Retirement Savings Moves to Make in Your 30s, 40s, 50s, & 60s

Presented By:

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Securities offered through LPL Financial, a registered investment advisor, member FINRA/SIPC.
Investment advisory services offered through Global Retirement Partners, DBA Oswald Financial, a registered investment advisor and separate entity from LPL Financial.

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This chapter can be marked as milestones such as:

Establishing careers

Settling into saving for homes

Marriage

Children

In the current tumultuous economic climate, these years are the prime time to safeguard these and other life events with an emergency fund

An emergency fund = 6 months of basic expenses or more in savings

Set up a budget

Income

- Salary
- Interest earnings (savings & brokerage accounts)
- Supplemental income (selling goods online)

−

Monthly Expenses

- Essential expenses (mortgage, rent, utilities, etc.)
- Savings expenses (401k, IRA)
- Discretionary expenses (restaurants)

=

Surplus

Deficit

Surplus: save more for retirement, build an emergency fund, set financial goals

Deficit: supplement your income, change your spending habits, avoid borrowing money

Check out budgeting apps/websites: Monarch, YNAB, PocketGuard, Honeydue, NerdWallet, etc.

Pay off your debt

- Doing so will help contribute to good credit history and associated lower cost of borrowing, as well as reduce future debt burdens

- Good credit can lead to better results with everything else finance-related. Credit Karma is **FREE**

- **Student loans:** By the time you reach 40, you'll be almost 20 years out of college: It's time to graduate from that payment. You don't have to stick with your original payment plan. Refinancing your student loan debt could lead to considerable monthly savings, even if the interest rate drops by just half a percentage point.

- **Credit cards:** High-interest credit card payments are among the most likely financial hurdles to keep you from getting ahead. If you are paying on several high-interest cards at once, consolidate & make a plan to get out of debt and stay out. A number of free debt calculators are available online to help you get a solid picture of your overall debt.

Not all companies offer an employer sponsored retirement plan

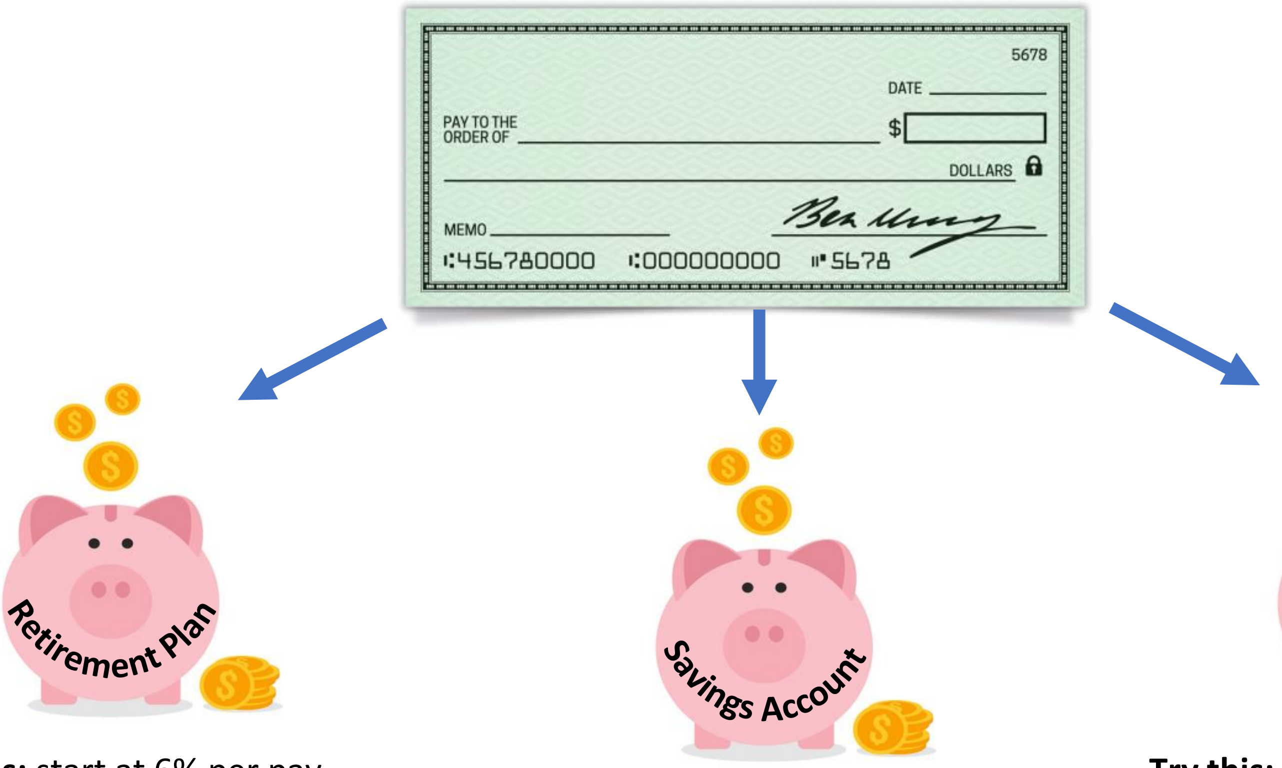
- If that’s the case for you, there are other investment vehicles designed specifically for retirement, such as a Roth IRA or Traditional IRA. While these options don’t offer “free money” in the same way, they do offer tax benefits and you have the option to set up automatic contributions.
- Roth IRAs provide backdoor liquidity for young investors & considered high priority
- The greatest money-making asset anyone can possess is time - younger people should take advantage of the decades of tax-free compounding available to them through a **Roth IRA**

Maximize Your Retirement Savings Vehicles	2024 Limits
IRAs	$7,000
401(k)/403(b) Plans	$23,000

Roth IRAs vs Roth 401(k)s

	Roth IRA	Roth 401(k)
Eligibility	Opened and funded by an individual, not tied to any employer. Only those making less than $153,000 can contribute ($228,000 for married couples)	May be offered by some employers as part of their 401(k) plan, but not all employers may offer this option. Any employee can contribute if offered.
Contribution Limits	$7,000 for individuals under 50 years old and $8,000 for those 50 and older (due to catch-up contributions).	$23,000 for individuals under 50 years old and $30,500 for those 50 and older(due to catch-up contributions).
Required Minimum Distributions	Does not require you to take required minimum distributions (RMDs) during your lifetime. This allows you to keep the money invested and potentially pass it on to heirs.	No RMDs Required from Roth Accounts (Effective in 2024)Another change made by SECURE 2.0 to the RMD rules is to no longer require RMDs to be made to participants during their lifetime from their retirement plan Roth accounts, starting with the 2024 calendar year.
Investment Flexibility	You have a wide range of investment options, including stocks, bonds, mutual funds, and more. You can manage your investments yourself or with the help from a Financial Advisor at Oswald Financial.	Similar to a traditional 401(k), the investment options within a Roth 401(k) are determined by your employer's plan. You choose from the investment options available in the plan.
Tax Treatment	Contributions to a Roth IRA are made with after-tax dollars, meaning you don't get an immediate tax deduction. However, qualified withdrawals, including both contributions and earnings, are tax-free in retirement.	Contributions to a Roth 401(k) are made with after-tax dollars, like a Roth IRA. However, employers typically match contributions to a traditional 401(k), which is pre-tax.

