Program outlines: Retirement Planning

1. Casey County Kentucky Retirement & Estate Planning Program 1997

Session 1. Saving For Your Retirement

- Assessing present financial status-net worth, investments, retirement funds
- How much money will you need to fund a reasonable retirement?
- Where will the money come from?
- Where to set up a retirement account?
- Ways to make up for lost time
- How to select a financial advisor
- Computer programs and resources available to help

Session 2. Living Trusts

- What are living trusts?
- Advantages and disadvantages of living trusts
- Living trusts management
- How to set up a living trust

Session 3: Estate Taxes - Federal and State

- Reducing federal and state estate and inheritance taxes
- How insurance and annuities fit your estate plan
- Property Ownership: joint, single, other
- Using trusts for control and tax savings
- Communicating your plan to others

Session 4: Family Limited Partnerships

- What are Family Limited Partnerships?
- Advantages and disadvantages of Family Limited Partnerships
- Management of Family Limited Partnerships
- How to set up a Family Limited Partnership

Session 5: Social Security Benefits, Taxes and Retirement, and Wills

- How does social security work?
- How much social security will you get in retirement?
- How much work makes you eligible?
- New tax laws related to social security and other retirement income
- Consequences of Dying Intestate
• Capacity to make a will and the effects of fraud, mistake or undue influence
• Authority and agreements to make a will
• Property subject to disposition-substitutes for wills

Session 6: Investment Strategies

• Assessing your current financial situation
• Developing a plan to reach your goals
• Strategies: Eat Well vs. Sleep Well
• Roadblocks
• Monitoring Performance
• Seeking Advice

2. Hardin County Kentucky Managing Your Finances Program 1998

Session 1: Investing Your Money

• Determining Your Net Worth
• Financial Planning
• Investment Vehicles:
  o Certificates of Deposit
  o Mutual Funds
  o Stocks and Bonds
  o Annuities
  o IRA’s and 401 K Plan
• Risks and Returns
• Avoiding the Pitfalls
  o Investment Mistakes
  o Diversification
  o Time Value of Money
• Investment Strategies - Before and after Retirement
• Update on Current Tax Laws

Session 2: Planning for Retirement

• Retirement Goals
• How much money will you need to finance a reasonable retirement
• Where will the money come from?
  o Your Company’s retirement plan
  o Personal savings
  o Social Security
  o Investment Options
• Where to set up a retirement account
• Ways to make up for lost time
• Computer programs and resources to help

Session 3: Estate Planning

• Estate Goals - What do you want done with your property after your death
• Providing distribution of your property after death
  o Probate Wills
  o Trusts
  o Gifts
• Some tools to use while you are living
  o Durable Power of Attorney
  o Medical Directive
  o Preplanned Funeral
• Put your plans on paper - prepare the proper documents
• Unified Tax Credit
• Distribution of assets after death

3. Fayette County Kentucky Pre-Retirement Workshop 97

Week 1: Setting the Stage!

• Worksheet Ideas:
  o Net worth
  o How much will you need
  o Estimating annual savings needed to reach your retirement savings goal(s)
• Retirement Income Objectives:
  o Current Income Replacement - Ratio: 70-85% Rule
  o Calculating Retirement Income Needs
  o Future Lifetime Income
  o Hedge Against Inflation
  o Reserve for emergencies/exceptional expenses
  o Preserve estate?
• The Three Legs of Retirement
  o Social Security
  o Savings – Personal
  o Pension - Company’s Retirement Plan, Defined Benefit Plan

*Briefly review each of these - where they fit in, what is included in each!

Week 2: Planning for Retirement Income

• Social Security
• Pensions and Employer Benefits
• Savings and Investments
• Earnings (Mention Only)
• A brief guide to investing for retirement
  o Where do we start
  o Pre-retirement strategy
  o Accounts
  o Sample Allocation Models

Week 3: Using a Retirement Savings Plan

• Primary Types of Annuities - Guaranteed or Fixed
  o Standard (Level Payments)
  o Graded (Payments attempt to keep up with inflation)
  o Variable
  o No Guaranteed Return
  o Dependent on underlying investment performance

• Factors Affecting Payout
• Form of Annuity
• Expenses
• Mortality Assumptions
• Assumed and Actual Investment Returns
• Credit Worthiness of Insurance Company
• Lump Sum Distributions
  o Total liquidation of your account
  o May be advantageous for someone financing major expenses
  o Require careful tax planning
    ▪ Entire amount may be taxed in year received
    ▪ May qualify for income averaging (if from qualified plan)
    ▪ Advantage of deferring taxes on investment savings is lost
    ▪ May increase possibility of incurring an excess distribution penalty

• Partial Withdrawals
  o Receive payments as you need them
  o Remaining account balance continues to grow tax-deferred
  o High degree of flexibility, but no automatic discipline
  o May be advantageous if you are not ready to begin
    ▪ Receiving scheduled distributions or you need to meet exceptional expenses
  o Must comply with minimum distribution rules
  o Payments are taxed in year received

• Minimum Required Distribution
  o Based on IRS rules
  o Must begin no later than April 1 of each year
  o Following the year in which the participant turns 70½
exception if participant turned 70 ½ prior to 1988, or
is employed by a church or government organization

Week 4: Some Important Considerations For You

- Insurance
  - Health
  - Long-Term Care
  - Medicaid
- Directives
- Long-Distance Care Giving
- Day-to-Day Help for Older Adults
- Geriatric Physician: Dr. Tulley, Univ. of KY.

Summary:

- Be an informed customer
- Ask questions
- Consult with a tax advisor


Session 1: Foundation for a Successful Retirement

- Retirement planning is for everyone
- Retirement income: Perception vs. Reality
- Objectives of retirement planning
- The Success Triangle
- Nine main reasons people fail to capitalize on their retirement years
- You can put your dollars to work with compound interest
- The impact of inflation on income
- Taxes and their impact on retirement planning
- The "Double Whammy" of Taxes and inflation
- Social Security

Session 2: Your Retirement Income & Putting Your Dollars to Work - Fixed-Income Securities

- Company retirement plans
- Lump sum distributions
- Selecting pension benefit options
- IRAs
- Home equity
- Working after retirement
• Savings and cash reserves
• Tax-deferred annuities
• Corporate and Treasury bonds
• Municipal bonds: Tax-free income
• Nine steps to retirement success
• Your personal retirement plan

Session 3: Putting Your Dollars to Work - Equity Investments

• Common stock
• Preferred stock
• Mutual funds
• Inflation-proofing income: Systematic withdrawal programs
• Variable annuities
• Direct participation programs
• Portfolio hedging with tangible assets
• Asset allocation

Session 4: Risk Management

• Medicare
• Long-term health care
• Life insurance at retirement
• The facts about disability insurance

Estate Planning

• Objectives of estate planning
• Understanding probate
• Advantages of joint tenancy
• Using trusts to reduce estate transfer costs
• Three ways to avoid estate shrinkage
• Charitable giving

Session 5:

• Everyone attending is entitled to an optional private consultation with the instructor after the course ends - this is your opportunity to ask specific personal questions regarding your financial future.