

Retirement Financial Plan

Prepared for: John and Jane Sample

Prepared by: **Adviser Name**

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## A Quality Retirement Financial Plan Strives To Do The Following:

**Income Management**– Ensure both spouses have enough income to live comfortably and enjoy retirement, preferably on a guaranteed basis.

**Investment Planning** – Increase returns and decrease risk on nest egg wherever possible.

**Insurance Planning** – Mitigate risks faced by seniors – Death, LTC, other liability, etc.

**Tax Planning** – Minimize Income Taxes (and other taxes) using the existing Laws.

**Estate Planning** – Ensure that the estate is protected from death, disability or other healthcare crises, probate, estate taxes etc.

**Emergency Backups** – Provision of Ample Liquidity for any sudden Expense.

**Gaps** – Find Gaps in your financial situation and solve those problems immediately.

**Maintenance** – Meet with planning fiduciary on an ongoing basis to review plan and circumstances.

**Goal Focused** – A successful retirement financial plan should be “goal focused” and only “goal focused”. You should not worry about trying to squeeze out every possible return on your investments, or paying the lowest possible fees, or paying the least possible amount of taxes. Doing that is (probably) impossible. You should ask yourself, “Does this overall plan and allow me to achieve my retirement goals”. FAR too many people get lost in the details and all the moving parts of a Retirement Financial Plan. As a result, they don’t act on a quality Retirement Financial Plan that accomplishes their goals. They get lost in the forest because they want to focus on the “why’s and how’s” of each and every single tree and each and every single branch on each and every single tree and each and every single leaf on each and every single branch on each and single every tree…….and so on….

……. Focus on your goals and the big picture and ask yourself, “Does this retirement financial plan accomplish my retirement goals”. If it does, then implement the plan and go enjoy your retirement!

