



The 7 Core Elements of Retirement Planning Action Guide

2018 Money Evolution

Welcome!

If you're getting more serious about planning for your retirement then you've come to the right place.

As you approach retirement you will be making some of the most important financial decisions of your life. Unfortunately for most of these decisions, once they're made you don't get a redo. Often you are stuck with them for the rest of your life.

Decisions like...

- When to begin collecting Social Security.
- How to budget for healthcare costs in retirement.
- Where should you be saving between now and the time you retire.
- What do you do with your 401k when you retire.
- How do you create a plan for your taxes in retirement.
- How to transition from a retirement accumulation portfolio to a retirement withdrawal portfolio.
- What investments fit into your overall retirement strategy and tolerance for risk.

Those 7 questions form what I call the 7 Core Elements of Retirement Planning.

What you will learn

The lessons in this series will help you understand two key factors that you will need to know before you make those decisions.

1. How much your retirement could cost.
2. What is your retirement gap.

Understanding those two key elements will help you make more confident and well informed decisions about each of the 7 Core Elements of Retirement Planning.

Who is this for?

The lessons in this workshop were designed specifically for 3 groups of individuals.

1. People who have significant retirement savings, but don't really understand how their assets and retirement resources will be able to provide the retirement lifestyle they want.
2. Those who may have already done a financial plan, but still don't really understand how all of their retirement pieces fit together.
3. People who are already retired, but want to feel more confident about how they are using their retirement resources.

The lessons in this workshop are going to give you a great foundation in planning and preparing for your retirement.

If you would like to take a deeper dive into understanding how you can coordinate these 7 Core Elements into your own plans for retirement, then I would like to invite you to take a look at our WealthVision Comprehensive Financial Plan.

To See if WealthVision is right for you, check out our WealthVision Information page at MoneyEvolution.com/WealthVision. Or you can call our office to set up your free no obligation intro call with me.

Bill





Housing Expense Worksheet

Home Name

Monthly Housing Expenses	Monthly Total
Mortgage/Rent Principal & Interest Only	
Home Equity Loan Minimum Payment	
Property Taxes (only if paid monthly)	
Homeowners/Renters Insurance (only if paid monthly)	
Homeowners Association Fee	
Cable/Phone/Internet	
Avg. Monthly Electric Bill	
Avg. Monthly Gas Bill	
Avg. Monthly Water Bill	
House Cleaner	
Household Cleaning Supplies	
Other	
Total Monthly Housing Expenses	

Annual or Irregular Housing Expenses	Annual Total
Property Taxes (If not included above)	
Homeowners Insurance (If not included above)	
Home Security	
Budget for Repairs/Maintenance	
Appliance Replacement	
Fall Clean Up	
Lawn Service	
Snow Removal	
Window Cleaning	
Lawn Fertilization	
Pesticides	
Pool Expenses	
Gutter Cleaning	
Decorating	
Other	
Total Annual or Irregular Housing Expenses	

Car/RV/Boat Expense Worksheet

Name of Vehicle	
------------------------	--

Monthly Expenses (for this asset)	Monthly Total
Payment or Lease	
Estimated Monthly Fuel	
Monthly Insurance Premium	
Other	
Total Monthly Expenses (for this asset)	

Annual or Irregular Random Expenses (for this asset)	Annual Total
Insurance	
Storage/Docking Fees	
Car Washes/Cleaning	
Satellite Radio	
License/Registration	
Oil Changes	
Tires	
Brakes	
Other Maintenance	
Other (i.e. Seasonal Fuel)	
Total Annual or Irregular Expenses (for this asset)	

Car/RV/Boat Expense Worksheet

Name of Vehicle	
-----------------	--

Monthly Expenses (for this asset)	Monthly Total
Payment or Lease	
Estimated Monthly Fuel	
Monthly Insurance Premium	
Other	
Total Monthly Expenses (for this asset)	

Annual or Irregular Random Expenses (for this asset)	Annual Total
Insurance	
Storage/Docking Fees	
Car Washes/Cleaning	
Satellite Radio	
License/Registration	
Oil Changes	
Tires	
Brakes	
Other Maintenance	
Other (i.e. Seasonal Fuel)	
Total Annual or Irregular Expenses (for this asset)	

