



**LIFETIME  
PARADIGM**  
A BETTER, SMARTER, SAFER WAY

# LIFE AFTER WORK

## How to Create a Less Stressful and More Fulfilling Life in Retirement, at Any Age



Presented by

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**1. A retirement income plan helps you determine:**

- How much \_\_\_\_\_ you will need in retirement
- \_\_\_\_\_ that income will come from
- How to manage \_\_\_\_\_ from your retirement accounts

**2. How confident are people about their retirement?**

- People are more confident about retiring \_\_\_\_\_, which is an reflection of an \_\_\_\_\_ economy
- \_\_\_\_\_ is a major income source for 60% of retirees
- 25% of retirees actually add \_\_\_\_\_ to their overall income

**3. Imagine your life in retirement**

- \_\_\_\_\_ will you live?
- How much \_\_\_\_\_ will you need?
- What will you \_\_\_\_\_?
- How \_\_\_\_\_ will you live?
- What \_\_\_\_\_ does life hold?
- How much \_\_\_\_\_ will you need?

**4. Where will you live? Considerations:**

- Proximity to \_\_\_\_\_
- Downsize for better \_\_\_\_\_
- \_\_\_\_\_ or \_\_\_\_\_ opportunities
- \_\_\_\_\_ plans
- General preferences such as \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_

**5. How much home will you need?**

- For most Americans, over \_\_\_\_\_ of their net worth is comprised of home equity
- Home equity generally doesn't \_\_\_\_\_ and is \_\_\_\_\_
- You can unlock home equity with a \_\_\_\_\_
- \_\_\_\_\_ your home could mean less taxes, maintenance, \_\_\_\_\_, and other expenses.

**6. What will you do?**

- Income-generating activities: \_\_\_\_\_
- Expense-generating activities: \_\_\_\_\_

**7. How long will you live?**

- Refer to table
- Go to [www.livingto100.com](http://www.livingto100.com) or [www.longevityillustrator.com](http://www.longevityillustrator.com) to estimate life expectancy
- Ensure your money lasts to \_\_\_\_\_ or \_\_\_\_\_

**8. What surprises does life hold?**

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

**9. How much income will you need?**

- Housing \$ \_\_\_\_\_
- Food \$ \_\_\_\_\_
- Transportation \$ \_\_\_\_\_
- Clothing and personal items \$ \_\_\_\_\_
- Discretionary \$ \_\_\_\_\_
- Insurance \$ \_\_\_\_\_
- Taxes \$ \_\_\_\_\_

**10. Retirement income sources**

<b>Social Security</b>	Inflation-adjusted _____ Guaranteed for _____
<b>Pensions</b>	_____ income Guaranteed for _____
<b>Earnings from work</b>	Fixed or _____ income Not _____; will cease with ill health or old age
<b>Annuities</b>	Fixed or _____ income Must manage for _____
<b>Other income</b>	Do you have other income sources such as an _____ or _____?
<b>Income from investments</b>	Income and _____ from IRAs, 401(k)s, savings, _____, etc.

**11. Retirement income sources – average**

- Social Security \_\_\_\_\_ %
- Earnings \_\_\_\_\_ %
- Pensions \_\_\_\_\_ %
- Asset income \_\_\_\_\_ %

## 12. Social Security

- How much? Go to SSA Retirement \_\_\_\_\_ at [www.ssa.gov/estimator](http://www.ssa.gov/estimator)
- Social Security benefits get calculated based on your \_\_\_\_\_ record
- Refer to your latest annual \_\_\_\_\_ from the Social Security Administration to find out your benefit estimate

## 13. Pension

- Will you \_\_\_\_\_ one?
- \_\_\_\_\_ do you become eligible for it?
- \_\_\_\_\_ will it be?
- What are your options?
  - a) Annuity: \_\_\_\_\_ life; joint, partial survivor, and \_\_\_\_\_
  - b) \_\_\_\_\_ sum

## 14. Earnings from work

- Will you \_\_\_\_\_ during retirement?
- What will you \_\_\_\_\_ ?
- \_\_\_\_\_ time/ \_\_\_\_\_ time?
- How much \_\_\_\_\_ can you expect?
- How \_\_\_\_\_ can you expect to work?

