University of Richmond
7th Annual Retirement Planning Workshop
July 28, 2022
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Agenda

• Registration & Welcome 8:30-9:00 a.m.
• TIAA Representative 9:00-9:45 a.m.
• Long Term Care Representative 9:45-10:30 a.m.
• BREAK 10:30-10:45 a.m.
• Legal Resources Attorney 10:45-11:30 p.m.
• LUNCH 11:30-12:15 p.m.
• Social Security & Medicare 12:15-1:45 p.m.
• BREAK 1:45-2:00 p.m.
• UR Retiree Benefits 2:00-2:30 p.m.
Paying Yourself

Income options in retirement

Ross Kirkman, CFP®
Director | Integrated Solutions

July 28, 2022
Retirement overview

- Seven in 10 American workers feel confident in their ability to retire comfortably, continuing a steady increase over the past four years.¹
- More than half of workers (52%) plan to work past age 65—and 57% plan to continue working in retirement.²
- Average time spent in retirement is about 20 years³
- Median income for married couples age 65 or older is about $75,000⁴
- 27% of American workers are currently working with a financial advisor, and another 40% say they plan to.⁵
Today’s agenda

- Wants and needs in retirement: The income floor
- Retirement investments: What to consider
- Retirement account options: The basics
- Other investments and savings
- Action steps
Having enough starts with having a plan: The income floor

Retirement needs
- Home and home-related
- Healthcare
- Food and clothing
- Transportation
- Insurance
- Taxes and debt payments
Once you establish your income floor, you can establish your lifestyle

Retirement wants
- Vacation/second home
- Hobbies
- Travel
- Time with family and friends
- Volunteerism
- Legacy assets
The budget worksheet

### How to use this worksheet

Enter your best estimates into the form fields that fit. If a field doesn’t apply, put zeros there. Double-check and make sure all numbers and entries are correct. At the end of the worksheet, plug those numbers into the cash equation and find out what your monthly income—after expenses—would be.

<table>
<thead>
<tr>
<th>Monthly budget worksheet</th>
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<tbody>
<tr>
<td><strong>Essential Budget Items</strong></td>
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<tr>
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<tr>
<td><strong>Discretionary Budget Items</strong></td>
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<td>Restaurants/Entertainment</td>
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<td>Travel</td>
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<td>Gifts and Holidays</td>
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<tr>
<td><strong>Total Essential Income</strong></td>
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<td><strong>Total Discretionary Income</strong></td>
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<td><strong>Total Monthly Income</strong></td>
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### Monthly budget worksheet

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<td><strong>Total Essential Income</strong></td>
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### Monthly income sources

- **State of New York**
- **Social Security**
- **Annuity Payments**
- **Sales of Stocks**
- **Consulting Fees**
- **Other Income Sources**

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Paying Yourself: Income options in retirement
The most common sources of retirement income

- Social Security
- Defined Contribution plans (401(k), 403(b))
- Defined Benefit plans
- Individual Retirement Accounts (IRAs)
- Annuities
- Other investment and savings accounts
Social Security—still viable, still reliable

Income traits
- Taxable, fixed monthly income from the government

Income options
- Fixed benefit

Other traits
- Reduced benefits can be taken as early as age 62
- Full benefits available if you wait to full retirement age
  - Full retirement age depends on when you were born
- Spouse gets a benefit, too
  - How and when you and your spouse elect to receive Social Security benefit can make a big difference in your monthly payment
Employer-sponsored retirement accounts: Defined contribution plans (401(k) and 403(b))

Income traits
- Taxable, variable monthly income from your employer-sponsored account

Income options
- Roll it into an IRA
- Leave it alone
- Take periodic distributions
- Annuity (lifetime income)
- Lump-sum withdrawal

Other traits
- May borrow money from it (if plan permits), but must pay it back
- Minimum withdrawal age of 59½ (or be subject to IRS penalty)
- Mandatory withdrawals beginning at age 72
Employer-sponsored retirement accounts:
Defined benefit plans

Income traits
- Taxable, fixed monthly income from an employer-sponsored and managed account

Income options
- Fixed benefit based on company’s formula very often at termination
- Typically funded entirely by the company (although government plans often require employees to contribute)
- Benefits determined by personalized factors, not investment performance
  - Length of service with company
  - Earnings history (so-called terminal income)
  - NOT an individual account
- Benefits may come out of company income if investments underperform
- Maximum benefit is $245,000, no contribution limit*

*IRS, Defined Benefit Plan—Benefit Limits
irs.gov/Retirement-Plans/Plan-Participant-Employee/Retirement-Topics-Defined-Benefit-Plan-Benefit-Limits
Individual Retirement Accounts: The traditional IRA

Income traits
- Taxable, variable income from a personal retirement investment account

Income options
- Take it in a lump sum
- Periodic disbursements
- “Roll over” into another traditional IRA
- Annuity (Investment Solutions IRA)

Other traits
- 10% penalty for early withdrawal, plus taxes
- Minimum withdrawal age of 59½; mandatory distributions begin at age 72
- Penalties for not taking minimum distributions!
- Special rules may impact taxes
Individual Retirement Accounts: The Roth IRA

Income traits
- Tax-free, variable income from a personal retirement investment account

Income options
- Take it in a lump sum
- Periodic disbursements
- “Roll over” into another Roth IRA
- Annuity payout

Other traits
- 10% penalty for early withdrawal, plus taxes on earnings
- Minimum withdrawal age of 59½
  - NOTE: Special disbursement rules can apply
- No mandatory distributions
- No penalties for not withdrawing
- Account must be disbursed if account holder dies
- Roth account must be five years old before you can take a distribution of gains without tax penalty
- Contributions (but not gains) are always available for withdrawal without tax or penalty
Four key retirement risks

**Longevity**

44%

Chance that one partner of a couple age 65 will live to 95.¹

**Market**

47%

Drop in the stock market from 2008–2009
Risk of withdrawing money in a down market

**Cognitive**

Over 5 million Americans may have dementia caused by Alzheimer’s²

**Inflation**

Inflation erodes your purchasing power over time

¹. Based on 2021 TIAA dividend mortality tables
Note: This point of view is designed to be a starting point for the retirement income conversation. It is not a recommendation. Leveraging the RIR and RIE Income advice tools will customize this plan to the individual’s specific goals and objectives.
Diversifying retirement income sources helps to mitigate key retirement risks

Lifetime income sources help fortify a diversified retirement income strategy

<table>
<thead>
<tr>
<th>Risks and objectives</th>
<th>Systematic withdrawals</th>
<th>Fixed annuity</th>
<th>Variable annuity</th>
<th>Diversified income strategy</th>
</tr>
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<tbody>
<tr>
<td>Longevity risk</td>
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<td>Market risk</td>
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<td>Cognitive risk</td>
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<td>Inflation risk</td>
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<tr>
<td>Post-retirement liquidity</td>
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<tr>
<td>Money directly available for an estate</td>
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Note: The diversified income POV is a starting point. Leveraging the RIR and RIE Income advice tools will customize this plan to the individual’s specific goals and objectives. This point of view is designed to be a starting point for the diversified income conversation. It is not a recommendation.
Paying Yourself: Income options in retirement

Guaranteed minimum payment

Potential for higher amounts of income for all annuitants based on factors such as current interest rate environment

Contingency reserves

Potential for long-term participants to earn a higher payment due to several factors, including the return of unused contingency reserves—a sort of “loyalty bonus”

Additional amounts

These hypothetical examples are based on 67 year-olds selecting single life annuity with a ten year guarantee retiring 3/1/2022. The 7.4% income rate represents a hypothetical career contributor and assumes 30 years of level monthly contributions to TIAA Traditional through February 2022. The 6.2% income rate represents a new money contributor and assumes a transfer into TIAA Traditional on 2/28/22. This is for illustrative purposes only and is not intended to predict or project performance of any account. Actual returns will vary.