Stay (or get) focused



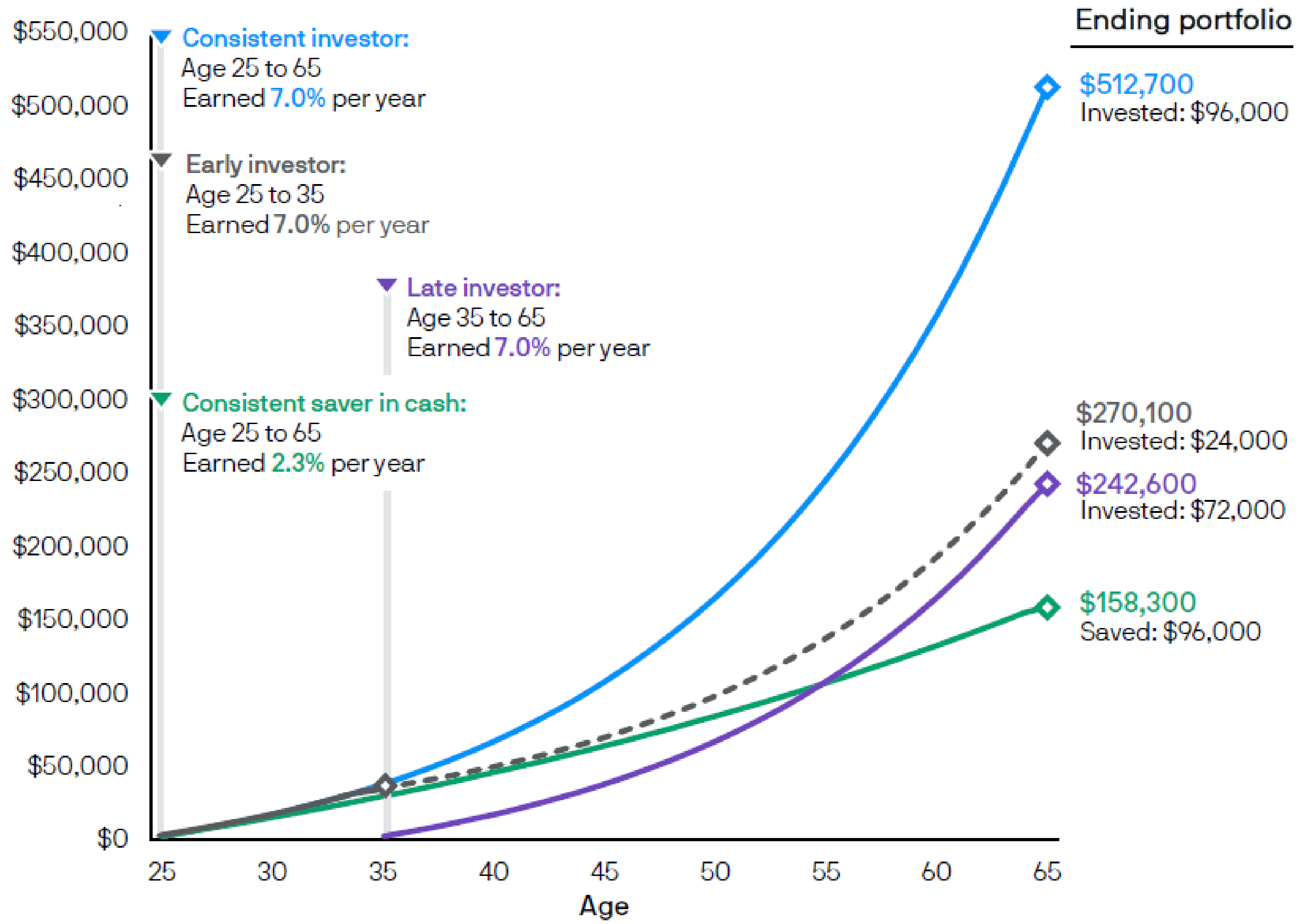
Try this: start at 6% per pay check and increase 1% annually

Try this: instead of spending $25 on lunch or dinner once a week, put that towards emergency fund/retirement. An extra $100 a month could mean the difference of retiring comfortably or not

Try this: pay a little bit more than the minimum monthly payment

Stay (or get) focused

Account growth of $200 invested/saved monthly



Starting early and investing are the keys to compound returns

The early and consistent investor has the best results.

The early investor who stops after 10 years does slightly better than the late investor who invests significantly more over a longer time.

And the consistent saver who does not invest loses out on higher returns.

This example is for illustrative purposes only and not indicative of any investment. Source: J.P. Morgan Asset Management, Long-Term Capital Market Assumptions. Compounding is the increasing value of assets due to investment return earned on both principal and prior investment gains. The above example is for illustrative purposes only and not indicative of any investment.

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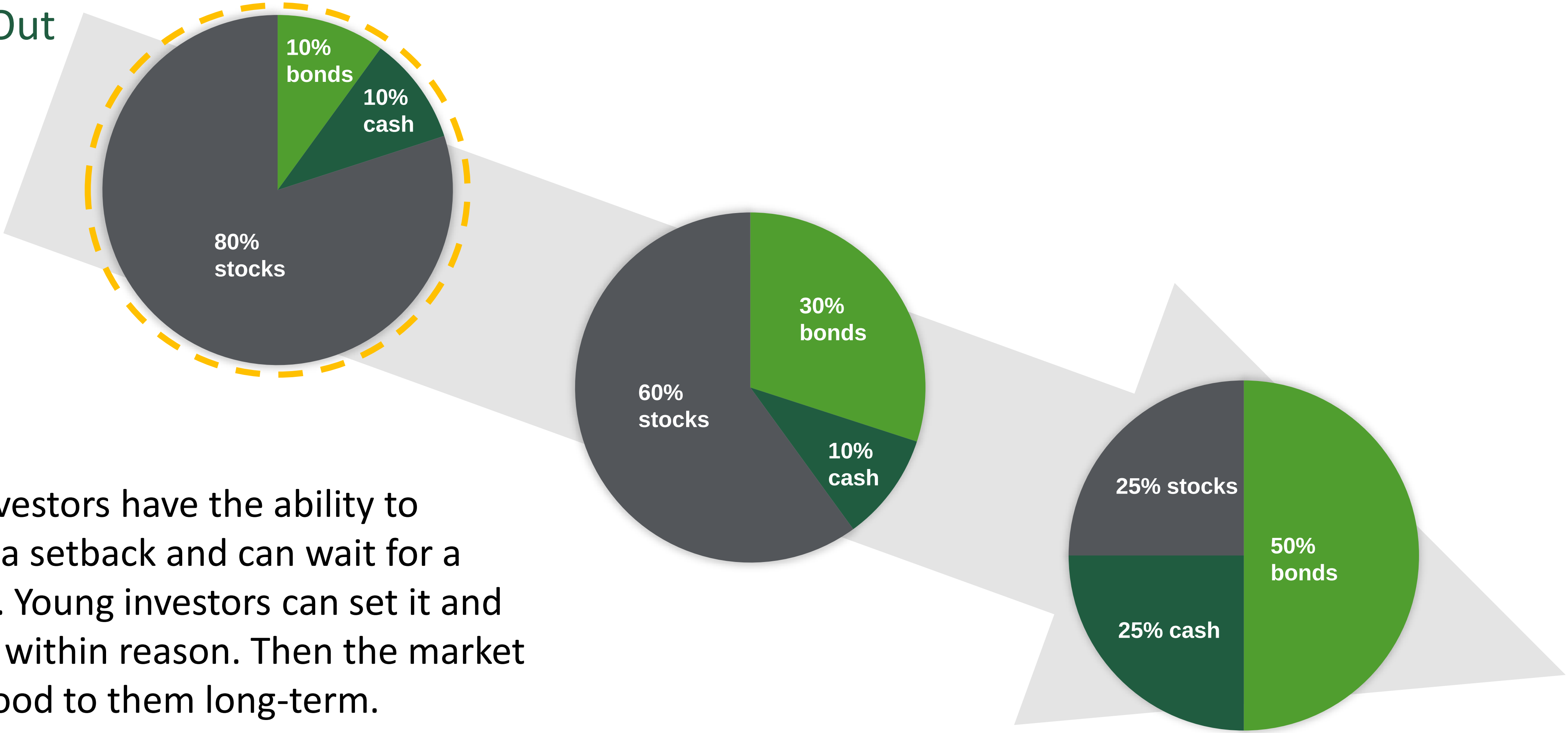
Maintain an aggressive asset allocation

Higher Risk/Return
*Starting Out



Young investors have the ability to weather a setback and can wait for a rebound. Young investors can set it and forget it, within reason. Then the market will be good to them long-term.

Lower Risk/Return
*Near Retirement

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Don’t let a better job derail your retirement plan

If you contributed to a workplace retirement plan in your 20s, don’t blow it by cashing out when you job hop.

1

Rollover Into Your New 401(k) Plan

This could make it easier to track your retirement savings, but make sure:

- Your new employer offers a 401 (k)
- Your new employer accepts rollovers

2

Rollover Into an IRA

Please be aware Individual Retirement Accounts will likely have higher fees, but it puts you in control of your retirement savings.