## Financial Goals

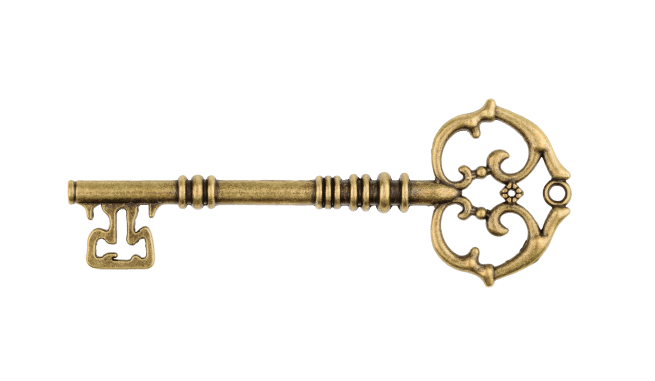
1. Develop a strategy for your retirement that strives to:
2. Ensure John and Jane can both retire (PICK ONE: now or at age 65 or in 2 years), and stay retired!!!!
3. Have a guaranteed (PICK ONE: before or after)-tax income of at least $9,000/month “to live”
4. Have an additional guaranteed (PICK ONE: before or after)-tax income of at least $60,000/year to have a life!”
5. Have the flexibility and liquidity to bridge any income gaps that will arise in retirement!
6. To have your income keep pace with inflation.
7. Increase the return and decreases the risk of your investments net of all fees, costs, and expenses.
8. Strives to keep losses below 5% or less, over the course of a year.
9. Allow John and Jane the freedom and income to enjoy your retirement by traveling to places like, Australia, New Zealand, Spain, Scotland, rent an apartment in France for 3 months, visit the Latin American countries like, Argentina, Ecuador, Costa Rica, Panama, and Nicaragua, and vacation in Alaska. Your Retirement Financial Plan allows you the freedom and income to do the things you want to do during retirement like, spend more time with your kids and grandkids, visit your daughter in Texas as often as you wish, spend time with your friends, continue to golf when you want, go to sporting events, go to Spring training in Jupiter every year, or just relax outside in your garden. Your Plan gives you the freedom and income to continue to be a blessing to others, by being generous with your time, helping your friends and family when they need it and always “being there”, for them, continue to be involved with, “Caring Solutions”, stay active in your church, continue to tithe, and continue to be an example to your family by being self sufficient, and eventually, by leaving an inheritance as a financial legacy to your children and grandchildren that will be a benefit to them and future generations.
10. Establish a “Trusted Adviser” relationship with a Fiduciary who gives you peace of mind that you have a concrete plan to retire, have the guaranteed income you both need for the rest of both your lives, have a wealth preservation and growth strategy so you know you will never run out of money. Your Fiduciary gives you peace of mind because he gives you a structured plan for your retirement in writing, that gives you the security you need, eliminates the worry that you may run out of money, and that gives Jane peace of mind to know there is someone who is “on board”, to help her manage your portfolio if something happens to John. Your Fiduciary gives you peace of mind because he gives you a Plan that organizes your portfolio into one, “Personal Financial Inventory”, that clarifys your path, gives you a good picture of “where you are at”, and exactly what steps you need to take to accomplish your goals, and secure the comfortable retirement you want. Your Fiduciary gives you peace of mind because he gives you a plan that shows your goals are realistic, that you can maintain your current life style, and gives John peace of mind that he can “turn off his laptop, and not be concerned about his options position”. Your Fiduciary gives you peace of mind because he gives you a Plan, showing “clear income streams”, and contingencies to handle the unexpected like, a market crash, health care expenses, a long-term care crisis, or the loss of a spouse. Your Fiduciary gives you peace of mind because he does what he says he is going to do, he communicates with you frequently, listens to your concerns, and gives you a plan with complete transparency, and does what is necessary to earn and maintain your trust. Your Fiduciary gives you peace of mind because he clearly understands what you need, has demonstrated that your goals are achievable and explained your Retirement Financial Plan so that you clearly understand it, therefore, you can concentrate all your efforts on the retirement you’ve earned after decades of hard work.
11. Allow you to access your portfolio in a tax efficient manner.
12. Properly handles all insurance needs and any health care issues (i.e. LTC, Medicare Supplements, etc.) that arise in the future, especially if you choose to self-insure against a LTC crisis.
13. Ensures that both John and Jane, will have the guaranteed income you need for as long as you both live.
14. Upon request, (assists you in preparing to establish OR strives to review) your estate plan to ensure it properly and cost efficiently disburses your estate to Tori, Tim, Nate, and Becca, after you’ve lived a long, full life, and protects you in case you are incapacitated.
15. Consolidates and coordinates everything into one organized plan that gives you peace of mind so you know that you can…………Maintain your current lifestyle for the rest of your live’s.
16. John’s requested approximate allocation:
    1. 30% Safe and Secure
    2. 30% Low Risk
    3. 40% Moderate Risk
17. Jane’s requested approximate allocation:
    1. 30% Safe and Secure
    2. 10% Low Risk
    3. 60% Moderate Risk
18. Strives to remove all unnecessary risk from your portfolio.
19. Strives to mitigate and control the remaining risk in your portfolio.
20. Strives to have adequate liquidity and flexibility within your portfolio (just in case!)
21. Strives to ensure adequate “income for life” for both John and Jane, no matter how long either of you live…i.e. strives to ensure that you will both have all the guaranteed income you want and need for the rest of your lives to accomplish all your goals and not worry about running out of money
22. Strives to be aware of tax efficiency options on portfolio moving forward.
23. If you choose to self-insure, your Fiduciary strives to help you establish a written “Retirement Self-Insurance Plan” to strive to ensure that a LTC crisis won’t wipe out your nest egg.
24. Strives to review all your insurance to ensure that it is coordinated with your retirement needs and eliminate unnecessary insurance.