Personal/Lifestyle Expense

Monthly Expenses	Monthly Total
Cell phone bill	
Health/Country Club bill	
Subscriptions (ex. Magazines, Netflix, iTunes, etc.)	
Pet Expenses	
Healthcare Insurance Premium	
Groceries	
Dining Out	
Entertainment	
Personal Care	
Hobbies/Recreation	
Other	
Total Monthly Personal/Lifestyle Expense	

Annual or Irregular Personal/Lifestyle Expenses	Annual Total
Charity	
Travel	
Clothing	
Extended Vacation/ Long Term Rental	
Max Annual Out of Pocket Healthcare Expenses	
Annual Gifts/Entertainment	
Kids/Grandkids Expenses	
Other	
Total Annual or Irregular Personal/Lifestyle Expenses	

Consolidated Monthly/Annual Expenses

Monthly Expenses	Monthly Total	Annual or Irregular Expenses	Annual Total
Monthly Expense Total		Annual or Irregular Expense Total	

Step 2. Adjust your Expenses for Inflation

So to calculate how much money you will need at the time you retire multiply your estimated annual and monthly expenses from Step 1 separately by the inflation multiplier¹ in the table below.

Years to Retire	Inflation Multiplier
5	1.25
10	1.5
15	1.75
20	2

Total Projected Annual Retirement Expenses	_____5	
x Inflation Multiplier		X _____
Estimated Future Retirement Annual Expenses	=	

Total Projected Monthly Retirement Expenses	_____5	
x Inflation Multiplier		X _____
Estimated Future Retirement Monthly Expenses	=	

Combined Total Projected Retirement Expenses

Estimated Future Retirement Monthly Expenses x 12		_____
+ Estimated Future Retirement Annual Expenses		+ _____
Total Estimated Future Retirement Expenses Per Year	=	

Securities offered through LPL Financial, Member/SIPC.

Step 3. Adjust your Expenses for Taxes

Divide your Estimated Future Retirement Expenses from step 2 by (1- your tax rate). Use your combined state and federal tax rate.

Example:

Federal Tax Rate (25%)	<u>.25</u>	
State Tax Rate (5%)	<u>+ .05</u>	
Combined Tax Rate	.30	
<u>Estimated Future Retirement Expenses</u>	<u>\$90,000</u>	= \$128,571
(1-.30)	.70	

Calculate your Tax Adjusted Expenses

<u>Estimated Future Retirement Expenses</u>	<u> </u>	=
(1- Your Tax Rate)		

This is your Estimated Future Retirement Expenses which has been adjusted for both taxes and inflation.

Step 4. Add up your projected sources of Retirement Income at Full Retirement Age

Income Source	You	Your Spouse	Combined
Social Security			
Pension			
Rental Income			
Other Income			
Total Income			

Step 5. Calculate your Annual Retirement Cash Flow Deficit

Total Projected Income at Full Retirement _____

-Estimated Future Retirement Expenses (Tax & Inflation Adjusted) - _____

Annual Retirement Cash Flow Deficit =

Step 6. (Optional) Retirement Before Full Retirement Age

If you plan to retire before full retirement age (FRA), I recommend calculating the amount you need to fund your early retirement separately from the amount you need to fund retirement after your full retirement age. My reason is that before full retirement age, your income may be more irregular.

Use the table below to estimate your income before Full Retirement Age.

Age year	Part time work	Spouse Income	Pension	Social Security	Rental	Other	Total
55							
56							
57							
58							
59							
60							
61							
62							
63							
64							
65							
66							
67							
Total							11

Total Estimated Income before Full Retirement Age

Step 7. Estimate your expenses for the years you will be retired before Full Retirement Age

Estimated Future Retirement Expenses	_____	6
x Years you will be retired before Full Retirement Age	x _____	
Total Estimated Expenses before Full Retirement Age	=	12

Step 8. Estimate the Total Estimated Short Fall to Fund your Early Retirement

Estimated income before Full Retirement Age	_____	11
— Total Estimated Expenses before Full Retirement Age	— _____	12
Estimated Shortfall to Fund Early Retirement	=	13