

# RETIREMENT CHECKLIST

## Preparing for Your Next Chapter

You've thought about life in retirement. You and your employer(s) have contributed diligently over the years to support your retirement vision. This checklist identifies the steps to take to retire successfully on your timetable. Keep this list close — retiring is a process, not a quick, one-and-done task.

- *A few years (or more) out from retirement?* **Steps 1 – 5** help you think through your needs and preferences.
- *Ready to make your retirement official?* **Step 6** outlines what to do in the final months before you retire.

### Step 1: Choose a Target Retirement Date

Are you looking forward to an early retirement, or hoping to work a few extra years? Target a specific date, then plan in reverse from there. You are eligible to retire once you reach age 60 or have 30 years of service. While your actual date may change, approximating a date allows you to begin creating an exit strategy so your departure can be a smooth one — both for you and your sponsoring employer.

### Step 2: Estimate Your Retirement Expenses

#### Imagine Your Future Life

Are you planning to move? Will you maintain a part-time job? Plan on visiting grandkids, investing in a hobby, or making a large purchase such as a home, dream vacation, or an R.V.? If you share your life with a spouse or partner, this is a great time to confirm whether you both visualize retirement in the same way.

Watch the [video recording](#) of the 2017 Portico webinar, Transition to Retirement, for more information on envisioning your lifestyle and creating a sustainable budget.

#### Create a Retirement Budget

Create a budget to support the retirement lifestyle you envision. People generally spend about 85% of their current budget in retirement. Start by applying this calculation to your current budget, and make adjustments from there.

Don't have a budget? Check out Fidelity's [50/15/5](#) for a simple approach to budgeting.

#### Estimate Future Health Care Costs

Unlike during your working years, expect to pay the full cost of your health care coverage in retirement. Contributions (premiums) and out-of-pocket costs should be included in a realistic retirement budget. Whether you retire before, on, or after your 65<sup>th</sup> birthday, you may be eligible to continue ELCA health benefits in

Considering long-term care insurance? Plan members are eligible to [purchase long-term care insurance at discounted rates](#) through ACSIA Partners, LLC.

retirement. Learn more about your [health benefit options and costs](#) on myPortico. Wondering what steps you'll need to take as you approach age 65? [Explore the options you'll have and watch Portico's Turning 65 webinar.](#)

## Step 3: Estimate Your Retirement Income

### Learn About ELCA Retirement Plan Distribution Options

You have options regarding how you receive income from your retirement account based on how much risk you're willing to take, the amount of flexibility/liquidity you need, your legacy plan, and other income sources you'll have. Distribution options from your ELCA Retirement Plan account include: the [ELCA Participating Annuity](#), systematic withdrawals, one-time withdrawals, or a combination of these. Talk to a [Portico Financial Planner](#) to learn more about your options and explore what might be right for you.

Explore your annuity options by doing your own calculations using Portico's [ELCA Retirement Plan Annuity Options Calculator](#).

### Determine Your Social Security Income

To complete your budget estimate, you'll need to factor in any Social Security income. Visit [ssa.gov](https://ssa.gov) to learn how the Social Security benefit works, how much you're eligible to receive, and how to activate payments. If you opt to claim your benefit before your full retirement age, you'll receive a lower payment. Wait until age 70 and your payment will be higher.

Download the [Social Security Claiming Guide](#) to learn more about how much money you can expect and to get answers to frequently asked questions.

### Inventory Other Retirement Income Sources

Identify all other potential retirement income sources and note your estimated income from each. Sources can include: IRA accounts, previous employer retirement plans, spouse's retirement assets, spouse's pension, rental income, part-time work income, etc. To make it simpler and less time-consuming to track your investments, consider consolidating them in one convenient place.

Compare Portico's fees and investment returns with other accounts. Consider rolling over outside-held traditional IRA and other eligible pretax retirement account balances into your ELCA Retirement Plan account. To learn more about rolling in eligible investments, contact a [Portico Financial Planner](#).

## Step 4: Create Your Retirement Plan

Portico's [Retirement Planning Tool](#) can help you and your spouse create a retirement savings plan. It can also help you see how your retirement expense information from Step 2 and your retirement income information from Step 3 fit together. As part of the retirement planning process, the tool may recommend a change in your investment allocation and/or an increase

in your contributions to your ELCA Retirement Plan account. The tool can also help you see the effect of saving more, changing your investment strategy, working longer, and more. If you choose to do so, you can make these changes right away by implementing your plan at the end of the tool experience.

