



# RETIREMENT SURVIVAL GUIDE

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# RETIREMENT SURVIVAL GUIDE

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# PREFACE

Congratulations! If you're reading this guide, it's likely that you have recently retired or are nearing retirement. For many people, this is a time that they've looked forward to for many years. While it is fun and exciting to think about retirement, it can also be rather unnerving. Many retirees have a difficult time adjusting to retirement for a host of different reasons. For one, the idea of not working everyday is a big adjustment. It is our nature, as humans, to struggle while adjusting to new routines. Retirement is no exception; it is a drastic change from what most people have been used to for 30 or 40 years. For many, however, the new routine is a welcome one as it gives them an opportunity to spread their wings through different endeavors, whether that's with volunteer work, spending more time with kids and grandkids, travel, or just more time for leisure.

One of the most daunting things that retirees are faced with in retirement is managing their personal finances. From the moment one triggers their retirement, the source(s) of their income changes immediately. This, among other financial decisions that need to be made, can be of high stress for many retirees. The main reason lies in the many unknowns that exist. And for many, they may spend as much time in retirement as they did working! Seems hard to fathom, but it's a real possibility that retirees face today.

While there will certainly be challenges as you navigate your way into retirement, there is much to look forward to as well. Let's face it, what "Retire Meant" is no longer what "Retire Means" today. Retire used to mean sitting on the front porch in a rocking chair, but today's retiree is much more active than yesterday's retiree. You probably have goals you want to accomplish, activities and hobbies you want to pursue, and quality time with friends and family that can now be put as the number one priority in your life. It's quite exciting.

This survival guide was not written to give you direction or guidance on how to fill your time. You'll figure that out on your own. Rather, this guide was written with the hopes of providing you some action steps and direction on how to think about your finances as you enter retirement... so you can spend your time focused on the things that matter to you most.

Procrastinating about financial matters is a fairly common occurrence these days. Very few people enjoy going through the process of making the tough decisions that need to be made with regard to their personal finances. But it is a very important action step to take. Reading this guide is a step in the right direction, but the next step is to start implementing the planning strategies that are necessary. This guide was not written to give you specific advice, but rather give you some general guidance about the decisions that you are faced with as you enter retirement. Following up with us for discussions about your specific situation is the next step, but let's not get the cart in front of the horse.

We hope you enjoy this survival guide!

# CHAPTER 1

## What If

*Plan for the worst. Hope for the best.*

The above statement is probably the easiest way to summarize what proper financial planning is, in a nutshell. If everything always worked out exactly as we wanted, there wouldn't be much of a need for any sort of planning. But we don't live in a perfect world, and the unexpected happens. Proper financial planning should take the unexpected into consideration. The easiest way to accomplish this is to begin by asking "what if" questions. While you may not be able to account for all possible scenarios, asking, answering, and addressing the "what ifs" in life is a great way to get started with your planning.

It might be wise for you to think about EACH ONE of these questions. Ask yourself and answer honestly. If your answer leaves you a little unnerved, highlight the question and be sure to bring it up the next time you are meeting with someone about your financial plan.

### **What if you died tomorrow?**

Would your spouse have enough assets to live comfortably?

Will your assets be distributed the way you would like them to be?

How difficult will it be for your loved ones to pick up the pieces?

What will happen to your spouse's income and lifestyle?

Will your children or grandchildren inherit a lump-sum of money? Does that concern you at all?

Do you know how much of your estate or your assets the government is in line to receive?

### **What if your spouse died tomorrow?**

Would you be taken care of financially?

Do you understand the financial plan you're currently following?

How would your income and lifestyle be affected?

Would your social security or pension income be reduced or eliminated?

Will it be easy to sort out all of the assets?

Do you know where all of your assets are and how they are titled? And how they would be transferred?

Do you know which professionals to rely on to help you sort through everything?

### **What if your pension check were reduced by 10-20% next year?**

Would that affect your lifestyle?

How would you make up for the reduction in income?

**What if your social security income were reduced by 10-20% next year?**

Would that affect your lifestyle?

How would you make up for the reduction in income?

**What if inflation grew more rapidly than anticipated in the next 10-20 years?**

If gas prices were twice as much as they are today, how would that affect your lifestyle?

Have you planned for your income to increase over the course of the next 10-20 years?

If the costs of goods and services were 30% higher, but your income was the same, how would that affect your lifestyle?

**What if one of your children fell on hard times and had to move in with you?**

**What if you lived to be 100 years old?**

Are you confident that your assets would last that long?

**What if you woke up tomorrow and you or your spouse needed long term health care?**

How might \$30,000-\$60,000 a year of expenses affect your assets?

How would you pay for the care?

How might that impact the quality of life of the spouse that didn't need the care?

**What if income tax rates went up 10-20% next year, forcing a 10-20% cut in your income?**

How might this erosion of your personal assets affect your long term plan?

**What if your health care costs went up 30% next year?**

**What if your parent(s) needed long term health care and couldn't pay for it?**

**What if the stock market went down 25% next year?**

How might this impact your portfolio?

How much of your portfolio is protected from this type of risk?

What if the stock market went down 50% over the next two years?

**What if you were named in a lawsuit?**

**What if your grandchildren needed to rely on you for support and shelter?**

The "what if" planning game can be frightening and frustrating. While a number of the scenarios we suggested are unlikely, many of them happen regularly. As the old saying goes, those that fail to plan, plan to fail. A good financial plan should address many of those "what if" scenarios. While we hope that those scenarios don't play out, it would be naive to think that they aren't very real possibilities.

# CHAPTER 2

## Mindset Shift

*“The trouble with retirement is that you never get a day off.”*

*-Abe Lemons*

Retirement requires a mindset shift. As suggested earlier, change is not an easy thing for many of us. The change required for many, financially speaking, is the shift from infinite to finite. When we work, the mindset is (no matter how much money you earned) that there is an infinite amount of money available to us. This view is the result of the reality that while working, we have the opportunity to trade our labor for dollars, which can then be dedicated to accumulate toward our retirement goals. During this accumulation phase, retirement seems so far away for many of us, much like the horizon, it seems like something which will never be reached. When we finally reach retirement, the harsh reality is that there are now no longer any paychecks; our seemingly endless capacity to exchange labor for currency has come to an end.

This may be hard to wrap your arms around at first. From a financial perspective, this is known as the shift from accumulation to distribution. Once you reach retirement, you are no longer in accumulation mode; you are switching to distribution mode. To better understand this, it might help to share a story unrelated to finances.



*This is a picture of climbers about to summit the ultimate prize for a climbing enthusiast, Mt. Everest.*

Mt. Everest hovers above the earth at an elevation of 29,035 feet. The first ascent up the mountain was by Sir Edmund Hillary and Tenzing Norgay on May 29, 1953 and the first American to summit was James Whittaker on May 1, 1963.

