Benefits of a Retirement Income Plan
A detailed path that helps you determine how to use your financial resources to generate income to last the rest of your life.
How many of you already have a detailed retirement income plan?
Benefits of a Retirement Income Plan

- Decide when you can retire
- Identify your sources of income
- Prioritize your financial needs vs. wants
- Understand and help minimize key risks
- Stay on track to live the retirement you want
Decide when you can retire
Part 1: What you want

When?
- By choice?
- By need?

Where?
- Downsizing?
- Upsizing?

What?
- Filling your days?
- Days of fulfillment?
Part 2: What you can afford

Ensure your savings last through retirement

Achieve the retirement goals and lifestyle you want

Maintain flexibility for opportunities and emergencies

Preserve your money for a legacy or inheritance
Identify your sources of income
Traditional retirement income sources

- UCRP (pension)
- Social Security
- UC Retirement Savings Program
- Other Savings
Housing and Real Estate

Plans for your home
Rental Income
The gig economy opportunities
Working

- Part-time
- Consulting
- Seasonal work
- Hobbies that generate cash
- Phased retirement
Prioritize your financial needs vs. wants
3 Categories of expenses

- Essential Expenses
- Discretionary Expenses
- Emergency Expenses
Estimated income per month - $5,000
Estimated expenses per month - $7,000
Potential gap per month - $2,000
Understand and help minimize key risks
Longevity Is the Game Changer

- There’s a 25% chance that you may live a long time

- Men: 92 years
- Women: 94 years
- 1 of a couple: 99 years

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1. Society of Actuaries Annuity 2000 Mortality Table, assumes a person is in good health and has reached age 65.
2. Society of Actuaries Annuity 2000 Mortality Table, updated to 2015 with Schedule G Adjustments. Figure assumes opposite-sex couple with both persons in good health.
Know How Much You Can Withdraw Each Year

It’s not as much as you might like

- 4%
- 5%
- 10% (crossed out)
4% guideline when you need income for 30 years

$500,000 \times 4\% = $20,000

Beginning at 70 1/2, you must take required minimum distributions

$500,000 \div 27.4 = $18,428
Other investment and income risks

- Preparing for inflation
- Investing for the long-term
- Anticipating health care costs
Stay on track to live the retirement you want
Your initial plan pulls the pieces together

- Risks
- Income Sources
- Goals
- Distributions
A distribution from a Roth 401(k) is tax free and penalty free, provided the five-year aging requirement has been satisfied and one of the following conditions is met: age 59½, disability, or death.
Specific Actions Needed at Specific Ages

50s—Quick Plan
• Write down best estimates
• “Super save”
• Set up an initial planning session with Fidelity

60s—Detailed Plan
• Determine Social Security strategies
• Reassess risk and asset allocation
• Build a detailed financial assessment

65+—Master Plan
• Sign up for Medicare
• Discuss retiree health insurance options with employer
• Prepare portfolio for required minimum distributions
Next steps

- Attend classes available at myUCretirement.com/classes
- Gather your UCRP estimate, UCRSP account balances and Social Security Estimate
- Read articles on income planning at myUCretirement.com
- Schedule a planning session in person or over the phone 800-558-9182
The retirement planning information contained herein is general in nature and should not be considered legal or tax advice. Fidelity does not provide legal or tax advice. This information is provided for general educational purposes only and you should bear in mind that laws of a particular state, changes in Social Security rules, and your particular situation may affect this information. You should consult your attorney or tax advisor regarding your specific legal or tax situation.

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