- Wider variety of investment options, tax avoidance & withdrawal flexibility
- No more loan options
- A fiduciary can assist with your request for the distribution paperwork from your old plan or job

Don’t let a better job derail your retirement plan

If you contributed to a workplace retirement plan in your 20s, don’t blow it by cashing out when you job hop.

3

Stay in the Current Plan

Fees are typically lower given negotiated pricing by your advisor and typically lower share class fund expenses. This option is usually only available if you have at least a $5,000 balance. You should make sure:

- You’re allowed to stay in your old plan
- You’re not getting charged extra to keep it there
- You have a plan for what you want to do
- To compare investment fund fees

4

Cash Out

It is tempting, but by far the most costly option. Taking out money before retirement will cost you:

- 10% early withdrawal penalty if you’re under 59 ½ years old
- Paying income tax today on pre-tax contributions, earnings on post-tax & employer contributions
- You lose out on the chance to keep growing your money, but you will have immediate cash flow

This chapter can be marked as reviewing/organizing insurance & estate planning:

Property Insurance

Health Insurance

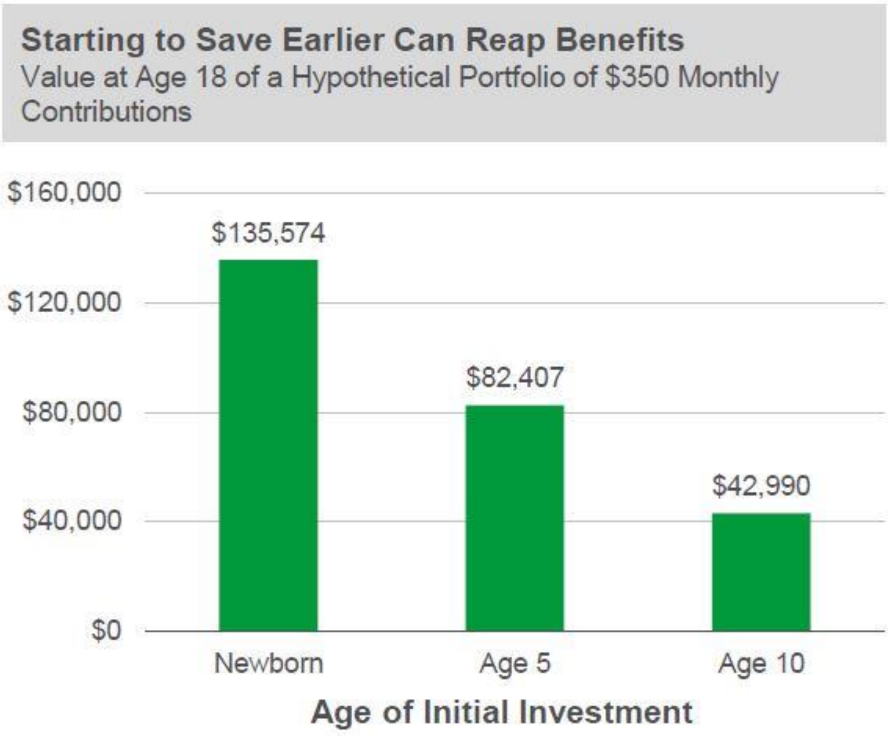
Life Insurance

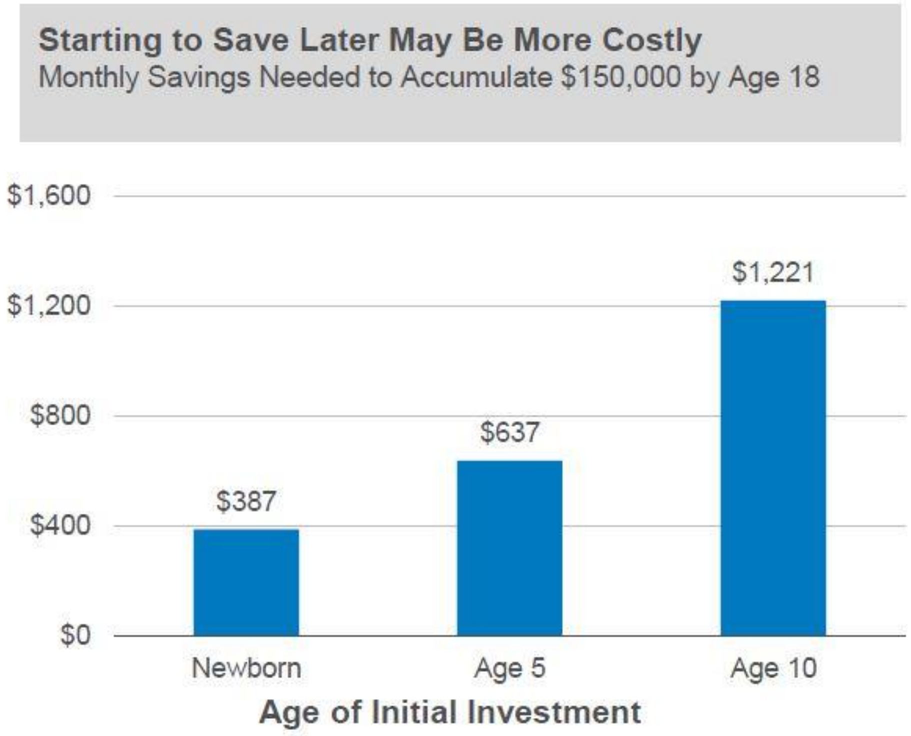
Will

Beneficiaries

Consider other investment accounts

Those who started families in their previous decades, may want to set up a 529 plan for educational expenses. This has tax advantages and benefits from compound growth. Given that college tuition and fees continue to rise, this account makes it less stressful when it's time to determine college funding options.





Source: BlackRock. This is for illustrative purposes only and not indicative of any investment. This illustration assumes your ability to continue to make contributions on a monthly basis. Assumes 6% annual return compounded monthly.

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Consider other investment accounts

Federal laws limit how much you can save for retirement in tax-advantaged accounts. Once you've maxed that out (and even before), consider investing in other investment accounts.

- A non-qualified investment is an investment that doesn't have any tax benefits.
- Annuities are a common example of non-qualified investments as are antiques, collectibles, jewelry, precious metals, and art.
- Annuity investments are purchased and held in tax-deferred accounts, plans, or trusts and returns from these investments are taxed on an annual basis.

Consider other investment accounts

Your employer **MAY** offer a Health Savings Account (HSA) & benefits include:

- Potential triple tax benefits
- Can contribute max $4,150 each year, $8,300 for families for 2024
- Can be used for qualified medical expenses, doctor visits, etc.
- Can be invested if offered by provider after balance reaches designated investment threshold (typically $2,000)
- Unused money carries over year to year
- An HSA account is owned by you and it is portable, which means, if you separate from your job, you can take your HSA funds with you.

Enjoy life, but avoid lifestyle creep

One of the challenges of moving into your prime earning years is the tendency to spend more as you make more. Some examples of lifestyle creep include:

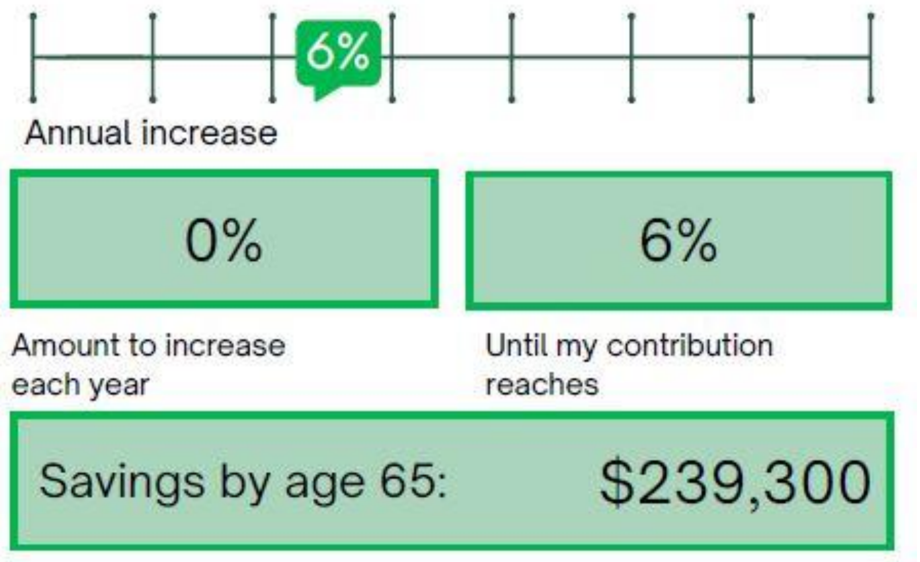
- Spending several dollars per day on coffee
- Flying premium economy rather than coach
- Eating out frequently and more expensively
- Expensive clothing (and more of it when less expensive clothing will suffice)
- Paying for housekeeping
- Buying or renting more house than you need (or a second home)
- A third car, a boat, or replacing a car sooner than you need to