What most of us don't know is that there are at least 200 corpses still remaining on Mt. Everest. In 2015 alone there were 614 people who attempted the climb and 14 who died that same year (a ratio of approximately 43 to 1). There is a book titled *Dark Summit* which chronicles the tragedies on Mt. Everest

in 2006 when 11 climbers perished on the mountain. The startling statistic revealed in this book is that 80% of the fatalities occurring on Mt. Everest in the last 50+ years happened on the descent.

On the way up the mountain climbers are motivated by viewing the spectacular peaks looming ahead and the glory the summit will bring. However, on the descent they now have gravity pulling them toward horrifying views of 10,000 foot drop-offs into the abyss. Many don't wisely conserve their most precious commodity, oxygen, and lose the energy and will to make the descent. David Sharp was one of the climbers who perished in 2006 and relayed by phone "My name is David Sharp, I'm with Asian Trekking, and I just want to sleep".

While this may seem like a strange analogy, retirement is similar in a couple of ways. It's important to understand that retirement is the "descent," and sustaining your income is the equivalent of a mountain climber maintaining his oxygen supply. The challenges a mountain climber faces on the way up are often times different than the challenges he or she will face on the way down. It requires a change in mindset. From a retirement perspective, it's important to understand this. The challenges you faced while working will likely differ from those you'll face in

retirement. The purpose behind sharing this story wasn't to scare you, but merely to make you aware that there are two definite phases in your financial life: Accumulation and Distribution. Each phase needs to be navigated a little differently, just like a mountain climber.

A sad commentary about the financial planning industry is that many financial professionals focus on the accumulation phase having their clients reach the summit of retirement, but spend very little time planning a successful descent. Many of these plans had the accumulation phase greatly compromised by the tech bubble burst of 2001 - 2002 and the Financial Crisis of 2008. It's important for you to shift your mindset and planning when nearing retirement. This guide will share with you some ideas that may help you with "strategies for your descent."

# CHAPTER 3

## Know Thyself

Knowing who you are and your risk tolerance levels can be an important facet to retirement planning. If you're married, it's equally as important to know how your spouse feels and their risk tolerances towards money. Oftentimes one spouse lives with the other spouse's financial decisions, and that can create a lot of undue stress. It's important to note that there is usually a compromise that can be found somewhere in the middle.

How you feel toward money and various other financial instruments is important to recognize. Many people have been conditioned to feel certain ways, regardless of whether or not the reasons for those feelings are logical. For example, if you have had a bad experience with investments in the stock market, you may have negative feelings toward the stock market. Someone that paid for a term life insurance policy for 20 years without ever receiving a benefit may feel differently than a beneficiary who received life insurance proceeds after a loved one died. Oftentimes, these feelings cloud our judgment about financial vehicles and their intended use. It's important to drop those preconceived notions that you may have before you evaluate them for your individual circumstances.

Living by Socrates' guiding rule of "know thyself" couldn't ring more true when determining your risk tolerance for your investments. Risk tolerance is a difficult thing to define. Let's face it, people seem to love risk when markets are good and hate risk when there is a downturn. Most people would love to find an investment that makes a lot of money without taking on much risk.

Unfortunately, too few people truly know themselves, their comfort levels, or their goals when it comes to investing, which leads to many problems – most notably "selling low and buying high." Here are five questions you can ask to get a more accurate picture of what kind of risk you should be taking with your investments.

### **5 Questions to Ask to Determine Your Risk Tolerance**

#### *What is Your Age?*

Typically speaking, the younger you are the more risk you can take. If something goes wrong, you have more time to make up for any losses. If you are in your early thirties, you might have another 30 years to go before you reach retirement, which means you've got time on your side and can probably ratchet up your risk for a while. However, if you are in your mid fifties and are looking to retire in the next five or 10 years, then we probably want to scale back a bit and shore up what we have.

#### *How Comfortable Are You With Risk?*

Do you drive with a lead foot, roll the dice at the casinos, and like to skydive? You are probably OK with taking on a little risk in your portfolio. Are you a conservative person who fears the unknown and likes to keep a consistent schedule? You may want to risk very little. Knowing your comfort level is a key to managing risk and expectations for your investments. The above are extreme examples, but looking at who you are as a person, your temperament, and lifestyle will help give you a guideline for how much risk you should be taking on.

#### *What is the Purpose of the Money?*

Knowing the goals you have for your money is another key component to determining risk tolerance. If you are saving for a down payment on a house that you plan to buy within the next two to three years you certainly don't want to be aggressive with your risk because you are going to need that money soon. In the same regard, if you are building your nest egg for retirement, which is 20 years away, you can probably increase your risk a bit. Knowing the purpose behind the money will help you determine your time frame, which helps determine the appropriate amount of risk you should be taking.

### ***What Do You Do When Things Go Wrong?***

Inevitably, markets will decline as it's the nature of the beast. The question is, what do you do when things don't go the way you had hoped? Are you the type of person that adapts easily, takes things in stride, and rolls with the punches? If so, you might be able to take on a little more risk. If you are the type of person that frets about your statements, worries about the day-to-day decline in your investments, and is anxious about what might happen if the market doesn't recover, then you should probably ease up a bit on the risk.

### ***Do You Make Emotional Decisions?***

Sticking to a course of action is a best practice when it comes to investing. This is not to say that you should never change your plan or your risk tolerance, but if you are prone to making emotional decisions dependent on how you feel rather than sticking to something to accomplish a goal, then you may want to scale back your risk. Investing is an emotional proposition. When it comes to investing, emotional decisions can hamper your growth and leave you with a lower return.

You would probably make a better return by reducing risk by a degree or two over the long run rather than shifting your portfolio around every time you think the market is going up or down.

When it comes to investing, it's important to classify yourself **REALISTICALLY** in one of the five risk categories listed below:

**Conservative:** This investor isn't willing to tolerate "noticeable downside market fluctuations" and is willing to forgo most all significant upside potential relative to the markets to achieve this goal. In layman's terms, they really, really don't want to get their monthly statement and see less money than they had before (unless it was due to withdrawals).

Most conservative investors want their portfolio to provide them with an inflation-adjusted income stream to pay their living expenses. They're either currently dependent on their investments to give them a retirement paycheck, or they're expecting this to happen soon. They may not have time to recoup any losses (because they can't go back to work for a multitude of different reasons). Some realize that they don't need their portfolio to provide income for very long, maybe a few years, because of low life expectancy, so growth may not be the objective.

**Moderately Conservative:** If a worried investor can tolerate a little more risk than the conservative investor, but is still adverse to large, short-term downside fluctuations, and wants a little more return with a little less income, then this is the category for them.

The typical investor in this category is either retired and getting their paycheck from portfolio income, soon to be retired, or has been burned by poor investment management and lost a great deal of money in the past. These individuals want to be somewhat protected from large downside market fluctuations and are willing to not fully participate when the markets rally upwards to get it.

Informed investors realize that if their life expectancy is more than a decade, then having exposure to investments that increase in value is likely required to provide income in the latter years. Their portfolio will still fall when markets decline, but they want to be protected from sudden double-digit percentage declines in their portfolios. They want to be in the game, but they are definitely playing defense.

