



EDUCATIONAL
INFORMATION

A service of IQ Wealth
Management Insurance
Division

Bridging the Retirement INCOME Gap



Income
Replacement.
...Safe and Secure.



Is there a gap in your plans?

You have much to consider in your retirement planning. Rising inflation, extended life expectancy, taxes, traveling and lifestyle, increasing health care costs, and the uncertainty of Social Security income. To help reduce any uncertainty in your plans, it's a good idea to explore the **difference in your projected retirement income and your retirement expenses**. This difference represents the gap you may have in your retirement plans.

Let's Look a Little Closer

A critical step in building a retirement strategy is an assessment of your anticipated expenses and income. Most people spend more in a month than they think. It is important to take into consideration every expense you may incur over a year's time, including the paying of all of your taxes: income, property, etc.

Many retiring Americans who have worked and saved for thirty years or more are spending \$7,000 to \$12,000 per month. While it is optimistic to think that you will be comfortable in retirement by drastically cutting your spending, our experience is that you will not be comfortable having to cut back 20%, 30% or more on your expenses. Bridging your retirement income gap means finding reliable, recurring income to replace the income you had from work.

Let's estimate the following on a monthly basis:

Needs: \$ _____
(Example: housing, living expenses)

Wants: \$ _____
(Example: recreation, charitable giving)

Wishes: \$ _____

(My dream is: _____)



Now, let's examine your projected income on a monthly basis:

Guaranteed Income: \$ _____
(Example: guaranteed income such as pensions, Social Security)

Working Income: \$ _____
(Example: part time job)

And the answer is....

Now that we have identified your expenses and income, let's calculate a simple projection on where you may fall in your retirement spending needs, assuming only your basic needs in the equation.

Total Monthly Needs: \$ _____
 (Example: housing, living expenses)

Total Monthly Income: \$ _____
 (Example: guaranteed and working income totals)

Monthly Income Gap: \$ _____
 Total monthly needs minus total monthly income)

Your current age: _____
 Spouse current age: _____

Year you expect to retire: _____
 Year your spouse expects to retire: _____

List all sources of permanent reliable income:

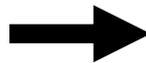
Social Security

Spouse #1
 Age 62 _____ Age 66 _____ Age 70 _____

Spouse #2
 Age 62 _____ Age 66 _____ Age 70 _____

Pension(s): Total _____

Total permanent income from all sources for your household at retirement:
 \$ _____



FREE income analysis using all of your data inputs. We can help you accurately get a handle on your retirement income. (480)902-3333



We make it simple.

A critical step in building a retirement strategy is an assessment of your anticipated expenses and income. The following exercise will give us an idea of potential gaps you may have and it will help to shape your future plans.

Let's explore your needs and wants for monthly expenses. Needs are those things you'll need for basic living expenses. Wants are those things on top of your normal expenses that you would like to account for.

Please note: This list reflects common expenses you may encounter during retirement.

Expenses					
Housing Expenses	Needs	Wants	Health Care Expenses	Needs	Wants
Mortgage/Rent	\$	\$	Health Insurance Premiums	\$	\$
Home Insurance	\$	\$	Prescriptions	\$	\$
Real Estate Taxes	\$	\$	Co-pays/Co-insurance	\$	\$
Utilities (phone, electric, water, gas, etc.)	\$	\$	Long-term Care Insurance	\$	\$
Other	\$	\$	Living Expenses		
Living Expenses			Taxes	\$	\$
Groceries	\$	\$	Life Insurance Premiums	\$	\$
Clothing	\$	\$	Charitable Contributions	\$	\$
Auto Payments	\$	\$	Recreation (hobbies, dining out, movies, etc.)	\$	\$
Auto Insurance	\$	\$	Gifts to Family and Others	\$	\$
Additional Car Expenses (gas, registration, etc.)	\$	\$	Other	\$	\$
Travel	\$	\$			
Other Living Expenses (home improvements, pets, etc.)	\$	\$			
A) Total Monthly Expenses (Needs + Wants)				\$	

Income	
Income Sources	Estimated Monthly Income
Pension Plan	\$
Social Security	\$
Investments	\$
Part-time Employment	\$
Other _____	\$
B) Estimated Monthly Income	\$

Compare your total monthly expenses to your potential sources of retirement income to identify potential gaps in your retirement income.

Total Monthly Expenses (A)	\$
Total Estimated Monthly Income (B)	\$
Monthly Retirement Income Gap (A—B)	\$

Notes:

What Challenges Will You Face in Retirement?

CHALLENGE:

Low interest rates:

In the past, many retirees relied on bonds to pay a reliable income in retirement.

Today's interest rates on bonds, however, are among the lowest in the 200 year history of the United States.

A ten year treasury bond pays in the range of 2%, which will only pay around \$6,000 a year on a \$300,000 fixed income portfolio.



A properly constructed annuity portfolio may pay the equivalent of 5% to 9% of the original amount, depending on age and deferral period.