1. All guarantees are subject to TIAA’s claims-paying ability. Guaranteed minimum payment is based on new contributor.
2. Additional amounts, when declared by TIAA’s Board of Trustees, remain in effect for the “declaration year,” which begins each January 1, and are not guaranteed.
3. The board of directors determines this amount on an annual basis. Past performance is not a guarantee of future performance.
Regular, permanent payments of lifetime income can come from Social Security, pensions and annuities.
Transitioning from savings to lifetime income

TIAA solutions are designed to go from savings in accumulation to income in retirement.
Understanding annuities based on life stages

Using our fixed and variable annuities as examples:

<table>
<thead>
<tr>
<th></th>
<th>Deferred Annuity</th>
<th>Immediate Annuity</th>
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<tbody>
<tr>
<td><strong>Fixed Annuities</strong></td>
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<td></td>
<td>Fixed rate of return</td>
<td>Fixed income payments</td>
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<tr>
<td><strong>Variable Annuities</strong></td>
<td>CREF &amp; REA Accounts</td>
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</tr>
<tr>
<td></td>
<td>Returns vary based on portfolio returns</td>
<td>Variable income payments based on portfolio results</td>
</tr>
</tbody>
</table>

Reminder: Your plan may offer non-annuity investments that may be appropriate for your situation.
TIAA income options: Flexible retirement income

**Life annuity**
Guaranteed income for life, fixed or variable

**TIAA interest only**
Income from a TIAA Traditional Annuity that leaves principal unchanged

**Minimum distribution option**
Automatically withdraws the minimum required amount from your account once you’ve reached the minimum age

**Transfer payout annuity**
Allows you to access and reallocate TIAA Traditional Annuity over a set number of years

**Cash withdrawals**
Lump sum or systematic
Lifetime income payout options

Some common payout options:*

- Life only
- Life with a guarantee period
- Joint life and last survivor

*Not all options available and some providers may offer different payouts. Other income options may be available.
Other investments and savings

Income traits
- Variable income from personal investments, bonds and savings

Income options
- Periodic disbursements
- Take it in a lump sum

Other traits
- Can incur capital gains taxes
- No minimum withdrawal age
- No mandatory disbursements
Activity: Who am I?

You will have a chance to identify the investment I’m portraying. If you look in your program guide, this activity is included, and there is an answer key at the bottom. I will read a description of an investment, and you will have a few moments to come to a consensus answer before we move on to the next question.

The “Who am I?” interactive game.

INCOME OPTION 1
Sure, the income I offer in retirement is taxable. You can even use it to buy other stuff, like IRAs and annuities if you want to. I don’t know why you’d do that. I already offer a fixed benefit regardless of what the markets are doing. The good news is that almost everyone has access to me no matter who the employer is.

INCOME OPTION 2
You can’t rely on Social Security for everything, you know. You can invest in me up to the maximum amount allowed. If you’re lucky, there may even be what some people call “free” money on hand to add to the mix. I’ll keep growing until you’re ready to hit the retirement trail. After that, what you do with me is up to you.

INCOME OPTION 3
I was created to help people who didn’t get any help creating retirement savings. The government was kind enough to bring me into being many years ago, though they’ve been messing with me ever since. The IRS keeps a close eye on the money I generate. Don’t like it? You’ll want to talk to my little brother.

INCOME OPTION 4
I guarantee you an amount of income in retirement. My issuer’s ability to pay may be called into question from time to time, but I wouldn’t worry about that. Once you decide when you want to get started, I’ll start sending checks. Don’t start too early or the benefit gets shaved. Don’t thank me. It’s my job.

INCOME OPTION 5
So you want a certain amount of money for the rest of your life? I think we can help make that happen. We can play the market if you want, or I can insulate you from it. That’s your call. Tired of tracking down your other retirement investments? You can bring them to me. No, no, don’t worry about minimum ages and required disbursements. Those are just between me and you.

ANSWER CHOICES
A. 401(k)/403(b)
B. Social Security
C. Defined Benefit plan
D. IRA
E. Annuities
Income option 1: Who am I?

Sure, the income I offer in retirement is taxable. I already offer a fixed benefit regardless of what the markets are doing. The good news is that almost everyone has access to me, no matter who the employer is.
You can’t rely on Social Security for everything, you know. You can invest in me up to the maximum amount allowed. If you’re lucky, there may even be what some people call “free” money on hand to add to the mix. I have the potential for growth until you’re ready to hit the retirement trail. After that, what you do with me is up to you.
I was created to help people who didn’t get any help creating retirement savings. The government was kind enough to bring me into being many years ago, although they’ve been messing with me ever since. The IRS keeps a close eye on the money I generate. Don’t like it? You’ll want to talk to my little brother.
Income option 4: Who am I?

I guarantee you an amount of income in retirement. My issuer’s ability to pay may be called into question from time to time. Once you decide when you want to get started, I’ll start sending checks. Don’t start too early or the benefit gets shaved. Don’t thank me. It’s my job.
So you want a certain amount of money for the rest of your life? I think we can make that happen. We can play the market if you want, or I can insulate you from it. That’s your call. I’m a lot more versatile than most people think. The bottom line is than I can help make sure you get paid for as long as you want.
The answers

Question 1: Social Security
Question 2: 401(k)/403(b) or Defined Contribution plan
Question 3: Traditional IRA
Question 4: Social Security (again!)
Question 5: Annuities

Annuity guarantees are based on the claims-paying ability of the issuer. Payments from the variable annuity accounts are not guaranteed and will rise or fall based on investment performance.
Tally the scores!

Question 1: Social Security 20
Question 2: 401(k)/403(b) or Defined Contribution plan 20
Question 3: Traditional IRA 20
Question 4: Social Security (again!) 20
Question 5: Annuities 20

Bonus question:
Closest answer wins! What percentage of Americans 65 and older held a paying job in 2020?
Recap: What to consider in retirement investments

- What will the investment/asset be used for?
- How liquid or easy to withdraw is it?
- How is each investment/asset taxed on withdrawal?
- What is it invested in—what is the risk?
Putting it all together: Action steps

- Estimate your *required* expenses and determine if guaranteed income could help
- Estimate the cost to do what you *want* in retirement consider investing accordingly
- Plan your income carefully and know which assets will pay what amount and when
- Taxes, taxes, taxes
- Learn about consolidation options
Additional tools

TIAA.org/tools
- Retirement Advisor
- Lifetime Income Calculator
- Budget Worksheet

TIAA.org/pfr
- Preparing for Retirement

IMPORTANT: The projections or other information generated by the Retirement Advisor tool regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. Results may vary with each use and over time.
Financial Advice Session

You can call **800-732-8353**

Weekdays, 8 a.m. to 8 p.m. (ET)
to schedule a one-on-one session with
a TIAA financial consultant

**OR**

Schedule online at
**TIAA.org/schedulenow**
Retirement Financial Vision Guide

• What is a Retirement Financial Vision Guide?
• How do you use the Guide?

Getting there takes planning
This workbook will help you visualize the future you want so you can make a concrete plan to work toward it.

How it works
Create your vision
There are eight broad categories, each with an option to add the top three items you consider to be most important to you.
Choose options from the back of the workbook that most closely represent your vision for each category. For example, if you are planning to own a beach house and have a business in the future, add those to the living section. Fill in as many circles as you would like. Use the yellow circles to add something unique or borrow from other category circles if they seem to be a better fit.

