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 - $2,000
Estimated expenses per month - $7,000
Potential gap per month - $5,000
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

---

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%
4% guideline when you need income for 30 years

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

Beginning at 72, you must take required minimum distributions

$500,000 \div 25.6 = $19,531
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