**Moderate:** The majority of investors are in this middle-of-the-road category. That doesn't necessarily mean that the majority of retirees are in this category. There are too many reasons for people to be in this category to list here. The most common reason is the desire to invest long-term for more growth 10-15 years down the road. They know they will lose money if the markets go down, but also expect to be along for the ride if they go up.

A moderate investor is willing to be exposed to some risk and can usually tolerate a 10-15% decline in their portfolio for the chance to come out ahead in the long run.

**Moderately Aggressive:** Generally speaking, persons in this category have more time on their side, or more wealth to subject to risk. Investors that fit the moderately aggressive category tend to be able to stomach a 15-25% decline in the market in return for the greater upside potential that comes with this level of risk. A person in this category fully understands short term losses and is accepting of that risk. More emphasis is put on making money than preventing the loss of capital.

**Aggressive:** The aggressive investor typically hasn't yet reached retirement age. This investor understands and accepts the possibility of a 25%+ loss in their portfolio. This investor also understands that it could take a number of years to recoup those losses. Aggressive investors are usually younger and/or much higher net worth. These investors are looking to substantially outperform the markets and (should) know they are exposed to much more risk than the markets. They could easily lose a third of their portfolio value in a matter of a few months, and it may take years to recoup those losses.

These classifications are fairly generic, but nonetheless it's a good first step in the planning process to identify where your risk tolerance lies. Frankly, no one enjoys losing money. Some people are just more willing and able to accept that possibility.

# CHAPTER 4

## Don't Sit, Rollover

A 401(k), for many Americans, is their largest asset. The main reason for this is that the traditional pension plan is slowly becoming a thing of the past. There were 170,000 defined benefit pension plans in the United States in 1985; by 2015, there were only 45,000. That's a 73% decline according to the US Department of Labor in September 2019.

Handling your 401(k) with care as you approach retirement is absolutely paramount. Aside from poor investment decisions, there are also some major mistakes that people make with regard to their 401(k). Some examples of these mistakes are:

### **Mistake #1: Taking the Money and Running**

This is probably the biggest mistake that many younger investors make, as they simply cash out their 401(k) and spend the money. Many young people justify this by saying, "I could use the money to pay off debt, put a roof on my house, or take my dream vacation," along with a whole host of other excuses. The problem with that is they are robbing themselves of their future retirement dollars. Plus, they're likely paying additional taxes and possible tax penalties. The solution? Simple, resist the urge. You can move it, just don't spend it. For most retirees, this isn't a common mistake because they realize their 401(k) is an asset they may have to utilize in the years to come.

### **Mistake #2: Leaving Your Money in the 401(k) with Your Old Employer**

Three reasons why this can be problematic:

1. You run the risk of giving up control. The old plan may change investment providers or investment options whether you like it or not.
2. You are at the mercy of what your employer's plan document says. Simply put, your 401(k) has certain rules that are governed by what is known as a plan document. It may impose restrictions on what you can do with your account.
3. People tend to forget about old plans. Worse yet, should you pass away, your beneficiaries may not even realize you own it.

### **Mistake #3: Executing a Rollover Instead of a Direct Transfer**

Let's assume that you've elected to move your 401(k) over to an IRA. You have two options as to how to move this money.

- The rollover is option #1. You can have your current 401(k) plan provider send you a check, made payable to you, and then you can send your new IRA provider the money. You have 60 days to reinvest the money. There are a few problems with this. Your current 401(k) provider is forced to withhold tax on this distribution, so you will only receive a check for 80% of the actual value. If by chance you miss your 60-day window, you will be forced to pay taxes on the entire amount. Keep in mind, you are only allowed to execute this type of a transaction once every 12 months.
- Looking for a better option? Consider option #2 - Execute a direct transfer. The way a direct transfer works is you have your 401(k) plan provider send a check directly to the new IRA provider. This is much easier and cleaner. This also eliminates the risk of you missing your 60-day window and receiving that surprise 1099 in the mail. Oftentimes, this will require specific paperwork from your current plan provider.

**Take note:** Some employers may only offer the option of sending the check to you. The best thing to do in this situation is to have them make a check out to your new financial institution; that way you avoid the mandatory 20% withholding.

**For example:** Let's assume you're moving your money to XYZ Company, have the check made out in this format: XYZ Company, IRA Rollover, FBO [Your Name]. (FBO - stands for "For the Benefit of")

### **Mistake #4: The Company Stock Monster**

Holding company stock inside of a 401(k) is fairly common. However, there are two concerns to consider.

- Concern #1 - Overweighting. Having too much exposure in any one company, inside of your portfolio, adds additional risk to your nest egg. No matter how strong you feel a certain company is, you may wish to reconsider just how much of your nest egg you have exposed. Too often we read about situations such as this. Remember Enron? A similar event happened with many Enron employees.
- Concern #2 - Net Unrealized Appreciation (NUA). This is the big one. If you have company stock inside of your plan, pay very close attention. Before you touch your 401(k), be sure to review this with a qualified professional that understands what NUA is. Unlike other investments in your company's retirement plan, shares of company stock may be eligible for special tax treatment after you leave your employer. This strategy can work in your favor more often than not, especially if you're holding company stock that is highly appreciated.

Here's a quick summary of how NUA works. NUA is a strategy that allows investors to take advantage of potentially lower, long-term capital gains rates. In return, investors can avoid paying typically higher than normal income tax on the assets.

Let's look at a quick example. You have worked for XYZ Company for 30+ years. Over the years, you have purchased XYZ stock and paid approximately \$100,000. So that \$100,000 is your cost basis. Let's assume that this has grown to \$400,000 and that you are now ready to retire. Rather than moving that \$400,000 into an IRA and paying ordinary income taxes on the entire amount later, you could do a transfer in kind to a taxable account. This would require that you only pay taxes on \$300,000 at long-term capital gains rates rather than at ordinary income tax rates. Only your original \$100,000 investment amount would be taxed at the ordinary income tax rate level. This could be a very substantial tax savings.

### **Mistake #5: Failing to Properly Name Beneficiaries**

This seems so rudimentary, but it is a very common mistake. When it comes to who is going to inherit your 401(k) and IRAs, one of the most important items of consideration is how you complete your beneficiary form. You may have updated your will to include someone else, but if they aren't on the beneficiary form, they won't get a dime. Life happens. Loved ones pass away, second marriages may occur, kids from second marriages, grandchildren, and on and on and on. So review it frequently to make sure you are going to be able to pass your money along the way you would like to. Furthermore, many people think that they should leave money to a trust account that they already have established. While this may seem logical, oftentimes people don't realize that they forfeit certain tax advantages for their beneficiaries if they do this. Also, be careful when leaving money to minors, as each state has certain limits on money that minors are permitted to control.

### **Mistake #6: Trying to Recoup Losses or Chase Performance**

One thing that we know for certain is that the stock market goes both up and down. If you happen to move your 401(k) during a market downswing, it is human nature to want to try to recoup your losses by investing more aggressively. Don't let the emotion of a downward swing in the market allow you to veer too far from your financial plan and your long-term vision. As you near retirement, you should be leaning more toward conservative investments, not more aggressive. This money needs to last as long as you do.