Once you've created your retirement savings plan, you'll want to determine how you'll distribute income from your retirement plan account and other income sources. You want your income to last for your entire retirement — perhaps 30 years or longer. Start by matching your lifetime income (Social Security payments, annuity payments, pension payments, etc.) to your necessary budget expenses (food, housing, utilities, etc.). Ideally, your lifetime income will match necessary expenses. More flexible income sources can fund discretionary expenses like travel, eating out, or shopping. If your income is less than your projected expenses, you might choose to work another year or reduce your expenses.

## Step 5: Put Your Wishes in Writing

Estate planning is not just for the wealthy; it can help ensure your dependents and heirs are taken care of financially upon your death. A will enables payment of final debts and expenses and the orderly distribution of assets at your death. Need help getting started? Check out this [Will and Trust Workbook](#) from the ELCA Foundation.

Always consult an attorney as you consider your situation; he/she can help you navigate differences in state law.

A durable power of attorney generally authorizes someone to act on your behalf for purposes of financial affairs during your lifetime. A health care power of attorney authorizes someone to make medical decisions on your behalf in the event of incapacity. Be sure to designate and update, as necessary, your beneficiaries — the person(s) who will receive your ELCA retirement account balance, annuity payments (if applicable), and/or retiree lump-sum survivor benefit (if applicable) when you die. Portico will distribute your life insurance and retirement assets based on the beneficiaries you name, not what's in your will.

## Step 6: Activate Your Retirement Plan

### Contact Portico and Your Synod

Please inform us of your plan to retire at least three months prior to your retirement date. This will allow you ample time to complete and return required forms. We will mail you a packet with information regarding health care, withdrawals, and the ELCA Participating Annuity. Rostered leaders, you'll need to notify your synod within the same time frame.

## **Activate Social Security and Other Investments**

If you plan to receive Social Security at retirement, contact the [Social Security Administration](#) for the necessary paperwork to activate your benefit payments. If you plan to withdraw money from investments outside of your ELCA Retirement Plan, contact the financial institution or recordkeeper for those investments to request the required paperwork.

## **Activate Your Health Coverage**

Included in the information packet you receive from Portico when you inform us of your plan to retire is a health care enrollment form.

- If you retire before age 65, you have the option to keep ELCA-Primary health benefits and choose your preferred option: Platinum+, Gold+, Silver+, or Bronze+.
- If you retire at or after age 65, you will be covered by Medicare. Enroll in Part A (hospital) and B (medical services) by contacting your local Social Security office. You can also enroll in ELCA Medicare-Primary health coverage by selecting one of three options: Premium, Standard, or Economy. Learn more about [ELCA Medicare-Primary coverage](#) on myPortico. If you choose to enroll, please send Portico a copy of your Medicare card.

## ***Congratulations!***

### **These steps can help you transition smoothly and confidently into retirement.**

Once a year, revisit your retirement plan to confirm that your income and expenses are aligned. You'll also want to review your asset allocation, retirement income sources, and health coverage. Most of all, enjoy this phase of your life, knowing Portico continues to walk beside you so you can live well financially, emotionally, and physically.

## Resources

Looking for a place to start the retirement planning conversation? Use Portico's [Retirement Planning Tool](#) to see whether you'll have a surplus or gap in meeting your monthly income goals in retirement.

Need some help as you complete this checklist? Call a Portico Financial Planner at **800.922.4896**.

Want to review what you've learned? Check out recordings of our Plan for Retirement webinar (formerly known as the Pre-Retirement Webinar Series) and Ready to Retire webinar in the [Education Section](#) on myPortico.

Please use this Retirement Checklist in conjunction with summary plan descriptions (SPDs) for details regarding your ELCA benefit plans. The SPDs are available by signing in to myPortico or contacting the Portico Customer Care Center at [mail@PorticoBenefits.org](mailto:mail@PorticoBenefits.org) or **800.352.2876**. Your rights under each benefit plan are governed by the plan document (the full, legal description of the plan). If this summary is found to be inconsistent with the plan document, the plan document will be considered the controlling document.