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# Retirement planning

Whether you're a few years from retirement, almost there, or already retired, there are a lot of things to think about—and a lot of important decisions to make. If you're like most people, you could use a little help along the way. That's where Principal® comes in.

Our easy-to-use guide walks you through these steps to help you get—and stay—on track for retirement. Let's get started!

## Think about “money in”

The first thing to think about is how much money you'll have coming in each month. Include anticipated income from Social Security, retirement plan accounts, IRAs, pensions, annuities, and other things, like a part-time job or rental income.

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## Consider “money out”

Now consider how much money you may spend each month for necessities (food, transportation, insurance, and housing) as well as fun activities (travel, entertainment, and hobbies).

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## Develop a retirement spending plan

Now that you have an idea how much money might be coming in and going out each month, are you ready to create a spending plan to make sure your savings last throughout retirement?



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**Check your plan often as you move closer to (or through) retirement.**

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## Set the date

The next step is to choose your target retirement date. (How fun is that?) Here are a few things to take into account:

- When you'll start taking income through Social Security. (This has a big impact on how much you'll get.)
- When you'll be able to start making withdrawals from retirement accounts like a 401(k) or 403(b).
- How long your income may need to last, especially if people in your family tend to live a long time.

**Pick your target retirement date:**

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**Choose the date you'll start taking retirement income:**

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**(You can always adjust these dates as you move closer to retirement.)**

## One more simple step

A financial professional can help you create a plan and stay on track, whether you're nearing retirement or already enjoying it. Select one of these helpful checklists based on your target retirement date and share it with your financial professional to get started.

Are you more than one year away from retirement?

**TURN TO PAGE 3.**



Are you going to retire in the next year?

**TURN TO PAGE 4.**



Are you already retired?

**TURN TO PAGE 6.**

# Retirement a few years away?

## Start planning.



### KEEP SAVING

- Build your savings by making catch-up contributions to a retirement plan or an individual retirement account (IRA).<sup>1</sup>
- If having sources of “for sure” income is important to you, learn more about guaranteed retirement income sources like fixed or variable annuities.<sup>2</sup>
- Take a close look at your retirement plan account, IRA, and savings account statements to make sure your investments reflect a level of risk you’re comfortable with.
- Pay off any remaining debt, including your mortgage, credit card balances, or student loans.



### MANAGE YOUR RETIREMENT INCOME

- Identify all your future sources of retirement income, including:
  - Retirement plan savings
  - Other savings, such as IRAs or CDs
  - Social Security
  - Pension(s)
  - Annuity(ies)
  - Rental income
  - Other



### PLAN FOR HEALTH AND LONG-TERM CARE EXPENSES

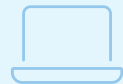
- Think about what health care expenses you may have and how much Medicare may cover.
- Research and think about purchasing long-term care insurance.
- Learn about life insurance options.



### LEAVE A LEGACY

- Review and update your beneficiary designations for life insurance, IRAs, and retirement accounts.
- Create, review, or update your will.
- If you’re a business owner, consider a business succession plan.
- Talk to a family member or trusted friend about where important documents are stored in case of an emergency.

## Online resources



#### Log in to your account at [principal.com](https://principal.com) to:

- Check your account balance
- See your Retirement Wellness Score
- Review your beneficiary designations
- Manage your account

#### Visit [principal.com/retire](https://principal.com/retire) to learn about:

- Ways to help save more
- Developing a retirement spending plan
- Reducing debt
- Managing retirement income

#### Visit [Medicare.gov](https://www.medicare.gov) or call 800.MEDICARE to:

- Review different plans
- Apply for benefits

<sup>1</sup> If the plan allows for those age 50 and older.

<sup>2</sup> Guarantees are based upon the claims-paying ability of the issuing insurance company.

# Nearing your retirement date?

## Put your plan to work.



### KEEP SAVING

- Review your retirement plan account, IRA, and savings account statements to make sure your investments match your risk tolerance as you get closer to retirement.
- Keep saving by making catch-up contributions to a retirement plan or IRA.<sup>1</sup>



### DEVELOP A PLAN TO TURN SAVINGS INTO INCOME DURING RETIREMENT

- Divide your “money in” into two buckets:
  - **Guaranteed, or “for sure” income, such as Social Security, pensions, or annuities.<sup>2</sup> (Consider using this income for necessities like food, housing, and insurance.)**
  - **Variable income, including withdrawals from a 401(k) or 403(b) account, mutual funds, or other savings accounts. (Consider using this income for hobbies, travel, and entertainment.)**
- Apply for Social Security benefits three months before your target start date.
  - **Age 62 is the earliest age you can receive Social Security, but at a reduced benefit.**
  - **Age 66 or 67 (depending on your birth date) is the age you’ll receive your full benefit.**
  - **Age 70 is the age you’ll receive the maximum amount if you wait until then to start receiving your benefits.**

- Make an election for any pension plan benefits you have.
- Decide how you’ll pull money from retirement savings account(s).<sup>3</sup>
  - **Leave it in the employer’s plan.**
  - **Roll it over into an IRA.**
  - **Cash it all out.**

There are advantages and drawbacks for each option above. You should consider the differences in investment options, fees and expenses, tax implications, services and penalty-free withdrawals.