Complete your expense and income worksheet
Next, estimate the cost of each category per month in today’s dollars. You’ll also estimate your likely income in retirement and then see how they compare. If you’d rather, you could ask a financial advisor to help you.

Keep your vision as a reminder
This guide can be an ongoing reminder of where you’re trying to get to in the future. If your goals change over time, just replace the dollars with new ones.
Retirement Financial Vision Guide

• How to request a Retirement Financial Vision Guide?
• Who can use the Guide?
Seven in 10 American workers feel confident in their ability to retire comfortably, continuing a steady increase over the past four years.¹

¹Employee Benefit Research Institute, 2020 Retirement Confidence Survey, “RCS Fact Sheet 1: Retirement Confidence,” April 2020

More than half of workers (52%) expect to work past age 65—and 57% plan to continue working in retirement.²


Average time spent in retirement is 20 years.³


Median income for married couples age 65 or older is about $75,000⁴

⁴United States Census Bureau, “Household Income in 2019,” accessed online March 2021

27% of American workers are currently working with a financial advisor, and another 40% say they plan to.⁵

⁵Employee Benefits Research Institute, 2020 Retirement Confidence Survey, “RCS Fact Sheet 3: Preparing for Retirement in America,” April 2020

Nearly half of Americans between ages 65-79 have a mortgage when they retire—and more than a quarter 80 and older still have a mortgage.⁶

⁶Center for Retirement Research at Boston College, “More Retirees Today Have a Mortgage,” November 2019

For a healthy 65-year-old couple retiring in 2021, total costs for premiums and out-of-pocket expenses will average $662,156.⁷

⁷HealthView Services, “Retirement Healthcare Cost Data Report,” December 2020
Spending on eating at home rose 4% in a year’s time, while eating out increased 2% during the same period.8

The rule of thumb is that Social Security benefits replace around 40% of pre-retirement income.9

A spouse’s benefit may be up to 50% of yours.10
10Social Security Administration, “Retirement Planner: Benefits for Your Spouse,” accessed online March 2021

The average time spent in retirement is 20 years.11

What percentage of Americans 65 and older held a paying job in 2020? Nearly10 million, or 18%.12
For its stability, claims-paying ability and overall financial strength, Teachers Insurance and Annuity Association of America (TIAA) is a member of one of only three insurance groups in the United States to currently hold the highest rating available to U.S. insurers from three of the four leading insurance company rating agencies: A.M. Best (A++ as of 7/21), Fitch (AAA as of 11/21) and Standard & Poor’s (AA+ as of 9/21), and the second highest possible rating from Moody’s Investors Service (Aa1 as of 5/21). There is no guarantee that current ratings will be maintained. The financial strength ratings represent a company’s ability to meet policyholders’ obligations and do not apply to variable annuities or any other product or service not fully backed by TIAA’s claims-paying ability. The ratings also do not apply to the safety or the performance of the variable accounts, which will fluctuate in value.

The tax information in this guide is not intended to be used, and cannot be used, to avoid possible tax penalties. The TIAA group of companies does not provide legal or tax advice. Please consult with your legal or tax advisor.

Before rolling over or consolidating assets, consider your other options. For rollovers, you may be able to leave money in your current plan, withdraw cash or roll over the assets to your new employer’s plan if one is available and rollovers are permitted. Compare the differences in investment options, services, fees and expenses, withdrawal options, required minimum distributions, other plan features, and tax treatment.

For consolidations, be sure to carefully consider the benefits of both the existing and new product. There will likely be differences in features, costs, surrender charges, services, company strength and other important aspects. There may also be tax consequences or other penalties associated with the transfer of assets. Indirect transfers may be subject to taxation and penalties. Speak with a TIAA consultant and your tax advisor regarding your situation. Learn more at TIAA.org/reviewyouroptions.

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Annuities are designed for retirement and other long-term goals. Withdrawals of earnings from an annuity are subject to ordinary income tax plus a possible federal 10% penalty if you make a withdrawal before age 59½.

TIAA Traditional is a guaranteed insurance contract and not an investment for federal securities law purposes.

Please note that certain products and services are only available to eligible individuals. See the applicable product literature, or visit TIAA.org for details.
Annuity contracts may contain terms for keeping them in force. Your financial consultant can provide you with costs and complete details.

TIAA Traditional is a fixed annuity product issued through these contracts by Teachers Insurance and Annuity Association of America (TIAA), 730 Third Avenue, New York, NY, 10017: Form series including but not limited to: 1000.24; G-1000.4; IGRS-01-84-ACC; IGRSP-01-84-ACC; 6008.8. Not all contracts are available in all states or currently issued.
Investment, insurance, and annuity products are not FDIC insured, are not bank guaranteed, are not deposits, are not insured by any federal government agency, are not a condition to any banking service or activity, and may lose value.

You should consider the investment objectives, risks, charges, and expenses carefully before investing. Please call 877-518-9161 or log in to TIAA.org for underlying product and fund prospectuses that contain this and other information. Read the prospectuses carefully before investing.

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TIAA-CREF Individual & Institutional Services, LLC, Member FINRA, distributes securities products. Retirement plan annuity contracts and certificates are issued by Teachers Insurance and Annuity Association of America (TIAA) and College Retirement Equities Fund (CREF), New York, NY. Each is solely responsible for its own financial condition and contractual obligations.

TIAA.org

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Long-Term Care Insurance:
It’s Not What It Used To Be,
It’s Better!
What is Long-Term Care?

Long-Term Care is Assistance with Activities of Daily Living & Cognitive Impairment

- Bathing (personal hygiene assistance)
- Toileting (using commode)
- Continence (control of bowel/bladder)
- Dressing (including prosthetics)
- Transferring (mobility)
- Eating (including preparation of food) and/or Supervision for Cognitive Impairment (Dementia/Alzheimer’s)
• Long-Term Care is personal care.
• Long-Term Care is not a place.
• Long-Term Care is an event.
• Long-Term Care Insurance will pay wherever you live.
Where may I receive long-term care services paid by long-term care insurance?

- Your Home
- Assisted Living Community
- Nursing Home

*All of the above may be paid by a long-term care insurance policy.*
How much does basic long-term care cost?

- Home Health Care $62,920 Plus, Annually
- Assisted Living $58,815 Plus, Annually
- Nursing Home $116,983 Plus, Annually

Data is from the 2021 Cost of Care Survey: Cost of Long-Term Care by State/Cost of Care Report/Genworth

The cost of care is determined by the level of care required.
What does NOT pay for long-term care?

• Medicare
• Medicare Supplement
• Health insurance
What DOES pay for Long-Term Care?

- Personal Assets
- Retirement Accounts
- Medicaid (In nursing home only)
- Long Term Care Insurance
How Should You Pay for Long-Term Care?

1. Your Personal Assets/Income/Retirement Accounts?
2. Medicaid?
3. Long term care insurance policy?

What is the most tax efficient way for your specific circumstances to pay for long term care?
When Will I Need Long-Term Care?

Long Term Care Has Nothing To Do With Age

Any adult, anytime, for any reason, can need long term care as a result of auto accident, work-related injury, sports injury, recreational injury, diagnosis, or age-related episode.