Lack of Guarantees

“Do I want my retirement income guaranteed?”

What once was a tried and true source of income during retirement is now subject to uncertainty. Recent market downturns and market volatility have been a wake up call for many investors. Even with regular contributions and sensible allocations, market downturns can cause problems for many retirement portfolios. And, once upon a time, workers could count on receiving a pension after you worked with a company long enough. But now pension plans are cutting back or failing. State and local governments are cutting budgets and are raising retirement ages. Coupled with the uncertainty of Social Security income these inevitabilities need to be considered.

Longevity

“When I retire, how long do I want my retirement income to last?”

Increasing life spans may create the risk that you'll outlive your savings. According to the 2012 US Department of Health and Human Services, United States report, at birth, a male born in 1950 was expected to live to age 66 and a female to age 71. At age 65, that male born in 1950, is expected to live to age 78 and the female to age 86.

CBS NEWS:

*A 65-year-old woman has **42 percent** odds of living to age 90, and 21 percent odds (more than one in five) of living to age 95 -- nine years beyond her life expectancy. The odds are **31 percent** -- almost one in three -- that one member of a 65-year-old couple will live to age 95*

Rising Costs

“How much will my retirement cost?”

The cost of basic expenses; food, utilities, etc., tend to increase. In planning, it's wise not to underestimate the impact these costs can have on your standard of living. Inflation and health-care costs can erode your retirement nest egg. For instance, in the last 10 years, inflation has risen an average of 2.36% per year¹. And, health care cost inflation has increased an average of 3.70% per year.²

Lack of Savings

Do I have enough saved for retirement?

While Americans' may have a lack of confidence in their ability to secure a comfortable retirement, people often overlook the need to take steps to compensate for the shortcomings by improving their preparation. Let's explore some statistics from the 2015 Retirement Confidence Survey (RCS) report.

- More than half of workers report they and/or their spouse have less than \$25,000 in total savings and investments (excluding their home and defined benefit plans), including twenty-eight percent who have less than \$1,000 in total savings.
- Twenty-five percent of all workers think they need to accumulate at least \$500,000 by the time they retire to live comfortably in retirement. Nineteen percent feel they need between \$250,000 and \$499,999, while twenty-five percent think they need to save less than \$250,000 for a comfortable retirement.
- Thirty-nine percent of workers “guess” how much retirement savings they need to accumulate.

PROTECT

- ◆ Protect your income
- ◆ Protect your principal
- ◆ Protect your heirs.

SAFE, SECURE
MONEY
FOR LIFE.



Income Planning vs. Income Guessing

Life's precious moments won't happen unless we are completely confident about where our next dollars are coming from.

Schedule a free, no obligation review of your income opportunities with a qualified advisor from IQ Wealth Management

(480)902-3333

All information in this publication is to be considered general and educational in nature, and is intended for a broad audience as an overview. No specific tax, legal, investment, or insurance recommendation is being made.

Building a Bridge to a Better Retirement starts today.

Find a more reliable source.

Would you be interested in a fixed income asset for your retirement money with no downside risk to your premium, a contractual growth rate for your future income, and offers you the ability to generate a guaranteed income for the rest of your life?

Let's get together soon!

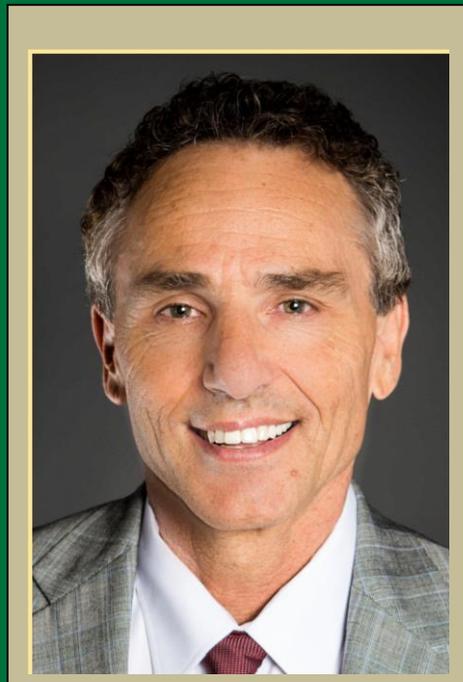
I look forward to helping you create a retirement that gives you the confidence to live your life to the fullest.

There is no charge for an initial discovery review.

(480)902-3333

Steve

Steve Jurich, founder, IQ Wealth Management and MyAnnuityGuy.com





Learn how a *Next Generation Annuity Strategy* may help you create a more certain pathway to your retirement lifestyle.

Stable retirement income regardless of market ups and downs.

No obligation, no sales pressure IQ Wealth Management Free Review (480)902-3333

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For purposes of this rider, "Income" refers to the contractual guarantee provided by election of lifetime payment amounts (LPA). It is not the same as and does not refer to interest credited to the annuity contract. Consult your own tax advisor regarding tax treatment of LPAs, which will vary according to your individual circumstances.