### **Mistake #7: Forgetting About a Loan**

Treating your 401(k) as a personal ATM is a mistake because you are robbing yourself of your retirement dollars and their ability to work hard for you. But forgetting about a loan that you took out can be an even bigger mistake. Let's assume you have a 401(k) worth \$300,000. A few years ago you took a loan out for \$25,000 to remodel your house. Now you're leaving your employer. If you were to forget about that loan and transfer your 401(k) to an IRA without paying your loan off, you will get hit with a \$25,000 1099 for the year in which you moved the IRA. Plus, if you are under 59-1/2 you may face an additional 10% IRS tax penalty. Ouch! This could potentially throw you into a higher tax bracket and certainly won't help out your retirement account.

Your 401(k) may be an extremely vital part of your retirement. Handle it wisely. Do your homework and work with someone who understands all of the rules and regulations on these types of accounts.

# CHAPTER 5

## Income Determines Outcome

*“Retirement is like a long vacation in Las Vegas. The goal is to enjoy it the fullest, but not so fully that you run out of money.” - Jonathan Clements*

Income. It’s one of the largest challenges facing many retirees. One major thing you need to think about when entering retirement is creating an income stream that takes the many risks that we don’t necessarily think about on a daily basis into consideration; stock market risk, inflation risk, longevity risk, reinvestment risk, interest rate risk, etc.

Before you go about devising a plan to handle your income, you need to first create your budget. As an example, your budget should at least consider the following:

Rent/Mortgage	Telephone	Heating
Insurance/Taxes	Garbage/Recycling	Water Sewer
Electricity	Other Household Bills	Credit Card(s)
Cable	Restaurant Meals	Auto Loan
Groceries	License/Registration	Gas
Auto Insurance	Medical Expenses	Prescriptions
Other Automobile Expenses	Life/Health Insurance	Travel/Entertainment
Elder Care	Charity/Gifts	Clothing

Once you’ve established a budget for the above mentioned costs, you may wish to pad those figures for a little cushion. For example, if all of the above mentioned costs amount to \$4,000 a month, you may wish to plan for a retirement income of \$4,400 a month after taxes.

### Sources of retirement income

Conceptually speaking, it may help to think of your retirement income as a stool with multiple legs. The three most common legs of retirement income are: Social Security, pension, and personal savings. You may have other income sources such as rental income or royalties, but generally speaking the most common sources are social security, pension, and your personal savings. Let’s discuss each in order.

### Social Security

We could partake in a long debate as to whether or not our Social Security program will be functional in the future. For the sake of this guide, we are going to assume that the Social Security program is functioning, and will continue to function the way it was intended to work. Although, many suggest that at some point in the future we will need to see changes in that system in order for it to remain a viable, long-term program. Social Security benefit calculations can be complicated. Before you file for Social Security, it would be wise to discuss your particular situation with the Social Security Administration (SSA) and a financial professional. Many of the tips we are about to share with you on how to maximize your benefits may not be provided to you by the SSA.

In order to be eligible for Social Security benefits, you must have worked for 10 years, or 40 quarters, paying into the Social Security plan during this time. The amount you paid in over the years was based on your income at the time of payment. Your benefit amount is based on your earnings averaged over most of your working career. Your benefit amount is also dependent on when you begin receiving that benefit. According to the Social Security Administration's website, you can retire at any time between age 62 and your full retirement age. As a general rule, early or late retirement will give you about the same total Social Security benefits over your lifetime. If you retire early, the monthly benefit amounts will be smaller to take into account the longer period of time you will receive them. If you retire late, you will receive benefits for a shorter period of time but your actual monthly amounts will be larger to make up for the months when you did not receive anything. Your actual full retirement age is between 66 and 67, depending on your year of birth. To find your specific age for full retirement, visit the SSA's website at [www.socialsecurity.gov/retire2](http://www.socialsecurity.gov/retire2), and click on the "Find Your Retirement Age" link in the middle of the page.

## Tips for maximizing your benefits

**Delay taking the benefits.** This is the most obvious way to get a higher monthly income from Social Security. The trouble with this strategy is that if you need the money, you may not have much of a choice but to start taking those benefits. Some will argue, however, that taking your Social Security benefits immediately is the smarter decision, assuming that changes to that system may be coming and getting what you can from the system now is better than a "wait and see" mentality.

**Utilize spousal payments.** Spouses are entitled to a Social Security payout of up to 50 percent of the higher earner's check, if that amount is higher than his or her benefits based on their own working record. Retired couples, in which one spouse did not work or made less money over his or her lifetime, have the most to gain from this provision. However, low-earning spouses must wait until their full retirement age to collect the full 50 percent. (For Baby Boomers born between 1943 and 1954, the full retirement age is 66.) Benefits will be reduced for spouses who collect before their full retirement age. For example, a low-earning spouse, whose full retirement age is 66, would only be eligible for 35 percent of the higher earner's benefit at age 62. The spousal benefit does not increase above that 50 percent if they delay taking their benefit beyond the full retirement age.

**Include family.** Social Security recipients who have children under the age of 16 or children that are disabled can secure additional Social Security benefits for that child and a spouse caring for that child, even if the spouse is under age 62. Like spousal benefits, each child is eligible for up to 50 percent of the retiree's full benefit. However, payments to family members are capped, typically at 150 to 180 percent of the retiree's benefit payment. If the total benefits due to the retiree's spouse and children are above this limit, their benefits will be reduced. The retiree's payout, however, will not be affected.

**Ex-spouses are eligible.** A former spouse may be eligible for benefits if the marriage lasted 10 years or longer. The non-earning or low-earning divorced spouse must be 62 years of age or older and unmarried. The benefit amount an ex-spouse receives has no effect on the benefits that the working ex-spouse and his or her current spouse will be able to receive.

**Boost the survivor's benefit.** Widows and widowers are entitled to the higher earner's full retirement benefit. Surviving spouses can begin receiving Social Security benefits at age 60, or age 50 if they are disabled. Benefits are reduced by up to 28.5 percent if claimed before the recipient's full retirement age. The surviving member of a dual-earning couple can also claim a reduced benefit on one working record and then switch to the other later. For example, a woman could take a reduced widow's benefit at age 60 and then claim 100 percent of her retirement benefits based on her own working record when she reaches her full retirement age. Most survivor benefits are paid to women because women generally live longer and are oftentimes younger than their husbands. A husband can increase the monthly survivor's benefit that his wife will receive by 60 percent by waiting to sign up for Social Security until age 70.