However, the probability of needing care to keep us safe increases as we age.
Four Basic Components of LTC Policy

1. Benefit Period
2. Maximum Monthly Benefit
3. Inflation Options
4. Elimination/Waiting Period (Deductible)
• Traditional Long-Term Care Insurance

Or

• Hybrid Long-Term Care Insurance

**Question:** What is most tax-efficient way for your circumstances to fund a policy?
Long-Term Care Solution Funding Options for *Traditional* Long-Term Care Insurance Policies

- Personal Income
- Health Savings Account (Age-Based)
- Business Account *(May be tax deductible.)*
• Existing permanent life insurance with cash value
  (IRS 1035 Exchange)

• Existing after-tax annuities
  (IRS 1035 Exchange)

• Cost of policy depends on age, gender, health, marital/domestic partner status
How are we permitted to exchange existing permanent life insurance policies or existing annuity policies for a new life insurance policy or new annuity policy to include long term care benefits?

Answer: The Pension Protection Act and 1035 Exchange
What is the Pension Protection Act?

The Pension Protection Act (PPA) of 2006 expanded 1035 exchange to include qualified long-term care insurance which began on January 1, 2010. The PPA allowed for the tax-free exchange of an existing life or annuity policy to a new life insurance or annuity policy that includes long-term care benefits.

The Pension Protection Act of 2006 was created to help protect pensions.
What is the 1035 Exchange?

Section 1035 of the Internal Revenue Code (IRC) provides that no gain or loss shall be recognized on the exchange of one life insurance contract for another (or annuity or long-term care contract for another) if the exchange is made according to IRS regulations 7702B.

- Life insurance to life insurance/LTC
- Life insurance to annuity/LTC
- Annuity to annuity/LTC
Why Do All Adults Need A Long-Term Care Plan?

• Avoid being a challenge to loved ones.
• Protect retirement income and assets.
• Assure quality care.
• Age in place **SAFELY.**
• Leverage money to protect lifestyle.
• Maintain independence.
Key Benefits of Long-Term Care Insurance (LTC)

- LTC pays for personal extended care.
- LTC provides care options.
- LTC is a financial planning tool.
- LTC leverages your money.
- LTC provides support resources.
- LTC allows for someone to manage care.

Long Term Care Insurance Benefits are Tax Free
• What age should I be to consider long term care insurance?

LTC insurance companies all have different age guidelines with the requirement range beginning at 18 years old and spanning to 80. The average purchase age is in late 40’s or early 50’s.
What does LTC pay for and how much does it pay?

LTC policy pays for home care, assisted living community, memory care – all types of care that health insurance or Medicare will not pay for. How much policy pays for each type of care depends on how much benefit you purchase.
• When a policyholder is ready to file a claim for benefits, who determines if policyholder qualifies for benefits?

• Is it difficult to access benefits when an individual remains at home and family is providing some assistance?

• When is the right time to file a claim for benefits?

Brief case study discussion.
• What if I don’t choose to own this type of coverage?

You would have to pay for care completely out of pocket until you hit the state poverty floor (under $2K in net worth) and then Medicaid would pick up the cost of your care. If Medicaid picks up the cost, Medicaid currently pays nursing home of their choice only.
Next Steps:

Questions to Ask Yourself

• If you had to begin paying a minimum of $5,000 per month for care for an undetermined period, what is the most tax efficient way for your specific circumstances to pay for care?

• Could you maintain your lifestyle and pay for care?

• Which assets would you have to liquidate?

• What is most tax efficient strategy?

Set Yourself a Deadline –
Time is your enemy when it comes to exploring best long-term care insurance options for your specific circumstances.
Why work with a Long-Term Care Specialist?

- Specialists make the complicated simple.
- Specialists offer multiple options.
- Specialists focus on educating their clients.
- Specialists have experience with claims.
- Specialists work with your financial advisor.
- Specialists help make informed decision.
Quick Review

Why is Long-Term Care a Problem All Adults Need to Address?

Price vs. Cost

• Because the price of a long-term care policy far outweighs the emotional and physical cost of caring for an infirm adult.

• LTC insurance is still the best solution for long term care expenses.

TAX-FREE BENEFIT
Questions?

Long-Term Care Consultants, Inc.
9100 Arboretum Parkway, Suite 180
North Chesterfield, VA 23236
804-306-0016 – Phone Number
1-888-877-6625 - Facsimile
Info@LTCCINC.COM

Providing long-term care planning since 2000…

there’s just no substitute for experience.
Key Terms

- **Testator** – one who makes a will
- **Executor** – person you select to handle your estate
- **Guardian** – one legally empowered to care for the person or property of another
- **Probate** – the legal process of verifying your will through the courts
Last Will and Testament

- Discusses funeral expenses and debts
- Gives specific bequests
- Tangible property – things you can touch
- Separate Written List – easy to amend
- Residuary Clause – covers everything else
- Guardians/Trustees for minor children
- Executor/Executrix
Why do I need a will?

- Do you want “Aunt” Virginia to be in charge of who gets your property? The state has a one-size-fits-all plan for you… and it may not fit.
- Do you have assets?
- Do you have more than one heir?
- Do your accounts have a pay-on-death or transfer-on-death provision?
- Do you have minor dependents?
What happens if I die without a will?

- You die *intestate* which means that an administrator has to be appointed by the courts
- You don’t get to select the administrator
- The state has written a “will” for anyone who doesn’t do it themselves
- Property goes to next of kin in order of relationship as set forth by statute
How can I attach a list to a will?

- To hide specific bequests from premature viewers to your will; also easier to change than if the list is in the Will
- Legal list – binding, if done correctly
- Incorporation by reference
What’s the difference between a Will and a Living Will?

- **Last Will and Testament** takes effect upon the death of the testator.

- The combination of a **Medical Power of Attorney** with an **Advance Medical Directive** in the same written instrument is commonly referred to as a “**Living Will**,” and is used during the lifetime of the grantor.

- Organ Donor versus Donate to Science
Power of Attorney

- Allows a person to step in your shoes and do everything and anything you can do – to legally be you.
- Can be currently effective, or exercisable only upon your disability or incapacitation.
- Expires upon death of the grantor.
What do I do with my Power of Attorney?

- **Never** give out the original!
- Banks, schools, hospitals, lenders, creditors
- Can be recorded in court records
Advance Medical Directive

- Distinguished from a DNR
- Main statement of intent – your guidance to the medical world and to your loved ones about your end of life choices.
- Agent to make decisions on your behalf
- Distribute to physicians; get into your medical records
Important Tips

- Avoid pre-written will; BEWARE of internet-based resources. BEWARE of military legal services offices…

- Keep originals in a safe deposit box, dresser, Bible or somewhere near all other important documents
Questions
Cravens & Noll

David Noll, Esq.

Chesterfield: 9011 Arboretum Pkwy, Suite 200
Richmond, VA 23236

Henrico: 4551 Cox Road, Suite 120,
Glen Allen, VA 23060

Phone: (804) 330-9220
Website: www.cravensnoll.com
Social Security:
With You Through Life’s Journey…
University of Richmond
Thursday July 28, 2022
We’re With You Through Life’s Journey
What is FICA?

- Stands for Federal Insurance Contributions Act
  - May show on paycheck as OASDI or Social Security
- Federal payroll tax deducted from workers’ paychecks, matched by employer, and reported by employer to IRS
- Total FICA tax = 15.3% of gross wages. You and your employer each pay 7.65%
  - 6.2% for Social Security
  - 1.45% for Medicare
- FICA taxes help fund Social Security retirement, disability, survivor benefits and Medicare health insurance
Did You Know?

About 182 million workers will pay Social Security taxes in 2022.

About 94 percent of all workers are covered by Social Security.
Social Security Program Beneficiaries

- Social Security: 62.6 million
- SSI: 5.1 million
- Both: 2.5 million

April 2022
Who Pays for Social Security?
We Wouldn’t Miss Your Retirement Party
Did You Know?

As of January 2022, **47.4 million retired workers** were receiving **$78.8 billion dollars** in Social Security benefits per month.

