

Approaching Retirement

Possible Sources of Income In Retirement

1. 401(k) Plan
2. Social Security
3. Pension
4. Personal Savings

Contribution Types

Before-Tax: Lower taxes now—taxable income in retirement

Roth: Pay taxes now—possible tax-free income in retirement (qualified distribution)¹

Distribution Options

Lump Sum: Distribute the entire balance

Partial: Distribute a portion of the balance

Social Security Full Retirement Age

Birth Year	Age of Full Benefits
1943 – 1954	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 and later	67

- Eligible to receive starting at age 62
- Full benefit reduced by about 6% for every year received early
- Full benefit increased by about 8% for every year received later

Keys to a Psychologically Healthy Retirement²

- Positive emotion and attitude toward the future
- Clear vision of the life you'd like to have
- Healthy approach to growing mentally and physically
- Nurturing personal relationships, social network
- Meaningful leisure activities
- Have a plan for financial stability

Five Questions to Prepare

- 1 How much should I withdraw?**
Consider how long your account might last.
Be conservative early on.
- 2 From where should I withdraw?**
Consider withdrawing from taxable assets first, tax deferred assets second, and tax-free assets last.
- 3 When should I take Social Security?**
Consider the reduction on early payments or the increase on later payments.
- 4 To Rollover or not to Rollover**
May have more options with an IRA provider but may also lose access to 401(k) plan features.

- 5 Am I ready?**
 - Established retirement goals
 - Determined income sources
 - Projected retirement spending
 - Filed paperwork with HR
 - Determined investment strategy
 - Met with financial advisor or tax advisor

Benefits website: <http://CatBenefitsCenter.com>
Benefits Center: 877-228-4010 Mon-Fri, 8AM – 6PM CT
Social Security website: www.ssa.gov

¹ A qualified distribution from a Roth account, the participant must be 59½ years old or older, and the first contribution must be at least 5 years old.

² www.suny.edu/media/suny/content-assets/documents/benefits/retirement-planning/Psychological-Aspects-of-Retirement--2018.pdf

Information here is provided solely to supplement the "Approaching Retirement" presentation. This information should not be considered advice, and your information may warrant consideration of other alternatives. Please speak with your financial advisor and/or tax advisor.