While maximizing your overall benefits is crucial to most retirees, there are other factors to consider than just maximizing your benefit. The other things to consider include:

- Your overall financial situation. Is the income absolutely necessary for you to survive? If so, the decision is a no-brainer.
- Your health. If your health is not so good, taking an early benefit may make the most sense if you are single. If you are married, it may make more sense to wait to maximize your spouse's long-term benefit.
- Your plans to work in retirement. This is very crucial. If you plan to work in retirement, and you take a job that pays more than \$18,960/year (2021 figure) in retirement, your benefits will be reduced by \$1 for every \$2 earned above that threshold unless you are past your full retirement age.
- Your tax situation. Up to 85% of your Social Security retirement benefits could be taxable, if you are above a certain income threshold. That threshold is \$25,000/year for individuals and \$32,000/year for couples that file jointly. This is not just traditional income but interest, dividends, pension, IRAs, etc.
- How long you've been in the workforce. Your Social Security Retirement benefits are calculated based on your 35 highest earning years. If you took some time off from the workforce, and don't have 35 years under your belt, it may be necessary for you to work a couple more years to help increase your benefit.

The above examples may not be the only things you need to consider when making these types of decisions. Everyone's situation is unique and sitting down with a financial planner to help make these types of decisions is advised.

## Quick Tips and Traps to Avoid

### *Tips*

- Verify that your earnings history is accurate on the annual statement that you receive from the SSA. Correct any inaccuracies as soon as possible.
- When you do apply for Social Security, be sure to choose direct deposit. That way you'll never have to worry about a check getting lost in the mail.
- If your spouse has a pension based on his or her life only, you may wish to consider delaying receiving benefits as long as possible so that you get the maximum benefit for your lifetime.

### *Traps to Avoid*

- Don't confuse Medicare with Social Security. Medicare always starts at age 65 (assuming you are eligible), while your full retirement age with Social Security has a moving target.
- If you are divorced and receiving benefits based on your ex-spouse's earnings record, those benefits will stop if you remarry.

## Pension

Pensions are another common form of retirement income. While they are becoming less and less a part of everyday corporate culture, they are still a common source of retirement income. It would be impossible to go into all of the details as they relate to your specific pension. The biggest word of caution here is to carefully analyze all of your options. Generally speaking, when you make your pension decision, it is an irrevocable decision. So choose wisely! Carefully consider survivor benefits. Make sure that you have thought through all of the “what if” scenarios before you select your pension benefit.

## Pension Maximization

Pension maximization is a concept often employed by people with defined benefit plans. The first word of caution to throw out there is that this strategy is NOT for everyone. It should be carefully examined to determine its’ viability for your specific situation. Here it is in a nutshell:

If you are married, you will be faced with the decision about how to take your pension distributions. You will usually have several options, but for purposes of discussion, we will only talk about the two most common. First, you have the option to take a payout based upon your life expectancy only. This is the highest payout possible under most retirement options. However, should you predecease your spouse, those income payments will discontinue. If your spouse is planning on your pension as a significant part of his or her retirement income, this option is often not favorable because it would drastically affect the rest of his or her life, should you pass away before him or her.

That is why many married couples usually elect a survivor benefit, to help protect their spouse should they predecease them. However, in doing so, there is a reduction in the monthly benefit, given that the plan is now covering two lives. The key result is that your spouse is guaranteed that he or she will continue to receive your pension benefits, regardless of whether or not you pass away before him or her.

A pension maximization study would determine whether it makes financial sense to consider taking the life-only option instead of the survivor benefit option, and putting the benefit difference into a life insurance policy for the pensioner, with the spouse as the beneficiary. Let’s look at a hypothetical example for better understanding:

Fred and Wilma are both 60 years old. Wilma has been a good employee for 30 years, and is now eligible to retire. The two options she is considering are:

Life only Pension = \$4,000/month

OR

100% Survivor Pension = \$3,300/month

Wilma wants Fred to be able to receive the \$3,300 per month benefit, should she die before him, but also knows that if Fred dies before her that her benefit will be permanently frozen at \$3,300/month. Wilma should then consider a pension maximization plan.

Instead of electing a survivor benefit, Wilma elects the Life Only pension plan. She would then receive \$4,000/month instead of \$3,300/month. However, with the extra money she elects to purchase a permanent life insurance contract with guaranteed level premiums for life (guarantees are based on the claims-paying ability of the underlying insurance company). The extra money is \$700/month which after federal taxes leaves her with approximately \$525 extra each month. Based on her health, age, and gender, she is able to purchase a life insurance policy with a death benefit of \$500,000 that is guaranteed for the rest of her life assuming scheduled premiums are paid. She feels that a large, income-tax free sum of money would better suit Fred should she

predecease him. After further analysis, she feels that Fred could replace the income lost from the pension by producing income from the death benefit received. Furthermore, should Fred predecease her, she would have the flexibility to keep that policy in force for her heirs.

The above example was very basic and was purely hypothetical. Your individual situation will vary, and there a number of considerations to take into account before making this type of decision. Those considerations include, but are not limited to:

- Cost of living increases
- Health insurance considerations
- Life expectancy for both parties
- General health of the potential insured
- Overall income needs

Before looking to implement a pension maximization strategy, you will want to sit down with a financial professional to help you with a viability study. Everyone's situation is very different, and this strategy should be carefully examined.

## Personal Savings

For many, personal savings will be the largest percentage of their retirement income. Retirees generally have accumulated a chunk of money, and now it's their job to create an income stream from it. It sounds easy, but the myriad of investment choices can complicate these decisions. Most financial planners will agree that a withdrawal rate around 3% of one's assets is a good starting point. The challenge lies in developing the best way to strategically plan from there. There are a number of components that go into devising an income plan, including (but not limited to):

- How much money is needed to meet your budget
- Taxes (How to maximize income and minimize the tax impact)
- Comfort with market risk (or discomfort)
- Ability to keep up with inflation

Let's look at a hypothetical example of how to create income from personal savings:

Ward and June have retired and are both 62 years old. They have a pension and also receive Social Security income. They have an IRA worth \$500,000 and they have \$100,000 in a bank account that they plan to utilize to help them reach their retirement income goal.

After working through an expenditure sheet, Ward and June determined they have a monthly income need of \$5,000. Their income sources are as follows:

Pension = \$2,500/month

Social Security = \$1,500/month

Total income from those two sources is \$4,000/month. So they have determined that they need to draw an additional \$1,000/month from their IRA.