At the same time, **2.8 million dependents** of retired workers were receiving **$2.3 billion dollars** in monthly Social Security benefits.
How Do You Qualify for Retirement Benefits?

• By earning “credits” when you work and pay Social Security taxes

• You need 40 credits (10 years of work) and you must be 62 or older

• Each $1,510 in earnings gives you one credit

• You can earn a maximum of 4 credits per year

Note: To earn 4 credits in 2022, you must earn at least $6,040.

ssa.gov/planners/credits.html
How Social Security Determines Your Benefit

Benefits are based on earnings

Step 1 - Your wages are adjusted for changes in wage levels over time

Step 2 - Find the monthly average of your 35 highest earnings years

Step 3 - Result is “average indexed monthly earnings”

[ssa.gov/OACT/COLA/Benefits.html]
2022 Retirement Benefit Formula

If your average monthly earnings are = $7,000
Then your monthly benefit would be = $2,693

Average Monthly Earnings = $7,000

90% of First.................................................... $1,024 is $922

32% of Earnings over $1,024 through $6,172... $5,148 is $1,647
($6,172 - $1,024 = $5,148)

15% of Earnings over $6,172......................... $828 is $124

$7,000 is $2,693

*Payments rounded to whole dollar amounts

SSA.gov
What Is the Best Age to Start Receiving Social Security Retirement Benefits?

Monthly Benefit Amounts Differ Based on the Age You Decide to Start Receiving Benefits

Note: This example assumes a benefit of $1,000 at a full retirement age of 66
## Benefits Chart by Age

<table>
<thead>
<tr>
<th>Year of Birth</th>
<th>Full Retirement Age</th>
<th>A $1000 retirement benefit taken at age 62 would be reduced by</th>
<th>A $500 spouse benefit taken at age 62 would be reduced by</th>
</tr>
</thead>
<tbody>
<tr>
<td>1943-1954</td>
<td>66</td>
<td>25%</td>
<td>30%</td>
</tr>
<tr>
<td>1955</td>
<td>66 and 2 months</td>
<td>25.83%</td>
<td>30.83%</td>
</tr>
<tr>
<td>1956</td>
<td>66 and 4 months</td>
<td>26.67%</td>
<td>31.67%</td>
</tr>
<tr>
<td>1957</td>
<td>66 and 6 months</td>
<td>27.5%</td>
<td>32.5%</td>
</tr>
<tr>
<td>1958</td>
<td>66 and 8 months</td>
<td>28.33%</td>
<td>33.33%</td>
</tr>
<tr>
<td>1959</td>
<td>66 and 10 months</td>
<td>29.17%</td>
<td>34.17%</td>
</tr>
<tr>
<td>1960 +</td>
<td>67</td>
<td>30%</td>
<td>35%</td>
</tr>
</tbody>
</table>

[ssa.gov/oact/quickcalc/earlyretire.html]
## Working While Receiving Benefits

<table>
<thead>
<tr>
<th>If you are</th>
<th>You can make up to</th>
<th>If you earn more, some benefits will be withheld</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under Full Retirement Age</td>
<td>$19,560/yr.</td>
<td>$1 for every $2</td>
</tr>
<tr>
<td>The Year Full Retirement Age is Reached</td>
<td>$51,960/yr. before month of full retirement age</td>
<td>$1 for every $3</td>
</tr>
<tr>
<td>Month of Full Retirement Age and Above</td>
<td>No Limit</td>
<td>No Limit</td>
</tr>
</tbody>
</table>

Retirement Earnings Test Calculator: [ssa.gov/OACT/COLA/RTeffect.html](https://ssa.gov/OACT/COLA/RTeffect.html)
Will I pay federal taxes on my benefits?

If you:

- **file a federal tax return as an "individual"** and your combined income* is
  - between $25,000 and $34,000, you may have to pay income tax on up to 50 percent of your benefits.
  - more than $34,000, up to 85 percent of your benefits may be taxable.

- **file a joint return**, and you and your spouse have a combined income* that is
  - between $32,000 and $44,000, you may have to pay income tax on up to 50 percent of your benefits
  - more than $44,000, up to 85 percent of your benefits may be taxable.

- **are married and file a separate tax return**, you will probably pay taxes on your benefits.
Benefits for a Spouse

• Maximum benefit = 50% of worker’s unreduced benefit
• Reduction for early retirement
• If spouse’s own benefit is less than 50% of the worker’s, they will be combined to equal to 50% of the worker’s
• Does not reduce payment to the worker
• Benefit is unreduced if spouse is caring for worker’s child younger than age 16 or disabled
• Spouse benefits are not payable until worker collects

ssa.gov/planners/retire/yourspouse.html
Benefits for Divorced Spouses

You may receive benefits on your former spouse's record (even if he or she has remarried) if:

- Marriage lasted at least 10 years
- You are unmarried
- You are age 62 or older
- Your ex-spouse is at least 62 and eligible for Social Security retirement or disability benefits, even if not collecting
- Benefit you would receive based on your own work is less than benefit you would receive based on ex-spouse’s work

[ssagov link]
We’re There If You Lose A Loved One
## Survivor Benefits

<table>
<thead>
<tr>
<th>Category</th>
<th>Eligibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Child</td>
<td>May receive benefits if unmarried and younger than age 18, or between ages 18 and 19 and a full-time student (no higher than grade 12)</td>
</tr>
<tr>
<td>Disabled Child</td>
<td>May receive benefits after age 18 if unmarried and disabled before age 22</td>
</tr>
<tr>
<td>Widow(er) or Divorced</td>
<td>May receive full benefits at full retirement age or reduced benefits:</td>
</tr>
<tr>
<td>Widow(er) (Remarriage</td>
<td>• as early as age 60</td>
</tr>
<tr>
<td>after age 60 will not</td>
<td>• as early as 50, if disabled</td>
</tr>
<tr>
<td>affect benefits)</td>
<td>• at any age if caring for child younger than 16 or disabled</td>
</tr>
</tbody>
</table>

[ssa.gov/planners/survivors]
Survivor Benefits

When you pass away, your surviving spouse may:

• Claim survivor benefits at any age between 60 and full retirement age;
• At age 60, receive 71.5% of your full benefit and increases each month they wait up to 100% if they start at full retirement age; or
• At full retirement age, receive 100% of your unreduced benefit.
Other Survivor Benefits

- Lump Sum Death Payment of $255 is a one-time payment to surviving spouse or child(ren) who meet certain requirements.

- Parents’ Benefits are for a parent age 62 or older who was receiving at least one-half support from their deceased son or daughter.

ssa.gov/planners/survivors/ifyou.html
# Spouse vs. Surviving Spouse Benefits

<table>
<thead>
<tr>
<th>Spouse (living)</th>
<th>Surviving Spouse (deceased)</th>
</tr>
</thead>
<tbody>
<tr>
<td>May start as early as age 62</td>
<td>May start as early as age 60 or as early as 50 if disabled</td>
</tr>
<tr>
<td>50% if you wait until FRA or later</td>
<td>71.5% at age 60, increases each month you wait</td>
</tr>
<tr>
<td>Less than 50% if you start before FRA (reduction for each month you take benefit early)</td>
<td>100% if you start at FRA or later</td>
</tr>
</tbody>
</table>

*Certain conditions must be met.*

[ssa.gov/planners/survivors/ifyou.html#h6](http://ssa.gov/planners/survivors/ifyou.html#h6)
You can switch to retirement on your own record as early as age 62 if that benefit is higher than your surviving spouse’s benefit.