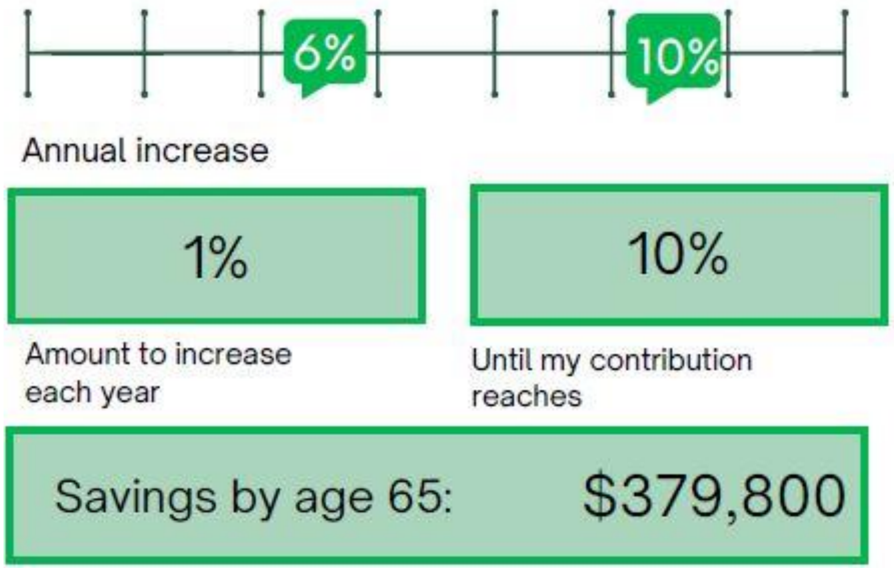
Budgeting and willpower can be leveraged to avoid lifestyle creep.

After you've met your money goals each month, consider what you can stash away for a fun purchase—something you can mindfully splurge on, like a one-time experience or vacation rather than expensive ongoing spending habits.

Give your retirement plan a raise

As you move up the career ladder, you should increase your contributions every year!





This example is for illustrative purposes only. It assumes $35,000 in annual income, bi-weekly pay periods, 3% annual wage growth, 30 years to retirement, 6% annual rate of return and 25% for state and federal taxes. Estimated monthly retirement income calculations assume a 4.5% annual withdrawal in retirement. The assumed rate of return is hypothetical and does not guarantee any future returns nor represent the return of any particular investment option. Reduced take-home pay is accurate for the initial year and would change based on the participant's annual pay. Estimated savings amounts shown do not reflect the impact of taxes on pre-tax distributions. Individual taxpayer circumstances may vary.

Estimate your retirement income

Online calculators will give you a ballpark of the income your retirement savings can generate over a 30-year retirement.

Take a few minutes to log in to the Social Security Retirement Estimator to get estimates based on your earnings history. Scribble down what you might qualify for at your full retirement age (somewhere between 66 and 67) and if you wait until age 70. Plug those into the retirement calculator to see how it impacts your retirement income.

Taking benefits *early*

Beginning Age	62	63	64	65	66
% of Payout	75%	80%	86.6%	93.3%	100%

Delaying benefits:

Beginning Age	66	67	68	69	70
% of Payout	100%	108%	116%	124%	132%

Source: ssa.gov

Secure Long-Term care insurance

- This type of insurance coverage can help you pay for the cost of staying in a nursing home—a gap left by Medicare.
- Many such long-term care facilities come with a price tag of more than $100,000 per year.

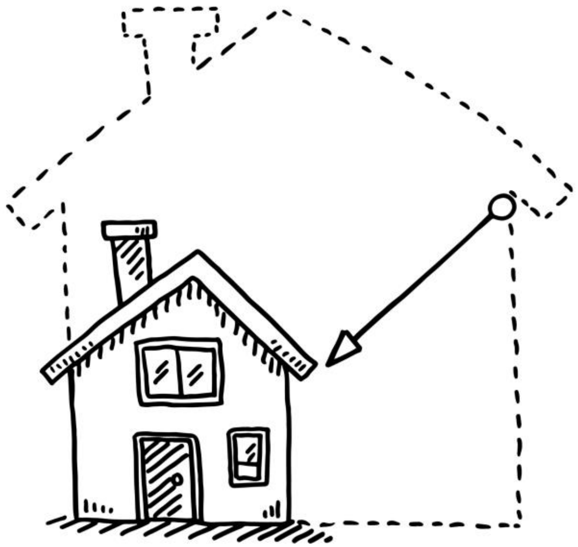
Source: Fulton Bank, Financial Moves to Make in Your 50s

Put downsizing on the table

If the first pass at estimating your retirement savings caused some serious agita, convincing yourself you will just work longer can be dangerous magical thinking, especially when a recession hits.

Downsizing sooner than later can transform your retirement outlook from nerve-wracking to flush. Checklist for smaller house, bigger lifestyle:

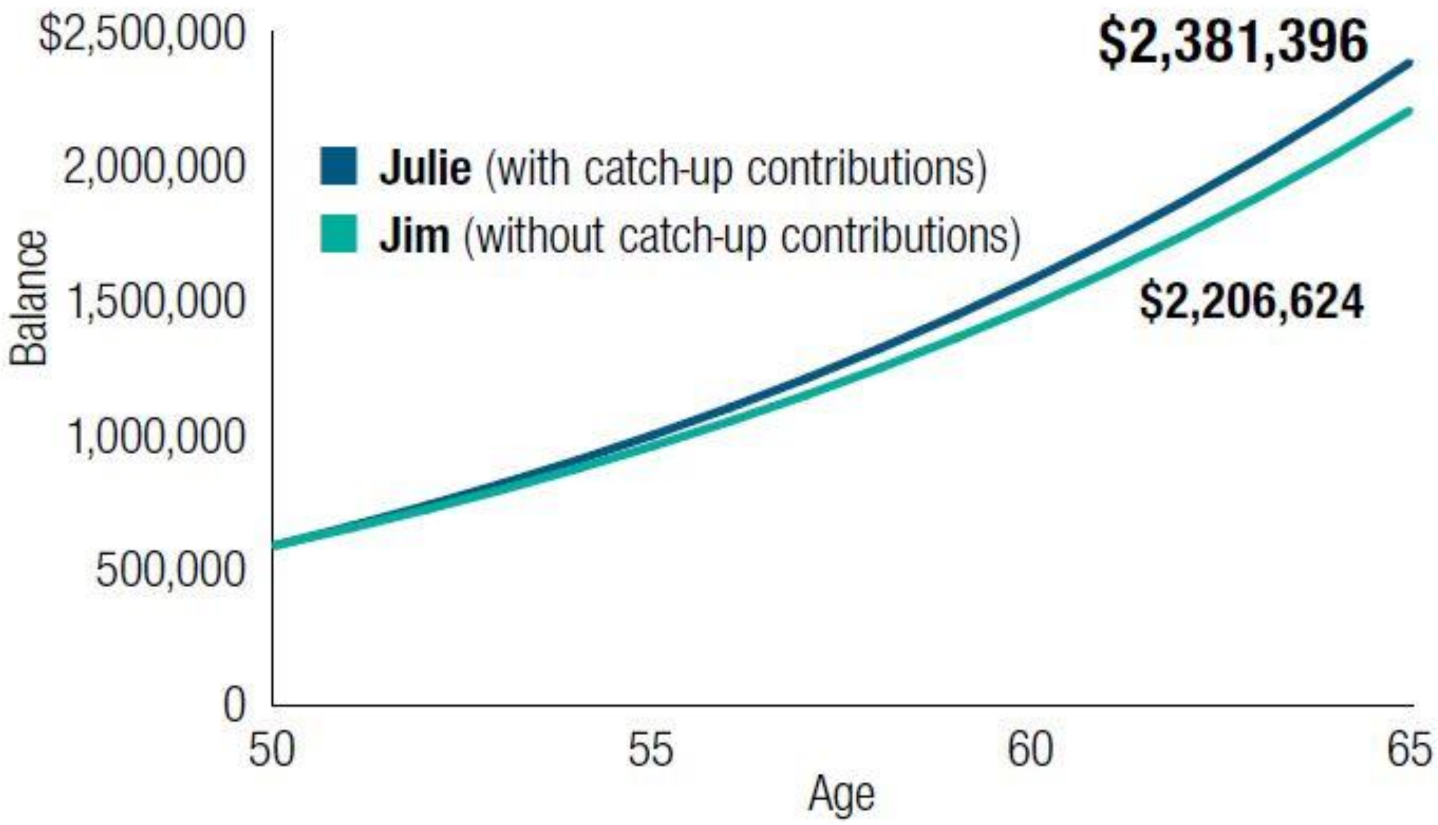
- Know your current spendings and monthly budget
- Calculate how much equity you might free up by selling your current property
- Check how much you have in savings
- Speak to a financial professional or property lawyer for legal clarification
- Identify which kind of lifestyle you want to follow from retirement onwards
- Inspect the local areas you could see yourself living in
- Make a list of essential and nice-to-have features
- Create a floorplan with the minimum space you need
- Be open for change