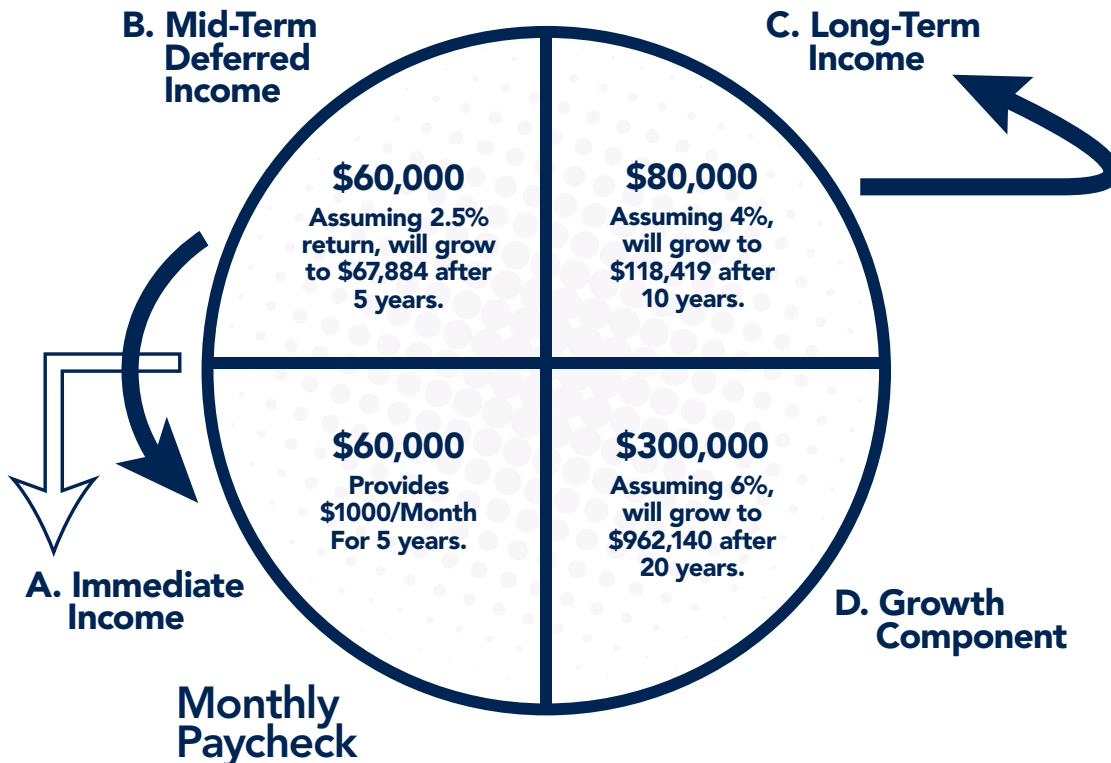
## Recreating the Paycheck

Ward and June are now faced with the challenge of how to withdraw income from their IRA portfolio. They would like to receive \$1,000/mo from that account.

There are a host of options available to them. In fact, the choices may even seem endless and/or daunting. Some of their options include:

- Living off the interest from CDs
- Taking income from stock dividends
- Purchasing a lifetime immediate annuity
- Simply liquidating securities holdings

Ward and June may also consider using a concept called the Asset Cycle Portfolio System<sup>®</sup>. The fundamental idea behind the Asset Cycle concept is to assign job descriptions for different chunks of your retirement dollars. Let's take a quick look at an example, based on what Ward and June are trying to accomplish, assuming that we use their \$500,000 IRA to provide their retirement income and utilize their \$100,000 bank savings as their emergency fund:



*Note: The above example and projected returns are hypothetical in nature. This example is not intended to make any specific product recommendations, nor is it meant to reflect actual investment results or guarantee future results. Actual results may vary. Please keep in mind that any strategy that involves investing in securities carries an inherent element of risk.*

The Asset Cycle Portfolio System<sup>®</sup> is simply a model that retirees can consider using when recreating their paycheck. We think it is a superior option when contrasted with what many other financial professionals recommend - that their clients simply withdraw their retirement needs out of an all equity portfolio. The problem with this

approach is the “Sequence of Return” variable, i.e., if someone relies on this approach to retirement income and just happens to retire at a time when negative returns are experienced at the onset of their retirement, their future income can be greatly compromised and in many cases vanish. Consider those who retired during either the Tech Bubble Burst of the early 2000s or those who might have retired in 2008. With our approach, the clients are provided 20 years of guaranteed income and their equity portion is allowed to grow for this amount of time without having to be invaded for income. During this 20-year period if there are some extremely high returns generated, then funds can be taken off the table and additional five-year blocks of guaranteed income secured. We don’t want our client running out of their most precious commodity in retirement, their income, as it allows them to maintain their independence and dignity.

As illustrated, segment A of the portfolio is the immediate income piece. By placing \$60,000 into low risk savings or a guaranteed immediate income annuity\*, they can generate \$1,000 a month for the next 60 months or five years, regardless of whether or not they earn any interest in that account.

The second account with \$60,000, segment B, would be placed in a lower risk vehicle such as CDs\*\* or Fixed Rate Annuities, and left to accumulate for five years. It would then replenish segment A, and provide income for the next five years. Segment C with \$80,000 would be left to grow for 10 years, and then would replenish segments A and B.

Segment D now has 20 years to grow, and would then be available to build another 20 year asset cycle.

The types of accounts you employ for segments A, B, C, and D will depend on a number of items including, but not limited to:

- Overall risk tolerance
- Income needed
- Age
- Current market conditions
- Total net worth
- Time horizon

There are many other ways to recreate your paycheck, and the Asset Cycle Portfolio System® is simply one way to go about that process. If you’d like to explore this type of plan, or consider one of the many other options, we encourage you to visit with us.

*\*Guarantees associated with annuities are based on the claims-paying ability of the underlying insurance company. There may be surrender charges and fees associated with annuities. Withdrawals from annuities prior to age 59 ½ may be subject to a 10% IRS penalty.*

*\*\*FDIC-member accounts, including CDs, checking, savings, money market, and certain retirement accounts, are currently insured up to \$250,000 per depositor, per insured bank, for each account ownership category. Please note that CDs may be subject to early withdrawal penalties.*

# CHAPTER 6

## Insure to Ensure

Most people dislike insurance. Let's rephrase that. Most people dislike paying insurance premiums. Insurance is probably the only thing that we buy with the hopes that we'll NEVER have to use it. Think about it. You buy homeowners insurance, but you don't want your house to burn down. You buy automobile insurance, but you never want to get in an accident. It's not something that most people enjoy purchasing. It's not nearly as fun as buying a new car, an outfit or, a golf club. No one likes the idea of buying life insurance.

But, if you think about it, what are the most common questions asked at a funeral home amongst people who come to pay their final respects?

"Did he have life insurance?"

"Is the spouse going to be OK financially?"

"Are the kids going to be ok?"

The same sort of thing happens with virtually every type of insurance.

Your house burns down? People ask if you had home owners insurance.

Your car gets wrecked? People ask if you had full coverage on your auto insurance.

Think about this. Do you think there has EVER been a situation where the recipient of an insurance check said, "You gave me too much money?" It just doesn't happen.

For the purposes of this retirement survival guide, let's focus on two different types of insurance you may want to consider.

### **Life Insurance**

Life insurance is used for many reasons. During your working years, it may be used to protect your income, for your family's sake, should you pass away. Many people will also use it as an accumulation vehicle for retirement income down the road. However, once people reach retirement, they think that life insurance is no longer necessary. Let's explore why that may not be the correct thought pattern.

It's been argued that life insurance is the best asset to leave beneficiaries because it is passed on income tax free. Additionally, it can be structured to pass outside of the estate, which would be beneficial for those who may have an estate tax problem. Life insurance can be utilized for many reasons. Remember all of the "what if" scenarios discussed in Chapter 1? Many of the issues that arise as a result of asking "what if" could be addressed with life insurance. What if you passed away tomorrow? Would your pension be affected? Would Social Security income be reduced? Life insurance could provide you with the ability to address these types of concerns.