OR

You can take retirement as early as age 62, then switch to surviving spouse’s at full retirement age if benefit is higher.
Advance Designation of Representative Payees

What is it?
• Advance Designation of Representative Payees allows you to designate in advance up to three individuals who could serve as a representative payee for you, should the need arise.

Who is it for?
• Adult and emancipated minor applicants and beneficiaries of Social Security or Supplemental Security Income, who do not have a representative payee
my Social Security

• Get estimates based on your actual Social Security earnings record and for different ages when you want your benefits to start.

• Estimates are available if:
  • You have enough Social Security credits at this time to qualify for benefits and
  • You are not:
    • Currently receiving benefits on your own Social Security record;
    • Waiting for a decision about your application for benefits or Medicare;
    • Age 62 or older and receiving benefits on another Social Security record; or
    • Eligible for a Pension Based on Work Not Covered By Social Security.
## Medicare

<table>
<thead>
<tr>
<th>Original Medicare</th>
<th>Medicare Advantage (aka Part C)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Part A (Hospital Insurance)</td>
<td>Part A (Hospital Insurance)</td>
</tr>
<tr>
<td>Part B (Medical Insurance)</td>
<td>Part B (Medical Insurance)</td>
</tr>
<tr>
<td><strong>You can add:</strong></td>
<td><strong>Most plans include:</strong></td>
</tr>
<tr>
<td>Part D (Prescription Drug Plan)</td>
<td>Part D (Prescription Drug Plan)</td>
</tr>
<tr>
<td>Extra Benefits (e.g. vision, hearing, dental, and more)</td>
<td></td>
</tr>
<tr>
<td><strong>You can also add:</strong></td>
<td><strong>Some plans also include:</strong></td>
</tr>
<tr>
<td>Supplemental insurance coverage (Medigap)</td>
<td>Lower out-of-pocket costs</td>
</tr>
</tbody>
</table>

Medicare.gov
Medicare Eligibility

- Age 65
- After 24 months of SSDI
- ALS
- Environmental health hazard exposure
- Kidney failure
Medicare Enrollment

Initial Enrollment Period
Begins 3 months before your 65th birthday and ends 3 months after that birthday

General Enrollment Period
January 1 – March 31

Special Enrollment Period
If 65 or older and covered under a group health plan based on your – or your spouse’s – current work.
# Medicare Part B Coverage

<table>
<thead>
<tr>
<th>If you enroll in this month of your initial enrollment period:</th>
<th>Then your Part B Medicare coverage starts:</th>
</tr>
</thead>
<tbody>
<tr>
<td>One to three months before you reach age 65</td>
<td>The month you reach age 65</td>
</tr>
<tr>
<td>The month you reach age 65</td>
<td>One month after the month you reach age 65</td>
</tr>
<tr>
<td>One month after you reach age 65</td>
<td>Two months after the month of enrollment</td>
</tr>
<tr>
<td>Two or three months after you reach age 65</td>
<td>Three months after the month of enrollment</td>
</tr>
</tbody>
</table>
### Medicare Standard Part B Premiums for 2022

If you’re single and file an individual tax return, or married and file a joint tax return:

<table>
<thead>
<tr>
<th>Modified Adjusted Gross Income (MAGI)</th>
<th>Part B monthly premium amount</th>
<th>Prescription drug plan monthly premium amount</th>
</tr>
</thead>
</table>
| Individuals with a MAGI of $91,000 or less  
Married couples with a MAGI of $182,000 or less | 2022 standard premium = $170.10 | Your plan premium + $0 |
| Individuals with a MAGI above $91,000 up to $114,000  
Married couples with a MAGI above $182,000 up to $228,000 | Standard premium + $68.00 | Your plan premium + $12.40 |
| Individuals with a MAGI above $114,000 up to $142,000  
Married couples with a MAGI above $228,000 up to $284,000 | Standard premium + $170.10 | Your plan premium + $32.10 |
| Individuals with a MAGI above $142,000 up to $170,000  
Married couples with a MAGI above $284,000 up to $340,000 | Standard premium + $272.20 | Your plan premium + $51.70 |
| Individuals with a MAGI above $170,000 up to $500,000  
Married couples with a MAGI above $340,000 up to $750,000 | Standard premium + $374.20 | Your plan premium + $71.30 |
| Individuals with a MAGI equal to or greater than $500,000  
Married couples with a MAGI equal to or greater than $750,000 | Standard premium + $408.20 | Your plan premium + $77.90 |
Need to change plans?

Find Health & Drug Plans  Log in/Create Account

1-800-MEDICARE or Medicare.gov
Medicare Applications

• If you already have Medicare Part A and wish to add Medicare Part B, complete the online application, or fax or mail completed forms CMS-40B and CMS-L564 to your local Social Security office.

ssa.gov/benefits/medicare
Create an account at Medicare.gov
Your card will have a Medicare number that's unique to you, instead of your Social Security number. This will help to protect your identity.
We’ll Be Here For Your Family In The Future
Birth Rates

Life Expectancy Statistics

• A man turning age 65 on April 1, 2022, can expect to live, on average, until age 84.1.

• A woman turning age 65 on April 1, 2022, can expect to live, on average, until age 86.7.

• And those are just averages. About one out of every three 65-year-olds today will live at least to age 90, and about one out of seven will live at least to age 95.

ssa.gov/OACT/population/longevity.html
Social Security in the Future

• The two Social Security trust funds – Old-Age and Survivors Insurance (OASI) and Disability Insurance (DI) will be able to pay all benefits in full and on time until 2035.

• The trust funds have reached the brink of asset reserve depletion in the past, but Congress made substantial modifications to avoid this.

• If Congress does not act before 2035, the trust funds will still be able to pay 80 percent of each benefit due.
How to Apply for Benefits

File online for Retirement, Spouse, Disability, or Medicare Only

• If you are disabled, you can file for Retirement and Disability with same application if you are at least 62 but not yet FRA.
• Survivor* application is not available online.

Schedule phone appointment at 1-800-772-1213, 8 a.m. – 7 p.m. Monday through Friday.

Schedule in-office appointment at 1-800-772-1213.

*Child and survivor claims can only be done by phone or in the office.
Check out your Social Security Statement, change your address & manage your benefits online today.

Your Social Security number remains your first and continuous link with Social Security.

Calculate your benefits based on your actual Social Security earnings record.

Get answers to frequently asked questions about Social Security.
Create your personal my Social Security account today

With your free, personal my Social Security account, you can receive personalized estimates of future benefits based on your past earnings, see your Social Security Statement, and review your earnings history. It even makes it easy to request a replacement Social Security Card or check the status of an application, all from the comfort of your home or office.

CREATE AN ACCOUNT
SIGN IN
FINISH SETTING UP YOUR ACCOUNT

Set yourself free. Open a my Social Security account today and rest easy knowing that you’re in control of your future.

Posted June 10, 2017: An Important Message for my Social Security Users: Please read this important notice about changes to your account.

HAVE AN ACTIVATION CODE?
Finish Setting Up Your Account

ssagov/myaccount
Your Social Security Statement

WANDA WOOTER
October 2, 2021

Retirement Benefits
You have earned enough credits to qualify for retirement benefits. To qualify for benefits, you earn "credits" through your work — up to four each year. Your full retirement age is 67 based on your date of birth: April 10, 1960. As shown in the chart, you can start your benefits at any time between ages 62 and 70. For each month you wait to start your benefits, your monthly benefit will increase for the rest of your life.

These personalized estimates are based on your earnings to date and assume you continue to earn $51,995 per year until you start your benefits. To learn more about retirement benefits, visit SSA.gov/benefits/retirement/benefit-planner.

Disability Benefits
You have earned enough credits to qualify for disability benefits. If you become disabled right now, your monthly benefit would be about $1,608 a month.