Take advantage of catch-up contributions

	2024
IRAs	$7,000
IRA “Catch up”	$1,000
401(k)/403(b) plans	$23,000
401(k)/403(b) “Catch up”	$7,500

Take advantage of catch-up contributions



Source: T.Rowe Price. Assumes a 7% annual return and steady contribution limits. All charts and tables are shown for illustrative purposes only and are not meant to represent the performance of any specific investment.

- Consider two investors who each earn $100,000 a year. At age 49, Julie and Jim each have $600,000 saved in their 401(k)s.
- They currently save up to the 401(k) contribution limits set by the IRS each year through payroll deductions.
- When they both turn 50, however, only Julie takes advantage of 401(k) catch-up contributions. Jim continues to save at the standard limit.
- By the time they both turn 65, Julie could have saved nearly an additional $175,000 for retirement, representing a 7.9% increase over Jim's savings.

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Fears of Outliving Income

42% of workers from Generation Z to baby boomers fear outliving their savings and investments in retirement, outweighing concerns about physical or mental decline

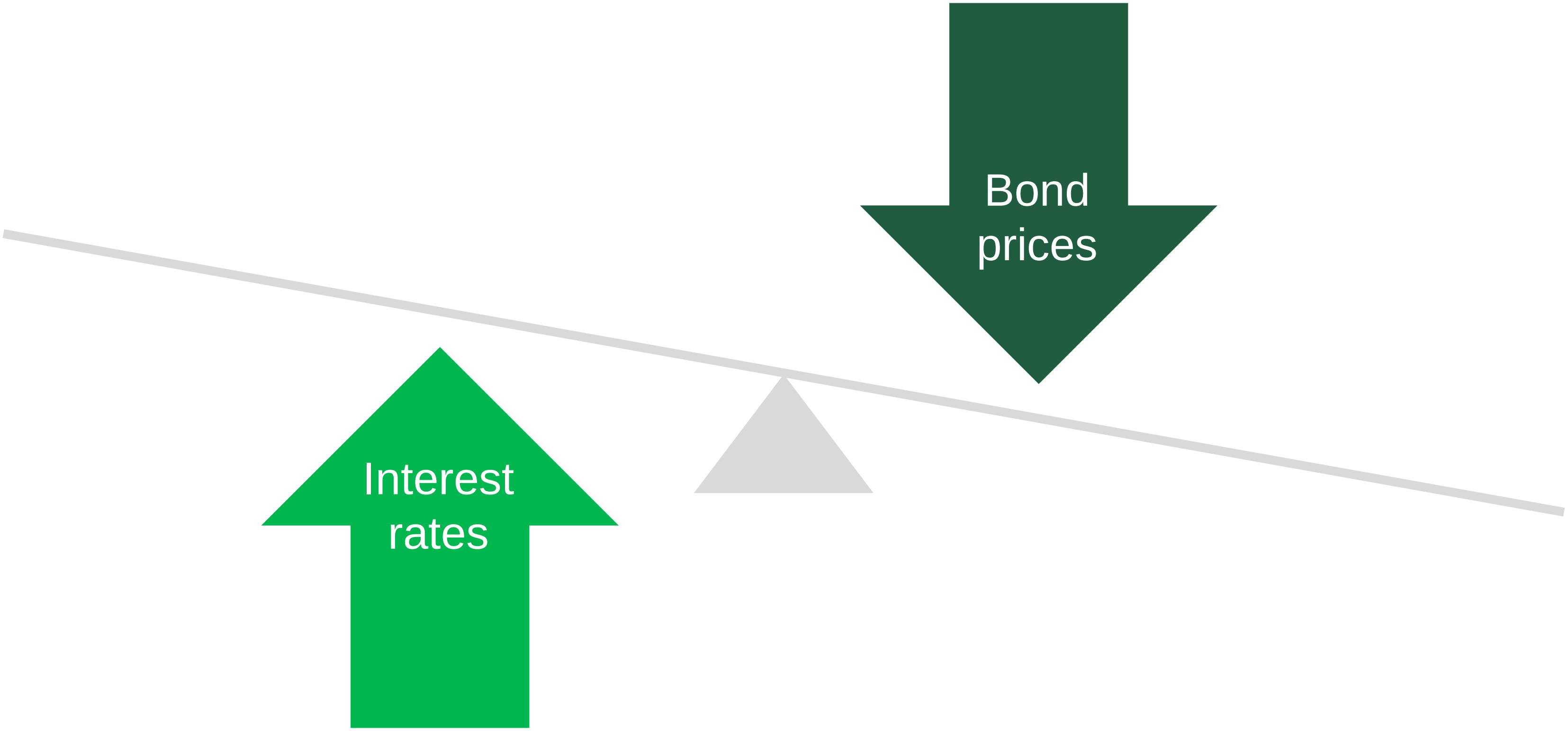
Overall,

72% of workers report they or their spouse have personally saved money for retirement

Source: Transamerica 2022 Retirement Survey. Employee Benefit Research Institute 2022 Retirement Confidence Survey.

Challenges to Optimizing Retirement Income

Interest Rate Risk | This affects the value of bonds more directly than stocks. As interest rates rise, bond prices fall. For consumers who purchased a bond in the interest of principal protection, the risk of their bond price decreasing is a big concern



Source: Nationwide, “Help restore confidence in retirement”

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Challenges to Optimizing Retirement Income

Market Risk | Asset allocation throughout one's life, including in retirement, makes a sizable impact on financial security in old age. Individuals routinely overestimate the likelihood of significant downturns in equity valuations, potentially leading to overly conservative portfolio choices during their working years. Market volatility also poses a risk during retirement; returns that are even modestly lower than projected, especially early in retirement, can severely reduce the retirement security of those with overly optimistic expectations

