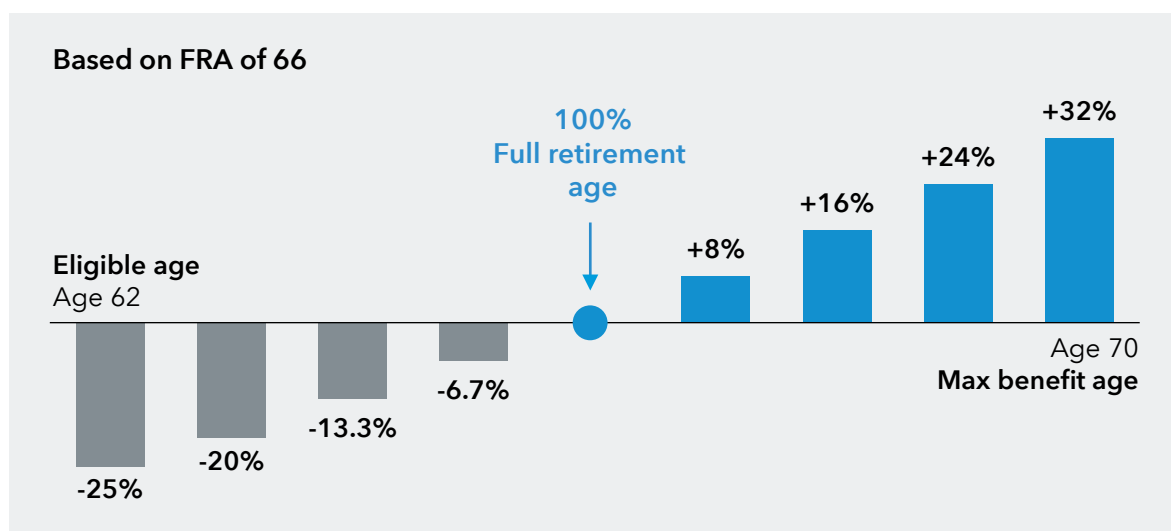
## Financial planning. Identify sources of reliable income.



Social Security income can help bolster your retirement cash flow. If you worked during your lifetime, you should receive Social Security benefits. Timing when you (and your spouse or partner) start taking benefits can make a big difference to your plan.

### When will I take Social Security, and how much will it be?

You can start taking Social Security as early as age 62, but you will get less in monthly income benefits. You receive full monthly benefits if you begin at full retirement age (FRA). FRA is around 66 for those born before 1960, and 67 for those born after. Wait until age 70 to begin and you'll get even more – an increase of 8% for each year you wait.



To get an estimate of what your retirement income benefits could be at different ages, visit the Social Security Administration at [ssa.gov/benefits/retirement/](https://ssa.gov/benefits/retirement/).

