

# KNOW YOUR NUMBERS



**Whether you're monitoring your account balance or your cholesterol levels, numbers are critical to creating a sound strategy for long-term Wealth + Health.**

Your retirement income gap is one of the most important numbers to keep in mind as you plan for life after full-time work. It's the difference between your estimated fixed and variable expenses and your expected sources of income in retirement. Your income needs will likely change at different stages of life, so it's important to determine your gap and create a strategy to address it.

As life expectancy increases, the retirement income gap takes on more significance. Estimating your monthly expenses in retirement is the first step toward creating a strategy. Keep in mind your expenses in retirement likely will differ from your current monthly expenses. Some may decrease (such as commuting costs) while others may increase (think travel, recreation, hobbies). Inflation will also cause your monthly expenses to increase over time. The goal here is to estimate your expenses when you retire.



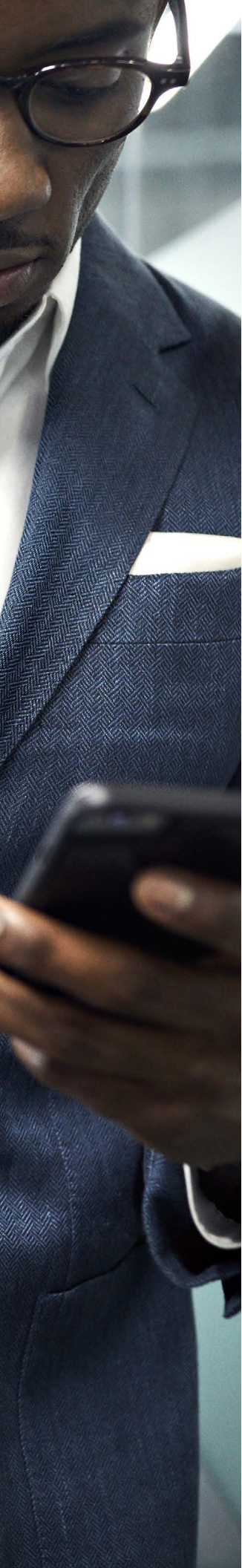
## **SOCIAL SECURITY**

By creating an account at [ssa.gov/myaccount](https://ssa.gov/myaccount), you can see your estimated Social Security benefit. Your estimated monthly payment will vary depending on when you claim. Your Social Security statement will estimate your benefit at age 62, at your full retirement age, and at age 70. If you have a spouse who didn't work, a spousal benefit should be available. Check with your financial professional and be sure to include any spousal benefit in your Social Security income.



## **RETIREMENT INCOME STRATEGIES**

An annuity can help fill the retirement income gap by providing guaranteed income for life. Annuities also can help manage tax liability or offer protection for loved ones once you're gone.



### MEDICARE

Many people have their Medicare Part B premium deducted from their monthly Social Security payment. In 2018 this amount can range from \$134 to \$428.60, depending on your income. You can find monthly premium information for Medicare and Medicare Advantage plans at [Medicare.gov](https://www.Medicare.gov).



### PENSION OPTIONS

If you're eligible for a pension, carefully consider your payout options. Pension plans are required to offer a joint-life payout option that can guarantee a lifetime income stream for you and your spouse.

## LISTEN UP

Something as simple as a hearing aid illustrates the connection between Wealth + Health. Roughly 1 in 3 Americans age 65 - 74 experiences hearing loss, which can make it difficult to engage socially and cause feelings of isolation.<sup>1</sup> Research shows socially isolated people might have mortality rates comparable to smokers.<sup>2</sup> But hearing aids can be expensive and are not covered by Medicare.<sup>3</sup> Budgeting for this cost can prevent sticker shock — and potentially increase your longevity.

### NOW WHAT?

Talk to your financial professional about retirement income options. There are many ways to fill the retirement income gap. Your financial professional can show you a range of strategies and help you find the one that may work best for you.

Use this worksheet to help determine the extra monthly income you will need to address your retirement income gap.

# RETIREMENT BUDGET WORKSHEET

## MONTHLY EXPENSES

### ESSENTIAL

### MONTHLY/ANNUALLY

Housing (mortgage or rent)		
Property Taxes*		
Homeowners Insurance*		
HOA/condo fees		
Household maintenance		
Utilities (energy, cable, phone, etc.)		
Phone and Cellular Phones		
Second home expenses (total)		
Groceries		
Car Payment and Registration Costs		
Car Insurance		
Gas/Maintenance		
Car excise taxes		
Health Insurance**		
Prescription and Co-Pays		
Long term care insurance		
Life insurance		
Clothing		
Personal care (hair, care, etc.)		
Family care (children, parents, etc.)		
Other		
<b>Total Essential Expenses</b>		

### DISCRETIONARY

Dining Out		
Entertainment/Recreation		
Travel/Hobbies		
Charitable giving		
Other		

## GUARANTEED MONTHLY INCOME SOURCES

### DISCRETIONARY

### MONTHLY/ANNUALLY

Social Security**		
Pension		
Annuities		
Other		
<b>Total Guaranteed Income</b>		

**The retirement income gap is important. This is the minimum amount of monthly income you will have to generate from your retirement accounts (such as IRAs and 401(k)s) to cover your essential monthly expenses. Your financial professional can help you implement strategies to generate income from your retirement savings.**