		FUND A		FUND B	
YEAR	WITHDRAWAL[1]	FUND PERFORMANCE	PRINCIPAL	FUND PERFORMANCE	PRINCIPAL
-	$(5,000)	—	$100,000[2]	—	$100,000[2]
1	$(5,150)	12.00%	$106,400	-10.71%	$84,826
2	$(5,305)	14.75%	$116,184	-7.79%	$73,469
3	$(5,464)	15.00%	$127,512	-12.00%	$59,985
4	$(5,628)	12.50%	$137,304	6.00%	$57,792
5	$(5,796)	14.30%	$150,506	-5.97%	$49,050
6	$(5,970)	22.14%	$176,749	15.00%	$49,742
7	$(6,149)	34.08%	$228,980	13.87%	$49,843
8	$(6,334)	-5.00%	$211,689	-5.00%	$41,509
9	$(6,524)	24.18%	$256,304	25.20%	$44,039
10	$(6,720)	-4.20%	$239,289	-1.52%	$36,945
11	$(6,921)	-1.52%	$229,035	-4.20%	$28,956
12	$(7,129)	25.20%	$278,086	24.81%	$27,502
13	$(7,343)	-5.00%	$257,409	-5.00%	$19,354
14	$(7,563)	13.87%	$284,751	34.08%	$16,105
15	$(7,790)	15.00%	$318,766	22.14%	$10,434
16	$(8,024)	-5.97%	$292,411	14.30%	$3,022
17	$(8,264)	6.00%	$301,451	12.50%	$0
18	$(8,512)	-12.00%	$258,004	15.00%	$0
19	$(8,768)	-7.79%	$230,057	14.75%	$0
20	$(9,031)	10.71%	$197,589	12.00%	$0
	$(138,382)	**7.89% Average**		**7.89% Average**	

This scenario is hypothetical and is not intended to represent a specific person or investment.
Source: Nationwide, "Help restore confidence in retirement"

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Challenges to Optimizing Retirement Income

Income Risk | Income and account value may be closely related for individuals, so volatility in the market can also mean volatility in individual's income

$100,000
investment value

x **4%**
withdrawal

= $4,000
annual income

$75,000
investment value

x **4%**
withdrawal

= $3,000
annual income

Source: Nationwide, "Help restore confidence in retirement"

Challenges to Optimizing Retirement Income

Inflation Risk | Even moderate inflation can significantly affect purchasing power, with 3% inflation—the historical average—eroding the value of a dollar by more than 50% over 25 years. As seen in 2021 and 2022, the effects of high inflation are far worse, especially for those living on fixed incomes

Health care costs are projected to continue outpacing inflation.

3.0%

average annual inflation rate

5.4%

annual projected increase in health spending from 2019 to 2028

5.7%

projected increase in health spending per person from 2020 to 2028

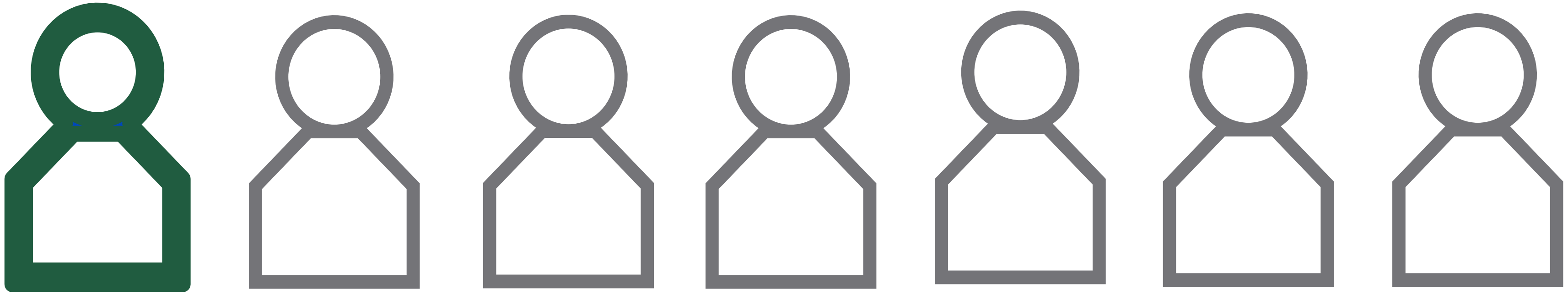
Source: usinflationcalculator.com/inflation/current-inflation-rates. National Health Expenditure Projections 2020–2028, Centers for Medicare & Medicaid Services
Fidelity, "Five Key Risks of Retirement," accessed August 2022.
See Abha Bhattarai, "Fewer hot showers, less meat: How retirees on fixed incomes are dealing with inflation," Washington Post, March 21, 2022.

Challenges to Optimizing Retirement Income

Longevity Risk | is unpredictable, and individuals routinely underestimate how long they will live

1 in 3 65-year-olds will live past **age 90**

and



1 in 7 65-year-olds will live past **age 95**

Source: Life Expectancy Calculator, ssa.gov/planners/lifeexpectancy.html.

An Optimization Framework

Optimizing retirement income requires examining one's entire financial life, including accumulation, portfolio choices, and decumulation. Savers and retirees need help developing strategies that incorporate these elements below as dynamic components of a single portfolio.

Savings Rate

Saving is critical, especially for younger workers. How much one saves ultimately determines how much one can spend in retirement, and compound growth has its longest runway early in life.

Investment Strategies

As soon as individuals begin saving for retirement, they can leverage portfolio allocations to take the right amount of risk at the right time to optimize results. Choice of investment strategy remains important even after reaching the decumulation phase, as continued growth of capital is important to sustain one's desired spending level.

Retirement Date

When not forced by factors such as health and employment circumstances, the choice of when to retire is a powerful tool for optimizing the decumulation phase. Retiring later means one's assets have more time to grow and a shorter retirement to sustain, potentially allowing an individual to spend more in their remaining years.

Source: Catherine Collinson, Patti Rowey, and Heidi Cho, Retirees and Retirement Amid COVID-19, 2020, 18. Transamerica Center for Retirement Studies.

An Optimization Framework

Optimizing retirement income requires examining one's entire financial life, including accumulation, portfolio choices, and decumulation. Savers and retirees need help developing strategies that incorporate these elements below as dynamic components of a single portfolio.

Spending Flexibility

Even after one retires, important decisions remain. Flexibility to adjust spending, particularly with regard to discretionary spending and during periods of market downturn, can meaningfully impact the success of an individual's retirement strategy.

Social Security Claiming Date

Social Security retirement benefits are designed to replace only around 34% of pre-retirement earnings for the average beneficiary, and this replacement rate is heavily affected by when a person decides to claim Social Security.

Guaranteed Income

Well-designed guaranteed lifetime income products, which provide retirees with a reliable stream of income, can help mitigate longevity risk and the impact of market volatility on spending.

Home Equity

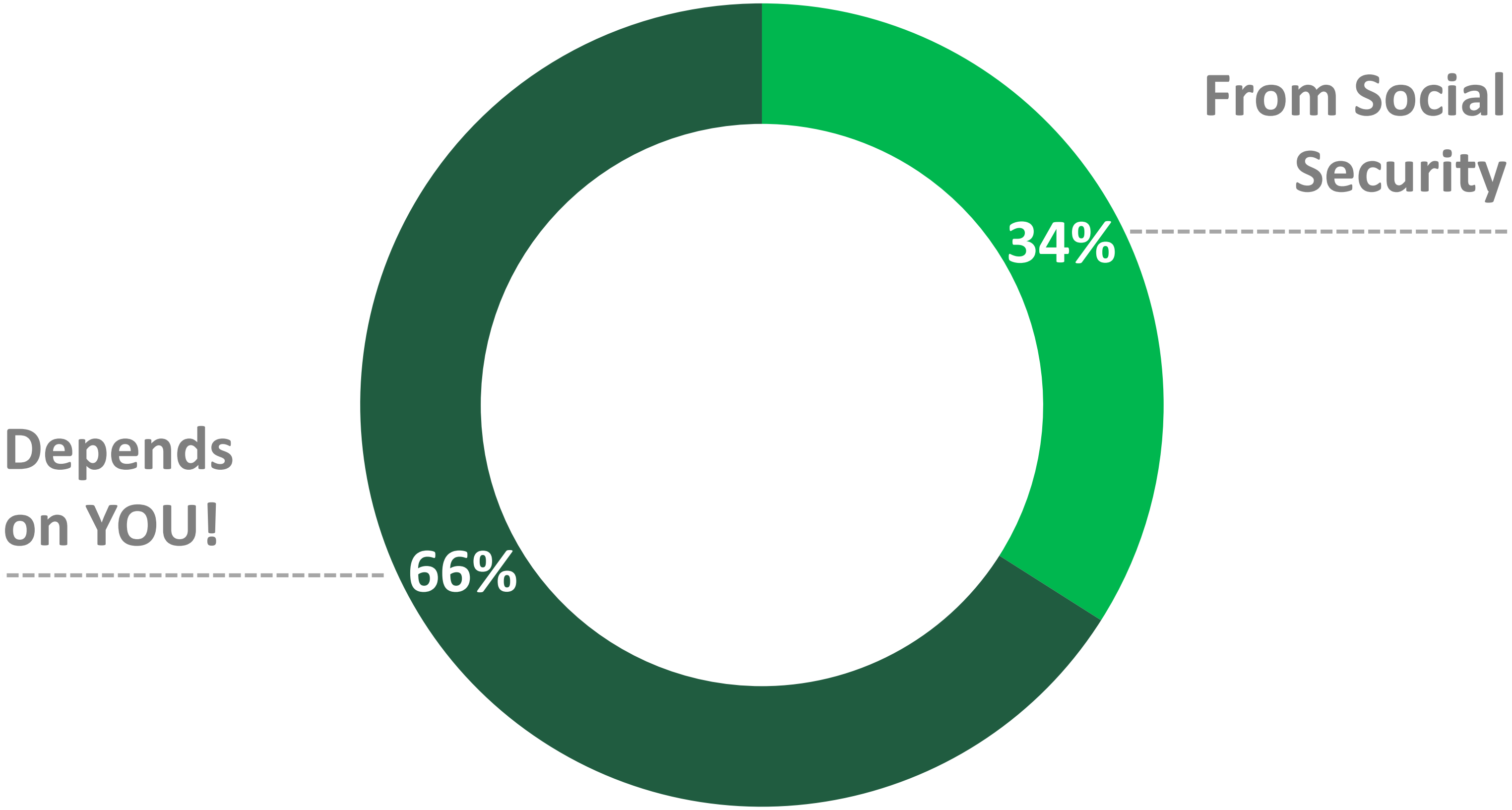
Homeownership can provide a major source of retirement security for people who lack substantial retirement savings but own their residence. In fact, for many retirees, a home is their most valuable asset: Half of homeowners ages 62 or older hold most of their net worth in home equity.

