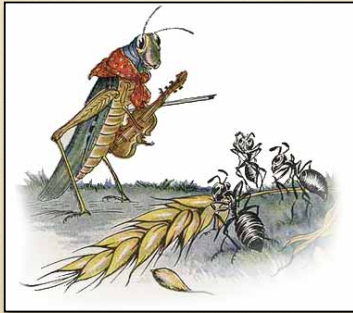


The Ants and the Cows



Retirement Accounts

- Employer Sponsored Plans
 - 401(k)
 - 403(b)
 - 457(b)

Retirement Accounts

- Individual Accounts
 - Traditional IRA
 - ROTH IRA

ROTH IRA

	Single	Married filing Joint
Full Contribution	< \$124,000	< \$198,000
Partial Contribution	\$124,000 - \$139,000	\$198,000 - \$208,000
No Contribution	> \$139,000	> \$208,000

Backdoor ROTH IRA

- Used if your income exceeds direct contribution limits
 - Make contribution to traditional IRA
 - Roll over balance of traditional IRA to ROTH
 - Pay tax due
- Make sure traditional IRA balance is \$0 as of 12/31

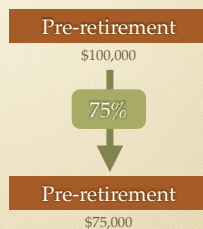
Exceptions to 10% Rule

- Up to \$10,000 for the purchase of your 1st home
- Certain qualifying educational expenses
- Unreimbursed medical expenses $> 7.5\%$ AGI
- Distributions on health premiums during unemployment.

How much do you need
to retire?

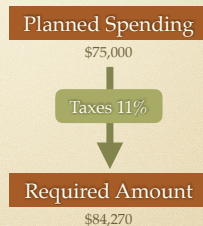
Determine your expenses

- How much do you plan to spend?
- 75-80% of pre-retirement income



Adjustments to Spending

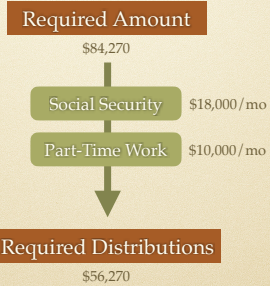
- Inflation
- Taxes



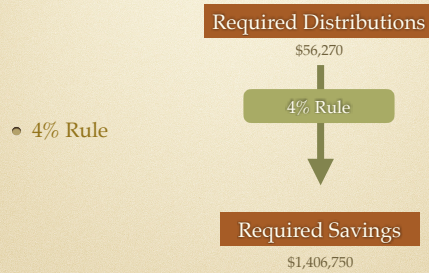
Sources Income

- Social Security
- Work Pension
- Part-time Work
- Retirement Account Distributions

Determine Needed Savings



Determine Needed Savings



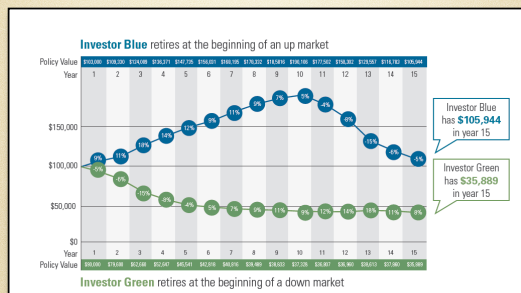
Exceptions to 4% Rule

- Volatility
- Sequence of Returns Risk

Volatility



Sequence of Returns Risk



Strategies for Distribution

- Percentage of Portfolio
- Dollar amount
- Hybrid based on market performance

Order of Distributions

- Spend from tax advantaged funds to fill deductions
- Spend from taxable holdings
- Spend from tax advantaged vs ROTH
 - Tax Advantaged if current marginal rate < future marginal rate
 - ROTH if current marginal rate > future marginal rate

Required Minimum Distribution

Table III (Uniform Lifetime)

Age	Distribution Period	Age	Distribution Period	Age	Distribution Period	Age	Distribution Period
70	27.4	82	17.1	94	9.1	106	4.2
71	26.5	83	16.3	95	8.6	107	3.9
72	25.6	84	15.5	96	8.1	108	3.7
73	24.7	85	14.8	97	7.6	109	3.4
74	23.8	86	14.1	98	7.1	110	3.1
75	22.9	87	13.4	99	6.7	111	2.9
76	22.0	88	12.7	100	6.3	112	2.6
77	21.2	89	12.0	101	5.9	113	2.4
78	20.3	90	11.4	102	5.5	114	2.1
79	19.5	91	10.8	103	5.2	115 and over	1.9
80	18.7	92	10.2	104	4.9		
81	17.9	93	9.6	105	4.5		

Required Minimum Distribution

Account Balance as of 12/31	\$1,400,000
Distribution Period for age	27.4
Divide balance by period	\$51,095

Misc Topics

Annuities

- Can provide fixed monthly income
- Combined with social security can create a retirement income floor
- Insurance product that provides guaranteed income

Annuities: Advantages

- Provides peace of mind
- Higher distribution from other accounts
- Higher payment rate than 4%

Annuities: Disadvantages

- Insurance company keeps remaining balance
- Non-transferable to beneficiaries
- Not inflation adjusted
- Security related to company security

ROTH Conversions

- Can convert traditional accounts to ROTH accounts
- Need to pay applicable taxes
- Consider in low income years