Do you have a 401(k) or IRA? If so, what happens to that account when you pass away and leave the remainder to

your children? Ultimately, you pass on the tax burden with that account. Many people use life insurance to address the tax burden that comes with passing on a retirement account.

The biggest reason why you might want to consider life insurance as a retiree is leverage. Life insurance allows you to leverage an asset today for a larger benefit tomorrow. If you want to gain a good litmus test for whether or not you should consider leveraging any dollars, ask yourself this question about each one of your financial accounts: Is this “live on money” or “leave on money?” If it is truly leave on money, it may be worth it for you to explore life insurance. However, don’t forget that the other reason to consider life insurance is for income protection – if your passing (or your spouse’s) would force your spouse to adjust his or her quality of life, you may wish to consider life insurance to help protect their income and lifestyle.

## Long-Term Care Insurance

Long-term care insurance is an interesting form of insurance to understand. It is widely misunderstood by most consumers. When most consumers here the words “long-term care insurance,” they immediately think “nursing home insurance.” While there are policies that cover strictly nursing homes, generally speaking, the goal of long-term care insurance is to give you the flexibility and choice as to where you would receive care, should you need long-term care. Most people choose to have this kind of care in their home. A properly constructed long term care policy would provide coverage for that home health care.

The reason why it is such an interesting form of insurance to understand is because of the statistics behind it. Most every prudent adult carries car insurance if they own a car, and homeowners insurance in the event his or her house burns down. But did you know that the probability of having a car accident is 1 in 240?<sup>1</sup> And the probability of losing a home to a fire is 1 in 1,200?<sup>1</sup> The probability for somebody over age 65 needing Long Term Care is more than 1 in 2!<sup>2</sup>

So, why is it that such a small percentage of the population purchases long term care insurance? Each individual probably has his or her own rationale for why he or she might not consider purchasing this type of insurance, but the most common reasons are:

- It is viewed as too expensive
- People are concerned that they will never have to use it
- There are a lot factors that go into constructing a long-term care policy
- People think they have plenty of assets to cover the potential expense (self insuring)
- People believe the government will take care of them (Medicare or Medicaid)

Ready for blunt honesty? Every retiree needs to, at the very least, look into long-term care insurance. It may not be a necessity for everyone, as each individual’s situation and circumstances are different. But it should certainly be a part of your planning checklist. The sooner you do this the better, as the cost of the long-term care insurance is based on a number of factors, including your age. Insurance agents will use statistics like the ones mentioned above to get you to consider buying long term care insurance, but there is really only one way to assess your risk – it will either happen, or it won’t happen. In the event that you do need long term care, you’ll be wise to have a plan of attack to handle that type of expense (whether that is long-term care insurance or not).

1 Kesy, T. (2000). *Long term care insurance and the estate planning process*. *Trusts & Estates*, March 14,17.

2 AARP. *Beyond 50.2003: A Report to the Nation on Independent Living and Disability*, 2003, <http://www.aarp.orgresearch/health/disabilities/aresearch-import-753.html> (11 Jan 2005).

Before we conclude this section on long-term care insurance, you should be aware that there are a number of different types of policies you can consider to help address this risk. One of the lesser known types of policies is referred to as asset-based long-term care. With this type of policy, you pay a lump sum up front in exchange for a much larger pool of benefits for long-term care. Should you not need long-term care, your beneficiaries would receive an income-tax-free death benefit (usually much more than what you initially put into the policy). Additionally, many of these policies allow for a 100% refund of the money you initially put in. Many retirees like these policies because it gives them flexibility should "life" happen. Regardless of whether you live (need long-term care), die, or quit (want your money back), you will get some benefit out of a policy like this. When considering long-term care insurance, ask how an asset-based type of program may work for you.

# CHAPTER 7

## Big Plans

The more wealth you accumulate over your life, the bigger the planning efforts need to be. Estate planning can be a complex thing with numerous strategies to consider. Estate planning is the process of anticipating and arranging for the disposal of an estate. The goal is to eliminate uncertainties with respect to the distribution of assets during probate and maximize the value of the estate by reducing taxes and other expenses. Guardians are often designated for minor children and incapacitated beneficiaries. Estate planning can involve a variety of legal documents, including a will, trusts, powers of appointment, and powers of attorney, specifically, the durable financial power of attorney and the durable medical power of attorney. Estate planning also addresses beneficiary designations on accounts that will pass outside of probate, property ownership (joint tenancy with rights of survivorship, tenancy in common, tenancy by the entirety), and any gifts that the testator wishes to make.

This guide is not designed to give legal or tax advice. However, it is intended to make you aware of some of the decisions that you must consider as you enter into retirement. Regardless of estate size, there are certain items that every retiree should address as it relates to his or her “big picture” plan. It may behoove you to sit down with an attorney and discuss some of these items to make sure that your assets transfer in the manner you intend for them to.

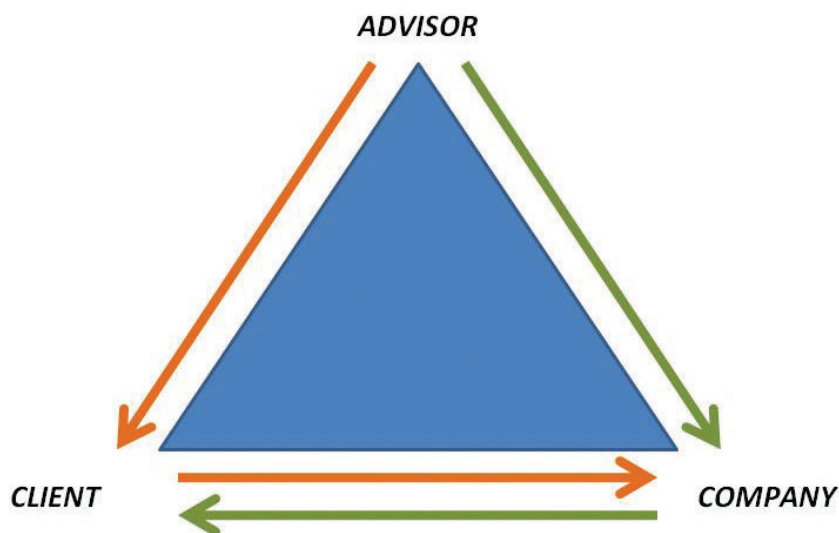
If you are charitably inclined, you may wish to consider one of the many charitable giving strategies. Some of these strategies may afford you a significant tax break while you are living and leave money for the charity of your choice at a time of your choosing. These strategies are too involved to detail in this guide; but you should at least explore the many planning opportunities in this arena.

# CHAPTER 8

## Just Ask

The goal of this chapter is to arm you with questions to ask your financial professional. If you don't have a financial professional yet, these questions will equip you as you begin the interview process. If you are not comfortable with the answers given by any financial professional, it may be wise for you to keep looking.