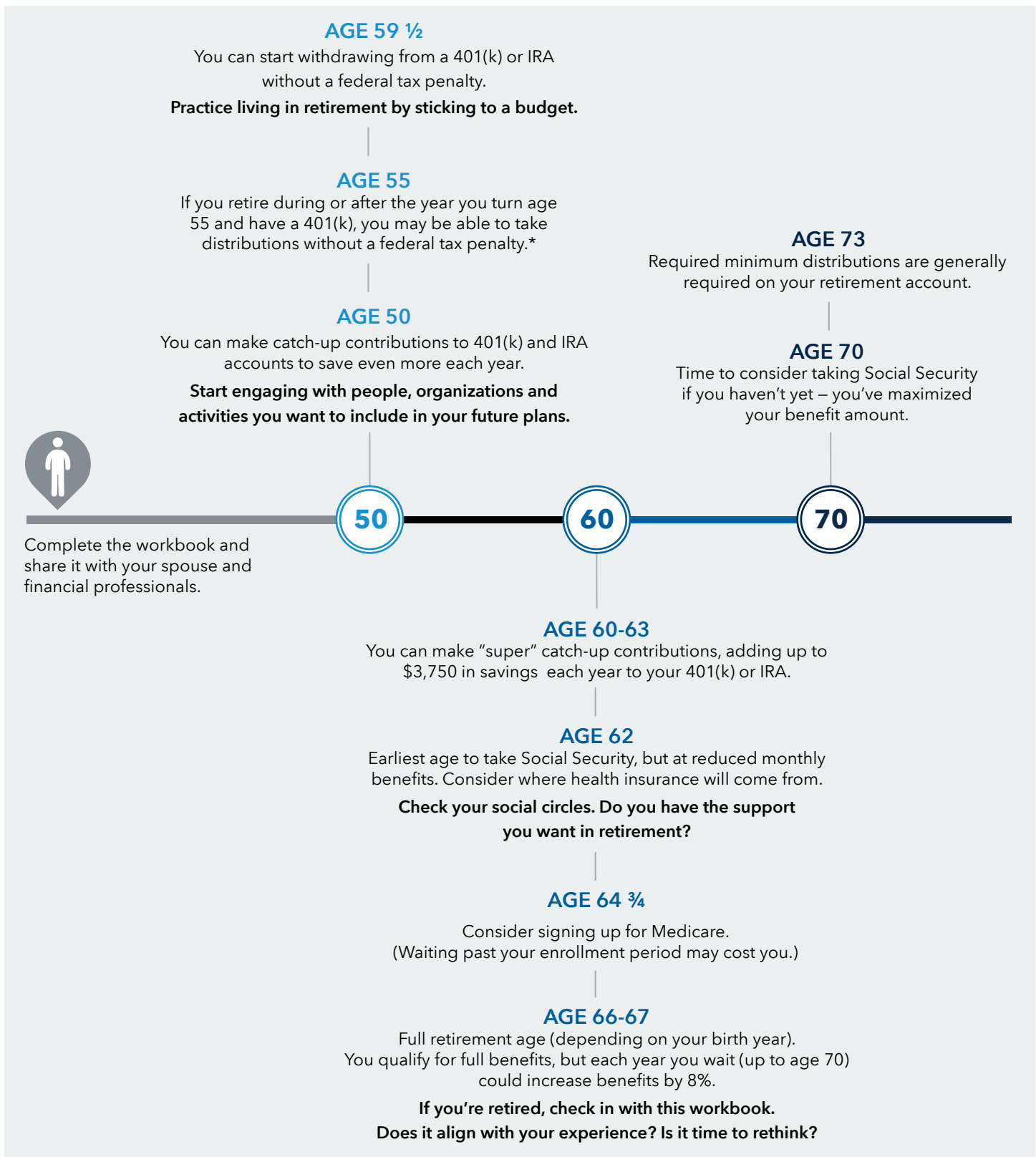
### ✓ What are my reliable income sources and benefits?

You may also have guaranteed sources of monthly income through an annuity or even an employer pension. If you know you have the following sources of income, provide estimates below. If you are not sure or don't know, mark that here as well.

	Expected monthly benefits	Beginning at age
Pensions	<input type="text"/>	<input type="text"/>
Annuities	<input type="text"/>	<input type="text"/>
Social Security	<input type="text"/>	<input type="text"/>
Total predictable monthly income:		<input type="text"/>



## Financial planning. Important milestones at a glance.



\*The "Rule of 55" only applies to distributions made after you separate from service with your employer if the separation occurred in or after the year you reached age 55. Note that the "Rule of 55" only applies to assets in your current 401(k) plan (i.e., the one you invested in while you were at the job you left at age 55 or older).

## ? Essential questions to ask

### Questions to ask HR before retirement

Will I continue to get health insurance after I retire?

What are my health care options?

Can I carry over life insurance, disability coverage or long-term care once I leave the company?

Will I receive compensation for accrued or unused vacation time?

What are my pension benefits, if any?

What are my options for moving or taking distributions from my employer-sponsored accounts?

Do you have any resources to help pre-retirees prepare?

### Questions to ask your advisor

Am I on track to have the retirement I envision?

How do I get the most out of Social Security?

What are my options for taking distributions from my investments?

How can I minimize taxes in retirement?

How can I save more for health care needs?

What risks should I be aware of in terms of my retirement goals?

Can you offer support to help bolster my circles in retirement?

### Additional questions or thoughts

Use the space below for topics, questions or concerns you want to discuss.

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## RETIREMENT PLANNING FRAMEWORK

### SOCIAL



#### Life planning

What's most important to me?  
Where will I live?  
Whom will I spend time with?

### HEALTH



#### Health and wellness

How will I stay healthy?  
Where will I get health care?  
How do I pay unexpected medical bills?

### LEGACY



#### Values and legacy

How do I want to be remembered?  
How will I give back?  
What will I give away?

### FINANCIAL



#### Financial planning

How much will I spend?  
How much do I have?  
When will I take Social Security?

*It feels like a do-over. I have an opportunity to start from scratch. To pick my friends, how I spend my time, how I live my life. It's really exciting – you are in control of your life.*

–Sally, 69



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