Source: J. Yellen, M. Walsh, et al., The 2022 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, June 2022, 161, Table V.C7. Urban Institute, Dynamic Simulation of Income Model (DYNASIM), 2022.

Assess Available Financial Resources

Social Security

Average monthly payout: $1,907 in 2024. This is not enough to maintain a comfortable lifestyle in retirement!



Source: Social Security Administration July 2023 & Pimco

Assess Available Financial Resources

Employer-Sponsored Retirement Plan

- Leave in the plan
- Roll it into an IRA
- ~~Cash it out~~

Assess Available Financial Resources

Distribution Options for an IRA

Partial Withdrawals

Withdrawal any amount from your IRA at any time. If you are age 72 or over, you will have to take at least enough from one or more IRAs to meet your annual RMD.

note the Secure Act 2.0 change to 73

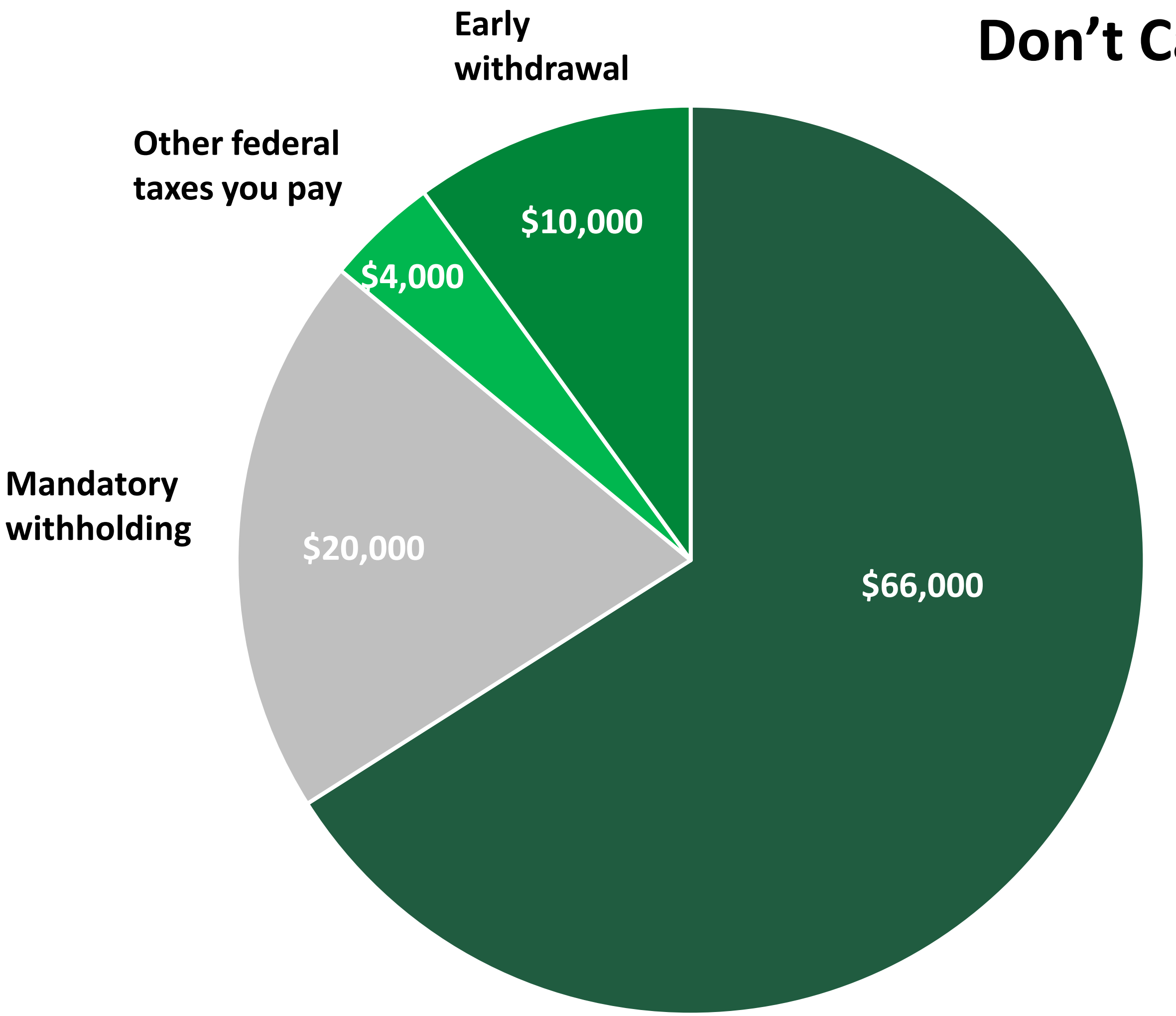
Systematic Withdrawal Plan

Structure regular, automatic withdrawals from your IRA. Choose the amount and frequency to meet your retirement income needs. If you are under age 59 ½ you may be subject to a 10% early withdrawal penalty.

Source: MFS Retirement Strategies

Assess Available Financial Resources

Don't Cash Out Too Early!



Source: Jackson National. Chart assumes a $100,000 withdrawal before age 59 ½

Assess Available Financial Resources

IRA Holdings

- Money Market
- CDs
- Mutual Funds
- ETFs
- Bonds
- Stocks
- Annuities

Assess Available Financial Resources

Variable Annuities

Helps grow retirement income but involves investment risk and may lose value. The income payments can vary based on performance.

Index Annuities

Avoids the volatility of market swings by yielding returns on contributions based on a specific equity-based index.

Fixed Annuities

Allows you to avoid market volatility, while still receiving the benefits of guaranteed income and tax-deferred growth.

Single Premium Immediate Annuity (SPIA)

Fixed products that may provide protection from:

- Longevity Risk by offering guaranteed lifetime income as well as survivor benefits
- Interest Rate Risk by offering protection from market fluctuations and the potential for higher levels of cash flow
- Inflation Risk by offering protection through cost-of-living adjustments (COLA)
- Market & Income Risk by offering shelter for assets from market volatility

Source: Jackson National. Nationwide, Help restore confidence in retirement. All guarantees are subject to the claims-paying ability of the issuing company.

Dispel the Misconceptions About Immediate Annuities

1) Misconception

"If an investor dies sooner than expected, the insurance company keeps the money.