- If you have multiple retirement accounts, you may want to consolidate some or all of them to simplify things.<sup>3</sup>
- If having sources of “for sure” income is important to you, learn more about whether other products like annuities, investment or bank products might be right for you.<sup>2</sup>



### PLAN FOR HEALTH AND LONG-TERM CARE EXPENSES

- Make your Medicare elections when you turn 65.
- List your health care expenses, including costs that Medicare won’t cover—like copays, deductibles, dental and vision care, and long-term care.

<sup>1</sup> If the plan allows for those age 50 and older.

<sup>2</sup> Guarantees are based upon the claims-paying ability of the issuing insurance company.

<sup>3</sup> You should consider the differences in investment options and risks, fees and expenses, tax implications, services, and penalty-free withdrawals for your various options. There may be other factors to consider due to your specific needs and situation. You may wish to consult your tax advisor or legal counsel.

Then, identify coverage options that might help cover those costs, such as:

- **Contributing to a health savings account (HSA)**
- **Extending your employer’s plan using COBRA**
- **Getting individual coverage through your employer**
- **Joining your spouse’s employer-provided health care plan**
- **Securing coverage through groups like alumni associations or the Veterans Administration, if applicable**

- Think about long-term care insurance.
- Learn about life insurance options.

## LEAVE A LEGACY

- Review and update your beneficiary designations and will.
- Review your business succession plan if you’re a business owner.
- Consider developing a formal estate plan to outline who will receive your assets when you die.
- Think about creating a personal trust. This might help your beneficiaries receive assets quicker, and also might cut down on estate taxes.

## Online resources



### **Log in to your account at [principal.com](https://principal.com) to:**

See your Retirement Wellness Score

Review your beneficiary designations

Check your account balance

Manage your account

### **Visit [principal.com/retire](https://principal.com/retire) to learn about:**

Increasing your retirement plan contributions

Developing a retirement spending plan

Reducing debt

Managing retirement income

### **Visit [ssa.gov](https://ssa.gov) or call 800-772-1213 to:**

Estimate your Social Security benefits

Apply for Social Security

### **Visit [Medicare.gov](https://medicare.gov) or call 800.MEDICARE to:**

Review different plans

Apply for benefits

### **For health care options and coverage:**

Visit [healthcare.gov](https://healthcare.gov)

Contact your state’s Senior Health Insurance Information Program (SHIIP).

Visit the National Association of Insurance Commissioners website ([naic.org](https://naic.org)) to find providers and verify long-term care insurance agents/brokers in your state.

# Already retired?

## Keep adjusting your plan to help make your money last.



### MANAGE YOUR RETIREMENT INCOME

- Confirm your Social Security payments.
- Contact previous employers to check on available benefits.
- Take steps to meet the necessary minimum distribution requirements (RMDs) at age 70½ (and each year after) if you attained age 70½ before January 1, 2020, or age 72 if you attained age 72 before January 1, 2023, or age 73 if you attained age 73 after January 1, 2023.
- Complete an annual retirement income checkup:
  - **Review the amount you're withdrawing from retirement savings through a retirement plan or IRA.**
  - **Take a close look at your investments and asset allocations to make sure they're meeting your needs and risk tolerance.**
  - **Figure out if changes in your spending are impacting your retirement income.**
  - **Look into ways to get more "for sure" income in retirement (if needed), such as an annuity.<sup>1</sup>**



### PLAN FOR HEALTH AND LONG-TERM CARE EXPENSES

- Make sure you're getting Medicare benefits if eligible.
- Review your medical coverage to ensure your needs are met now and well into the future (long-term care, Medigap, individual insurance).
- Learn about life insurance options.



### LEAVE A LEGACY

- Review and update your will and legal documents.
- Update beneficiary designations on retirement accounts, annuities, and life insurance policies, if necessary.
- Think about the money your heirs will inherit—how it's invested and what the tax impacts may be. Talk with a financial or tax professional about options that may protect your assets for future generations.

## Online resources



#### Log in to your account at [principal.com](https://principal.com) to:

Confirm your available benefits

Review the amount you're currently withdrawing from your retirement plan or IRA

Check your asset allocation

#### Visit [ssa.gov](https://ssa.gov) or call 800-772-1213 to:

Verify your Social Security payments

Confirm you're receiving Medicare benefits

#### Visit [principal.com/retire](https://principal.com/retire) to learn about:

Estimating your health care expenses

Managing retirement income

Legacy and estate planning

A photograph of a middle-aged woman with short, wavy brown hair, smiling broadly and looking off to the side. She is wearing a white sweater with dark horizontal stripes on the sleeves. She is holding a white mug with both hands, and a spoon is visible in the mug. The background is a bright, out-of-focus window with greenery outside. A large blue circle is overlaid on the left side of the image, containing white text.

Check your  
plan often as  
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This document is intended to be educational in nature and is not intended to be taken as a recommendation.

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