Before we get into the questions, it's important to understand the different types of financial professionals that exist. There are really two different "camps" that a financial professional can fall into – independent or captive. Inside of each of those camps, there are a few different work styles. We'll discuss that in a moment. First, let's explore the difference between independent professionals and captive professionals.



The diagram above illustrates the difference between a captive financial professional and an independent financial professional. In any relationship with a financial professional, there are three parties involved: the financial professional, the client (you), and a company. This company may be an investment company, insurance company, etc. As the green arrow indicates, a captive financial professional works for the company, representing that company's product line. In turn, they bring that company's product to the client. As the orange arrow indicates, an independent financial professional works for the client, and goes out into the marketplace to find products from different companies that will work for the client's specific situation.

There is nothing wrong with working with a captive financial professional. However, the challenge that exists is that it's possible that the company, which the financial professional represents, may not always have the most competitive solution for the client (in some cases, they may not have a solution at all). It is important to understand this challenge.

Working with an independent professional may afford you the possibility of more choices, but this can also be a challenge if that professional hasn't done his or her homework. In light of having more choices, it also creates the necessity for that professional to be prepared to do more research. Each scenario presents trade-offs; as a consumer, it's important to know the difference between these two types of financial professionals as one might better fit your personal situation or goals.

In addition to the difference between captive and independent financial professionals, there are other distinctions that exist within the financial services profession. Some professionals are insurance agents, some are stockbrokers, some are financial professionals, etc. There are a few questions to ask any financial professional that you are considering working with. These questions will help guide you in the decision process to ensure that you have chosen the financial professional that best suits your needs.

1. What are your qualifications?
2. What licenses do you hold and what do they mean?
3. What services do you offer?
4. What regulatory bodies are you registered with and how do I investigate your background with them?
5. What licenses do you no longer hold, and why?
6. How will I pay for your services?
7. How exactly are you compensated?
8. Will you be the only person working with me?
9. What conflicts of interest do you have with the recommendations that you make?
10. Have you ever been disciplined for any actions in your financial career?
11. What are some of the most recent training sessions you attended and what did you learn?
12. How often will we meet to review my plan?
13. How do you communicate in between meetings?
14. What incentive do you have to continue to review my plan?
15. How do you feel about life insurance?
16. How do you feel about annuities?
17. How do you feel about the stock market and investments?
18. What is your approach to financial planning?
19. How would your clients describe the relationship they have with you?
20. Do you ever host client events? If so, could I attend an event before becoming a client?
21. Are the products you are recommending to me registered with the SEC, state securities agency, or state department of insurance?
22. What are the total fees for each of the recommendations you are making to me?
23. How liquid are each of the recommendations you have made?
24. (If an insurance product is recommended) What are the financial ratings of the insurance company being recommended?
25. If you don't know the answer to a question I ask, how do you answer?
26. Do you work closely with an attorney and/or accountant?
27. Would you mind meeting with my attorney or accountant to review the plan you are recommending

before I make any decisions?

28. What results would you deem to be realistic based upon the plan you have laid out?
29. Would you be willing to put the plan in writing?
30. What is your exit strategy? For example, what happens to me and my financial accounts if something were to happen to you?

The above list of questions should give you a general feel for the background of the financial professional(s) you may be considering. Carefully consider all of the answers, and make sure that you are comfortable with them. Choosing the correct professional(s) to work with can seem like a daunting task, but once you have found one you are comfortable with, you'll be glad you were up for the challenge.

# CHAPTER 9

## Lights, Camera, Action!

*“Action is a great restorer and builder of confidence. Inaction is not only the result, but the cause, of fear. Perhaps the action you take will be successful; perhaps different action or adjustments will have to follow. But any action is better than no action at all.” - Norman Vincent Peale*

It all begins with action. Nothing happens without action. To illustrate this, consider this anecdote:

Five frogs are sitting on a log.

Three decide to jump.

How many are left on the log?

The answer? Five! The fact that the frogs decided to jump didn't mean they actually took action and did it. Hopefully reading this book has helped you decide to take some action. The next step, doing it.

Your receipt of this guide entitles you to a one hour session to explore more about your retirement options. We encourage you to take the next step and join us for an hour.

What should you expect at this one-hour session? Below are some frequently asked questions about what we call the “59-Minute Personal Asset Management” consultation.

### **Q: What will this meeting consist of?**

**A:** This meeting is simply an opportunity for you to ask any questions that you may have related to the “what if’s” in life, your comfort level with regard to risk, 401(k)s, IRA rollovers, pensions, income during retirement or any other questions you may have regarding your personal finances and retirement. Throughout the course of the meeting, we will ask questions about you and your situation. We’ve found that everyone’s definition of a comfortable retirement is a little different, and that everyone’s situation is unique. Our goal is to learn about your personal goals as we explore how to help you retire the way you want.

### **Q: Why do you offer this consultation?**

**A:** Simple. It gives us an opportunity to meet people from around the area that may have questions about financial matters, which is our area of expertise. It’s no secret that we would love new clients, gaining new clients is the way that our business grows. However, we want to provide a comfortable environment for exploring a new, potential professional relationship – for you and for us. By offering an hour of our time, it provides a non-threatening way for us to spend some time with you to see if it makes sense for us to continue discussions into the future.

**Q: Will there be a sales presentation?**

**A:** Not at all. In fact, we are very hesitant to talk about any potential solutions to any questions or concerns you may have in the first meeting. It is important for us to understand your goals and desires about what retiring or investing for your future means to you. We feel it would be financial malpractice to begin exploring solutions prematurely. We tend to look at the first meeting as an opportunity for you to ask some questions, and for us to get to know each other. Furthermore, we can both be more informed by the end of the meeting, which will help determine whether or not it will be beneficial for us to meet again.

**Q: How long will the meeting last?**

**A:** About 59 minutes. Most of our meetings are stacked throughout the day. Future sessions may require more time, but we've found that an hour, initially, provides a good basis for getting to know a little more about each other.

**Q: What should I bring to the meeting?**

**A:** We are sensitive to the fact that your personal financial information is just that – very personal. However, it is hard for us to help if we don't have, at a minimum, a fundamental understanding of your financial position. We ask that you bring information regarding your financial accounts, and your previous year's tax return. However, we follow a pretty strict policy of not looking at any of this until you are comfortable with us doing so.

**Q: What will happen after the meeting?**

**A:** If we both decide that it would be beneficial to meet again, we'll schedule another time to get together. During that meeting we would introduce you to the various strategies which may improve your situation. Again, there would be no solutions offered at the second meeting. That would still be a discovery meeting. At that point, you should be in a better position to make an educated decision as to whether you wish to engage the services of our firm.

**Q: Who should come with me?**

**A:** We do ask that if you are married, you bring your spouse with you. If you wish to bring any children with you to the meeting, you are welcome to do so. For that matter, anyone you utilize in making retirement or financial decisions is welcome to join.

We hope you enjoyed this Retirement Survival Guide and we look forward to meeting with you!



# WE LOOK FORWARD TO MEETING WITH YOU!



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