## 15. Annuities

- An annuity provides \_\_\_\_\_ income
- It is funded by \_\_\_\_\_ and not by your \_\_\_\_\_
- Annuity offer \_\_\_\_\_, but withdrawals are taxed at \_\_\_\_\_ income rates

## 16. Income from investments and personal savings

- Create an income stream from:
  - a) \_\_\_\_\_ accounts
  - b) \_\_\_\_\_ accounts
  - c) \_\_\_\_\_ accounts
  - d) \_\_\_\_\_ accounts

## 17. Determine your withdrawal strategy

- “Live off the \_\_\_\_\_”
- “\_\_\_\_\_ rule”
- “\_\_\_\_\_ strategy”
- “Mandatory vs. \_\_\_\_\_”

## 18. “Live off the interest”

- Assets are invested in \_\_\_\_\_-oriented securities and investment products
  - a) Bonds
  - b) Dividend-paying \_\_\_\_\_
  - c) Master limited \_\_\_\_\_
- Income is spent as it is \_\_\_\_\_
- Principal remains \_\_\_\_\_

## 19. “4% rule”

- Assets are invested for \_\_\_\_\_ return.
- Withdrawals may come from interest, \_\_\_\_\_, capital gains, or \_\_\_\_\_.
- Withdrawal amount not dependent on \_\_\_\_\_ earnings.
- First-year withdrawal = \_\_\_\_% of account value
- Subsequent withdrawals increase each year by \_\_\_\_\_ rate.

## 20. “Bucket strategy”

- Assets are placed in buckets corresponding to:
  - a) \_\_\_\_\_ horizon: 0-5 years, 5-10 years, >10 years
  - b) Expenses: \_\_\_\_\_ fund, rainy-day fund,  
\_\_\_\_\_ care, long-term care
- Investments in each bucket vary based on \_\_\_\_\_ tolerance

## 21. “Mandatory vs. discretionary”

- Mandatory expenses are funded by \_\_\_\_\_ income such as Social Security
- Discretionary expenses are funded by investments offering \_\_\_\_\_ potential and \_\_\_\_\_ protection

## 22. Pros and cons of different approaches

	Pros	Cons
“Live off the interest”	Simplicity	_____ income No _____ protection
“Mandatory vs. discretionary”	Peace of mind that basic expenses will be met	Complexity of vehicles offering _____, inflation-adjusted income Discretionary fund subject to _____
“4% rule”	Predictable Inflation protection	Success depends on investment _____ -- Could either run out of money or die with too much (i.e., deprive yourself of more comfortable lifestyle)
“Bucket strategy”	Flexibility Inflation protection Potentially more income	Complexity Harder to set up Requires close _____ Success depends on investment _____

### 23. How retirement income is taxed

<b>Social Security</b>	Up to 85% of benefits may be taxable depending on your _____ and _____ status
<b>Pensions</b>	All or part may be taxable depending on the _____
<b>Earnings from work</b>	All taxable at ordinary income rates
<b>Investment income</b>	If _____ account, taxes are paid on income as it is earned in the account; no additional tax when taken out for spending  If _____ or other tax-deferred account, taxes are paid on money as it is withdrawn
<b>Annuities</b>	Depends on the type of annuity: <ul style="list-style-type: none"> <li>- Non-qualified contract withdrawals are taxed earnings first as _____ income then principal as a _____ withdrawal</li> <li>- Qualified contracts are taxable when withdrawn</li> </ul>
<b>Other assets</b>	Depends on type of income

### 24. Tax planning strategies in retirement

- Start drawing down IRAs before age 70-1/2 to reduce \_\_\_\_\_
- Convert traditional \_\_\_\_\_ to Roth
- Delay \_\_\_\_\_: Reduces number of years benefits are subject to tax



## 25. Which accounts to tap first

- A basic tenet of tax planning is to \_\_\_\_\_ paying taxes as long as possible.
  
- Type of account: \_\_\_\_\_ Type of investment: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

## 26. Action Plan

- Gather resources on transitioning to retirement
- Gather together necessary financial information
- Make a list of questions and concerns
- Make appointments with advisors
- Get started!

## 27. How we can help

- Life planning: Questions to help you \_\_\_\_\_ your life in retirement
- Budgeting
  - Determining your \_\_\_\_\_ needs
  - Identifying \_\_\_\_\_ of retirement income
- Account management
  - \_\_\_\_\_ rollovers
  - \_\_\_\_\_ conversions
  - Establishing suitable \_\_\_\_\_ plan
  - Help with \_\_\_\_\_ minimum distributions
- Portfolio management
  - Investments
  - Financial products
  - Tax considerations in investing