Survivors Benefits
You have earned enough credits for your eligible family members to receive survivors benefits. If you die this year, members of your family who may qualify for monthly benefits include:

• Minor child: $2,129
• Spouse, if caring for a disabled child or child younger than age 16: $2,129

If benefits start at full retirement age, the benefit is $2,129.

Total family benefits cannot be more than $4,568.

Your spouse or minor child may be eligible for an additional one-time death benefit of $250.

We base benefit estimates on current law, which Congress has revised before and may revise again to address needed changes. Learn more about Social Security’s future at SSA.gov/retirement.

Social Security Statement

Earnings Record
Review your earnings history below to ensure it’s accurate. This is important because we base your future benefits on our record of your earnings. There’s a limit to the amount of earnings you pay Social Security taxes on each year. Earnings above the limit do not appear on your earnings record. We have combined your earlier years of earnings, but you can view them online with my Social Security. If you find an error, view your full earnings record online and call 1-800-772-1213.

Earnings Not Covered by Social Security
You may also have earnings from work not covered by Social Security. This work may have been for federal, state, or local government or in a foreign country. If you participate in a retirement plan or receive a pension based on work for which you did not pay Social Security tax, it could lower your benefits. To find out more, visit SSA.gov/p2p-wr.

Important Things to Know about Your Social Security Benefits

• Social Security benefits are not intended to be your only source of retirement income. You may need other savings, investments, pensions, or retirement accounts to make sure you have enough money when you retire.
• You need at least 10 years of work (40 credits) to qualify for retirement benefits. Your benefit amount is based on your highest 5 years of earnings. If you have fewer than 30 years of earnings, years without work count as 0 and may reduce your benefit amount.
• We use cost of living adjustments so your benefits will keep up with inflation.
• The age you claim benefits will affect the benefit amount for your surviving spouse.
• If you get retirement or disability benefits, your spouse and children also may qualify for benefits.
• If you are divorced and were married for 10 years, you may be able to claim benefits on your ex-spouse’s record. If your divorced spouse receives benefits on your record, that benefit does not affect your or your current spouse’s benefit amounts.
• When you apply for either retirement or spousal benefits, you may be required to apply for the other benefit as well.
• For more information about benefits for you and your family, visit SSA.gov/benefits/retirement/planners/applying/706.
• When you are ready to apply, visit us at SSA.gov/benefits/retirement/planners/applying/706.
• The Statement is updated annually. It is available upon request, either online or by mail.

Medicare
You have earned enough credits to qualify for Medicare at age 65. Medicare is the federal health insurance program for:

• people age 65 and older,
• people with certain disabilities, and
• people of any age with End-Stage Renal Disease (ESRD) (permanent kidney failure requiring dialysis or a kidney transplant).

Even if you do not retire at age 65, you may reenroll in Medicare within 3 months of your 65th birthday to avoid a lifetime late enrollment penalty. Special rules may apply if you are covered by certain group health plans through work.

For more information about Medicare, visit medicare.gov or call 1-800-MEDICARE (1-800-633-4227) (TTY 1-877-480-1174).

Taxes Paid
Total estimated Social Security and Medicare taxes paid over your working career based on your Earnings Record:

Social Security taxes
Medicare taxes

You paid: $34,288
Employer(s): $20,000

Employer(s): $19,286

Form SSA-7004-BM-OL (05/21)

Follow us on social media SSA.gov/socialmedia

SSA.gov Securing today and tomorrow
Fact Sheet for Workers Ages 49-60

Retirement is different for everyone

Retirement means different things to different people. Because retirement is not one-size-fits-all, we want to provide you with the information you need to plan for retirement and to make informed decisions. This document will help.

Earnings are essential

Use your Social Security Statement to check your earnings each year. These earnings are used to determine your eligibility for Social Security benefits and your benefit amount. If you see an error on your earnings record, report it to us. Learn more at www.ssa.gov/pubs/EN-05-10831.pdf.

You will soon have choices to make

Once you turn 62, you will have important decisions to make. Some of these decisions may involve your Social Security retirement benefits. Whether you choose to continue to work, apply for benefits, do both, or do neither, each choice comes with important considerations for you and your family. Learn more about them at www.ssa.gov/benefits/retirementmatrix.html.

Benefits last as long as you live

Your benefit lasts as long as you live. Your full retirement age is 67. Taking benefits before your full retirement age (as early as age 62) lowers the amount you get each month for the rest of your life. Delaying benefits past your full retirement age (up to age 70) increases the monthly amount for the rest of your life. Our Life Expectancy Calculator can make a rough estimate of how long you might live based on your age and gender: www.ssa.gov/planners/lifeexpectancy.html.

Working while getting benefits

If you get retirement benefits but want to continue to work, you can. However, depending on how much you earn before full retirement age, we might temporarily withhold some or all of your benefit amount. When you reach full retirement age, we will recalculate your benefit amount to give you credit for the months we reduced or withheld due to your excess earnings. Any earnings after you reach your full retirement age won’t reduce your benefits. Get the specifics about these Retirement Earnings Tests at www.ssa.gov/pubs/EN-05-10839.pdf.

Work may boost your benefits

Your earnings can increase your monthly benefit amount — even after you start receiving benefits. Each year, we check your earnings record. If your latest year of earnings turns out to be one of your highest 35 years, we will automatically recalculate your benefit amount and pay you any increase due. You can get additional estimates based on what you think your future earnings will be using the My Social Security Retirement Calculator at myaccount.socialsecurity.gov.

Some benefits are taxed

You may have to pay federal income taxes on a portion of your Social Security benefits if your total income is above a certain amount. Learn more at www.ssa.gov/planners/taxes.html.

Saving for retirement

Social Security is not meant to be your only source of income in retirement. You will likely need other savings, investments, pensions, or retirement accounts to live comfortably in retirement. On average, Social Security will replace about 40 percent of your annual pre-retirement earnings, although this can vary substantially based on each person’s circumstances. There are many ways to save for retirement. Here are some things to consider:

- Contribute to retirement accounts such as 401(k)s and individual Retirement Accounts (IRAs).
- Take advantage of "catch-up" rules that let workers age 50 and older contribute an extra amount annually to a 401(k) and an IRA.
- Keep in mind that if you withdraw from or cash out your 401(k) or IRA before age 59½, you will usually pay an early withdrawal penalty.

Learn more about how to save at www.savingmatters.org/employees.html.

Social Security will be there when you retire

The Social Security taxes you pay go into the Social Security Trust Funds that are used to pay benefits to current beneficiaries. The Social Security Board of Trustees estimates that, based on current law, the Trust Funds will be able to pay benefits in full and on time until 2035. In 2005, Social Security would still be able to pay about $250 billion for every $1 billion in benefits scheduled. Learn more at www.ssa.gov/policy/materi/atta/funds/EN-05-10239.pdf.

Unable to work due to a mental or physical disability

A disability can occur at any age. If you are unable to work due to a mental or physical disability, and if you need certain disability requirements, you may be able to receive Social Security disability benefits. Learn more at www.ssa.gov/disability.

Benefits for family members

Your family, including your spouse, former spouses, and dependent children, may qualify for benefits on your record. Find out more about benefits for your family at www.ssa.gov/benefits/retirementplanner/applying7.html.

Your family may also be eligible for survivors benefits. If you are the higher earning spouse, your decision on when to claim benefits can affect the benefits of your surviving spouse. Find out more about survivors benefits at www.ssa.gov/planners/survivors.