Reality

This could be true if you elect a life-only payment option. However, this has many payment options that offer death benefit protection to your beneficiaries, including:

- Single or Joint Life with Cash Refund
- Single or Joint Life with Term Certain
- Term Certain only

You choose the option that best fits your needs.

Source: Nationwide. This material is not a recommendation to buy or sell a financial product or to adopt an investment strategy. Investors should discuss their specific situation with their financial professional. Product features and availability may vary by state. All guarantees and protections are subject to the claims-paying ability of Nationwide Life Insurance Company. Immediate annuities are contracts purchased from a life insurance company. They are designed for long-term retirement goals. Withdrawals are subject to income tax, and withdrawals before age 59½ may be subject to a 10% early withdrawal federal tax penalty.

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Dispel the Misconceptions About Immediate Annuities

2) Misconception

"Fixed payments might not provide adequate protection from inflation

Reality

As prices continue to rise from inflation, it's important that your income increases to help maintain the purchasing power of your hard-earned dollars. An offering of a cost-of-living adjustment (COLA) may allow you to increase your payments annually to help offset inflation.

With this optional feature, you can choose to increase your payments by 1%, 2%, 3%, 4% or 5% compounded annually. There is no additional cost for electing this feature, but it will reduce your initial income amount. Please note, based on the tax status of the contract and age of the contract owner, not all COLA percentages may be available at all times.

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Dispel the Misconceptions About Immediate Annuities

3) Misconception

"Immediate annuities are a niche investment

Reality

This can work for a wide variety of investors who may want to do the following:

- Create a base, fixed payment to cover fixed expenses, allowing them to free up other assets to be used for further investment opportunities
- Fund various tax and estate planning strategies, such as irrevocable life insurance trusts and charitable gifting trusts
- Take advantage of favorable tax treatment available for their nonqualified investments, providing more money for retirement.

*Please consult your tax advisor regarding your specific circumstances

Source: Nationwide. This material is not a recommendation to buy or sell a financial product or to adopt an investment strategy. Investors should discuss their specific situation with their financial professional. Product features and availability may vary by state. All guarantees and protections are subject to the claims-paying ability of Nationwide Life Insurance Company. Immediate annuities are contracts purchased from a life insurance company. They are designed for long-term retirement goals. Withdrawals are subject to income tax, and withdrawals before age 59½ may be subject to a 10% early withdrawal federal tax penalty.

Dispel the Misconceptions About Immediate Annuities

4) Misconception

"You must give up control of your assets

Reality

Some annuities offer a liquidity feature with each of the term-certain or cash-refund payment options. This liquidity feature allows you to access your assets when you need extra money for things such as travel, home improvements or emergencies. The liquidity feature may have certain maximums. You may be able to withdraw up to 100% of the liquidity value of your remaining guaranteed payments at any time during the liquidity period.

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Dispel the Misconceptions About Immediate Annuities

5) Misconception

"Systematic withdrawal is the best option for receiving retirement income

Reality

While systematic withdrawal offers flexibility and the ability to reinvest assets for accumulation, it comes with some risks:

- Withdrawals from nonqualified annuity contracts are taken on a last-in/first-out (LIFO) basis, so all earnings are paid out first and may be 100% taxable before the principal portion is returned (withdrawals from qualified contracts are 100% taxable)
- Systematic withdrawals will last as long as the gains in the contract are greater than the withdrawals; if returns are negative or less than the amount being withdrawn, your account value could continuously decrease until there is no money left, and your income payments would stop

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Create a Consistent Stream of Retirement Income You Can Count On

In retirement, market volatility may have a significant impact on the amount of income a portfolio generates; at the same time, expenses might not change. It's important to shape a retirement plan that can provide a consistent stream of income to help cover retirement needs.

Market declines → Affects portfolio value → Concerns about having enough money to last through retirement

Low interest rates → Reduce yield on bond portfolios → Concerns about having enough income to support a lifestyle

Source: Nationwide, "Help restore confidence in retirement"

Case Study #1

Meet Anne

75 and recently widowed. She has $300,000 to use for retirement income and needs a plan to help her:

- Protect her portfolio value from losses due to market declines
- Supplement her Social Security income, which decreased when her husband passed away
- Pass remaining assets to beneficiaries upon her death

Proposed Plan

By combining a systematic withdrawal approach with a fixed immediate annuity you may potentially:

- Increase the income you receive in retirement
- Create a stream of guaranteed retirement income that is not exposed to market fluctuations

In this scenario, part of the portfolio supplies income through systematic withdrawals, so there is still a risk that those assets could be completely depleted and stop providing income.

Source: Nationwide Case Study. This hypothetical example is for illustrative purposes only and is not an indication of actual or future results. The illustration is based on a 75-year-old woman who chose the single life with cash refund payment option. Based on rates as of August 30, 2021. Market performance and fees associated with these products were not included in this illustration.

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Case Study #1

	Current Plan 4%	Proposed Plan with Guaranteed Income: Supplement systematic withdrawals to generate income that is guaranteed and will not fluctuate.				
	Systematic withdrawal	Systematic withdrawal		Single life with cash refund		
Initial premium	$300,000	$200,000	+	$100,000	=	$300,000
Annual income[1] (single payment)	$12,000	$8,000	+	$8,007	=	$16,007
Monthly income[1]	$1,000	$667	+	$667	=	$1,334

$4,007 more per year

$334 more per month

Source: Nationwide Case Study. This hypothetical example is for illustrative purposes only and is not an indication of actual or future results. The illustration is based on a 75-year-old woman who chose the single life with cash refund payment option. Based on rates as of August 30, 2021. Market performance and fees associated with these products were not included in this illustration. 1) The annual and monthly income in the examples shown on this page and the next are subject to change. They will remain consistent only as long as the account value stays the same year over year. 2) The hypothetical examples on this page and the next are for illustrative purposes only and do not represent actual or future results. Market performance and fees associated with these products were not included in this illustration. The figures shown are based on rates as of 9/6/2022.

Case Study #2

Meet Regina & Mark

A 65-year-old married couple. They have $500,000 to use for retirement income and need a plan to help them:

- Use their money efficiently to create the income they want for retirement
- Create a consistent stream of retirement income
- Access their money if needed

Current Plan

The systematic withdrawal approach is a common method that involves receiving income in regular installments from a retirement investment. Generally:

- You choose how much you would like to receive and how often
- Payments will continue on that schedule until you stop them or until the account is completely depleted

It's possible that withdrawals may be made at a higher rate than the rate at which the account is growing. Because there is no lifetime income guarantee, that could lead to running out of money prematurely.

Source: Nationwide Case Study. This hypothetical case study demonstrates how including a fixed immediate annuity in a portfolio mix may help create a higher stream of income. It compares two income approaches: one using systematic withdrawals and the other using both systematic withdrawals and a fixed immediate annuity. These are just two of the many possible options available for retirement income. Work with your insurance or investment professional to determine what might best fit your individual scenario.

Case Study #2

	Current Plan 4%	Proposed Plan with Guaranteed Income Supplement systematic withdrawals to generate income that is guaranteed and will not fluctuate.				
	Systematic withdrawal	Systematic withdrawal		Joint and 100% last survivor with 10-year term certain[2]		
Assets	$500,000	$300,000	+	$200,000	=	$500,000
Annual income[1] (single payment)	$20,000	$12,000	+	$12,382	=	$24,382
Monthly income[1]	$1,667	$1,000	+	$1,032	=	$2,032

$4,382 more per year

$365 more per month

Source: Nationwide Case Study. This hypothetical case study demonstrates how including a fixed immediate annuity in a portfolio mix may help create a higher stream of income. It compares two income approaches: one using systematic withdrawals and the other using both systematic withdrawals and a fixed immediate annuity. These are just two of the many possible options available for retirement income. Work with your insurance or investment professional to determine what might best fit your individual scenario. 1) The annual and monthly income in the examples shown on this page and the next are subject to change. They will remain consistent only as long as the account value stays the same year over year. 2) The hypothetical examples on this page and the next are for illustrative purposes only and do not represent actual or future results. Market performance and fees associated with these products were not included in this illustration. The figures shown are based on rates as of 9/6/2022.

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