Benefits as a spouse

If you are married, divorced, or widowed, you may be eligible for higher benefits on your spouse’s record. When you apply for either retirement or spousal benefits, you may be required to apply for the other benefit as well. Find out more about spousal benefits at www.ssa.gov/pubs/EN-05-10535.pdf.

Impact of other retirement plans

Most pensions or other retirement plans do not affect your Social Security benefits. But if you participate in a retirement plan or receive a pension based on work for which you did not pay Social Security tax, it could lower your benefits. Learn more at www.ssa.gov/gyo-web.

We are here for you

Social Security covers about 95 percent of American workers. To learn more about Social Security and what it means to you, visit www.ssa.gov.
How to Open/Sign In to a *my* Social Security Account

1. Visit [www.ssa.gov/myaccount](http://www.ssa.gov/myaccount)
2. Select: “Sign In or Create an Account”
3. If you already have an account, select Sign In and enter:
   - Existing my Social Security user name and password
   - Existing Login.gov or ID.me credentials
4. To create a new account, select Create an Account on this and the next screen. You will be directed to Login.gov for next steps.
5. After creating your Login.gov account, you will be directed back to our website where you will provide personal information so we can verify your identity.
6. Complete the registration process using the activation code we send you.
my Social Security

You can assist someone in creating a my Social Security account if they:
• are with you;
• have their own email address; and
• can answer questions about themselves.

You cannot create a my Social Security account on behalf of another person by using another person's information or identity if the beneficiary is not in attendance, even if you have that person's written permission.

For example, you cannot create an account for another person:
• with whom you have a business relationship;
• for whom you are a representative payee; or
• for whom you are an appointed representative.
You can visit your local Social Security office to get help with starting the registration process.

You will need to bring in proof of identity in one of the following forms (must be current):
- State driver's license or identity card;
- U.S. passport or passport card;
- U.S. military identification; or
- U.S. government employee identification card.
Follow Us on Social Media!

@SocialSecurity
Q&A Session
Regular Retirement – faculty or staff

A regular retiree of the University is an employee who has worked continuously in a full-time capacity for 10 or more years and who voluntarily leave the University in good standing.

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<thead>
<tr>
<th>Regular Retirement</th>
<th>Notice Requirement</th>
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<tbody>
<tr>
<td>Age + Years of Service (minimum 10 years of full-time service) = 75 and up</td>
<td>A <a href="#">Regular Retirement request form</a> must be sent to supervisor and Human Resources at least 2 weeks prior to retirement date. Advance notice is recommended.</td>
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</tbody>
</table>
Regular Retirement - Benefits

• Tuition remission benefits for full-time faculty and staff
• A new Google email account for life using your existing @richmond.edu email address, including unlimited file storage in Google Drive.
• Access to University libraries, online resources, and facilities
• Access to Weinstein Center for Recreation
• Campus parking sticker
• Employee discounts
• Invitations to University/Retiree events
# Early Retirement - Staff

<table>
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<tr>
<th>Early Retirement</th>
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<tbody>
<tr>
<td>60 years old - 20 years of service</td>
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<tr>
<td>61 years old - 19 years of service</td>
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<tr>
<td>62 years old - 18 years of service</td>
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<tr>
<td>63 years old - 17 years of service</td>
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<td>64 years old - 16 years of service</td>
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**Notice Requirement** - Submit the Early Retirement Election Form to HR at least 60 days prior to retirement date
Early Retirement – Tenured Faculty

Eligibility

• Age 59½
• Completed at least twenty (20) Years of Service with the University (whether or not consecutive) as of the Eligibility Date
• Approval of the Associate Vice President of Human Resources

Notice

• Election form must be received in HR by December 31st of year prior to retirement
Early Retirement - Benefits

• Medical Insurance - If you retire under the University’s Early Retirement Plan:
  o you will receive University medical insurance benefits until the age of 65
  o Post retirement medical benefit eligibility can be found on slide 8 below
• Tuition remission benefits for full-time faculty and staff
• A new Google email account for life using your existing @richmond.edu email address, including unlimited file storage in Google Drive.
• Access to University libraries, online resources, and facilities
• Access to Weinstein Center for Recreation
• Campus parking sticker
• Employee discounts
• Invitations to University/Retiree events
Early Retirement – Medical Insurance
Faculty & Staff – under age 65

Eligibility
If an employee elects to retire under one of the University’s Early Retirement Plans, they will receive University medical insurance benefits until the age of 65, on the same basis as if they had continued service as an active employee.

Dependent Eligibility
A retired employee under the age of 65 has the option to continue coverage for eligible dependents:

- spouse (until they become eligible for Medicare AND age 65)
- children (until the end of the calendar year in which the child turns 26 or when the retiree/spouse is no longer eligible for the active plan)
- the retiree is responsible for paying the cost for dependent coverage
- should the retiree predecease his or her dependent(s), the eligible spouse and children will be offered COBRA for up to thirty-six (36) months

Enrollment
Retiring employees will enroll through the WEX benefits portal using single sign on (SSO)

Termination of Coverage
When an employee who has elected to retire early under either plan reaches the age of 65, he or she will cease participation in the medical plan for active employees
Post Retirement Medical Insurance
Medicare Advantage - over age 65

Eligibility

**Staff** - Full-time staff employees hired on or before July 1, 1992 who have been continuously employed since their hire date and retire after turning age 65 or under the Early Retirement Plan for Staff.

**Faculty** - Continuously employed in a full-time permanent position prior to September 1, 2003 and retire after turning age 65 or under the Early Retirement Plan for Tenured Faculty.
Post Retirement Medical Insurance
Medicare Advantage - over age 65

Cost for Eligible Retirees

The University places a cost cap on the employer contribution to this benefit for the employee. Once the cost cap is reached, the employee is responsible for any co-payment and the resulting balance.

20 years of continuous service at retirement: Full payment of the monthly premium for the employee is paid by the University until the cost cap ($2,400/year - $200/month) is reached.

15 years of continuous service at retirement: 66% of the monthly premium for the employee is paid by the University until the cost cap ($1,600/year - $133/month) is reached.
Post Retirement Medical Insurance
Medicare Advantage - over age 65

Enrollment - Retiree

**Pre-65 retirees:** Enrollment in the Medicare Advantage Plan will be effective the first of the month that the employee turns 65.

**Post-65 retirees:** Enrollment in the Medicare Advantage Plan will be the first of the month following the retirement date.

If the employee did not participate in the University medical plan for active employees at the time of retirement or chooses to drop the active plan after retirement and wishes to enroll in the University Medicare Advantage Plan at age 65, the retiree is responsible for notifying Human Resources at least three months prior to their 65th birthday. Failure to do so will eliminate the retiree from eligibility for the Medicare Advantage.
Post Retirement Medical Insurance
Medicare Advantage - over age 65

Enrollment – Spouse

In order to enroll a spouse in the Medicare Advantage plan:
• the retiree must be eligible for Medicare;
• the spouse had to have been covered under the University’s medical plan at the time the employee retired; AND
• the spouse must be 65 or over
• If the spouse is not 65 or over, the spouse must remain on a University medical plan until age 65

The employee is responsible for the full cost of the premium for the spouse

Should the retired employee predecease his or her spouse, the spouse may continue his or her Medicare Supplement Plan at full cost
Human Resources Contact Information

• Laura Dietrick, Director, Benefits & Compensation
  ldietric@richmond.edu; (804) 289-8167

• Suzanne Bird, Benefits & Compensation Specialist
  sbird@richmond.edu; (804) 289-1760

• Karen Shelton, Benefits Analyst
  kshelto2@Richmond.edu; (804) 289-8877

This is just a summary of retiree benefits, for more detailed information go to https://hr.richmond.edu/retirees/index.html