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## Financial Risks

1. More risk than necessary in old investment portfolio
   1. You have (Pick one: enough OR just enough OR barely enough) money to ensure that you can enjoy the retirement you want; however, any unnecessary loss of principal could have a very detrimental effect on your ability to retire and stay retired. It is imperitive that you properly deploy all your assets to strive to ensure your ability to not only retire as soon as possible, but boost your income streams later in retirement. (OPTIONAL) Because you have barely enough OR not enough assets to retire, you must strive to save as much as possible between now and retirement.
   2. Your Nest Egg’s ability to generate income is at risk when the market declines.
   3. Availability of principal at risk when the market declines.
   4. Current “peace of mind” at risk when a 2000/2001/2002 and/or 2008 market decline occurs again (i.e. losing as little as possible, preferably not more than 5%, if avoidable while still getting good returns).
   5. Need to ensure that you have guaranteed income not subject to the uncertainties of the market especially if you choose to self-insure against a LTC crisis.
   6. Don’t be lulled into a false sense of security due to the size of your portfolio. Your desired lifestyle and commensurate income needs require the full and proper use of your entire portfolio. In order to maintain your desired lifestyle, all you have to do is JUST NOT LOSE!!! Risk is for people trying to get the assets you already have. All you have to do is JUST NOT LOSE and then get reasonable conservative growth and you can achieve your retirement goals!!!
2. You don’t have a comprehensive, coordinated retirement financial plan that has been fully implemented.
3. All your assets are (PICK ONE: completely exposed or potentially exposed) to the “spend-down” in the event of a LTC crisis. Therefore, a written retirement LTC strategy MUST be in place that strives to protect against the “spend-down.” This written strategy must strive to ensure that the spouse needing care receives quality care while striving to ensure that the healthy spouse can continue to live with dignity and never have to worry about running out of money.
4. You need to (PICK ONE: establish OR have) your estate plan (PICK ONE: reviewed OR and have it reviewed), to ensure it accomplishes all your goals and leaves your estate to (INSERT NAME OF KIDS: Tammy, Tom, Nathan, and Becky), in a tax and cost-efficient manner, as well as protecting you if either of you become incapacitated.
5. (EXAMPLE OF OPTIONAL STATEMENT) You need to plan additional income, to handle student loan costs for the next few years.

1. (EXAMPLE OF OPTIONAL STATEMENT) You need to plan additional income, to handle healthcare costs, pre-medicare.
2. Beneficiary audit needed (to be discussed at later meeting).

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## Action Items

1. Strive to remove all unnecessary risk from your portfolio
2. Strive to mitigate the remaining risk by……
3. Repositioning 65% assets into a Safe and Secure portfolio that strives to ensure guaranteed income for life for both of you, that can be turned on “as needed”, that strives to keep pace with inflation, and ensures that you can never run out of money because you have all the income you both need “To Live” and to “To Have a Life” and accomplish all your retirement goals and that also strives to protect you against the “spend-down” in the event of a LTC crisis thus allowing you the option to potentially self-insure against a LTC crisis
4. Repositioning 16% of your assets into a properly allocated portfolio of Lower Risk Private Wealth Strategies
5. Repositioning 18% of your assets into a properly allocated portfolio of Moderate Risk Private Wealth Strategies
6. (OPTIONAL): Move X% into a Life Long Term Combo Plan that qualifies under IRC 7702
7. Leave 1%, (or whatever you feel comfortable with) as cash in the bank for short term cash needs and peace of mind.
8. (OPTIONAL): You must always remember that when making choices about what to do with your retirement that there are trade-offs between “Income”, “Time”, “Stuff” and “Security”. Always make sure that you are choosing your “Highest Values”!
9. After engagement of FTA’s services to accomplish all the steps listed above (and all steps are complete):
10. Your “FTA Fiduciary Team” will, upon request, strive to help you establish a more efficient Long-Term Care strategy that strives to protect assets from the spend-down in the event of a LTC health crisis. This is vitally important, especially if you choose to self-insure.
11. Your “FTA Fiduciary Team” will, upon request, assists you in preparing to establish your estate plan to ensure that it properly distributes your assets to Tori, Tim, Nate, and Becca, after you’ve lived a long and fulfilling retirement, while also striving to offer some protection against estate taxes, and health events and protecting you in case either of you becomes incapacitated.
12. Your “FTA Fiduciary Team” will, upon request, strive to review your beneficiary designations.
13. Your “FTA Fiduciary Team” will, upon request, strive to review any insurance that you have, to strive to ensure that you are maximizing your premium dollars and have proper coverages.
14. Your “FTA Fiduciary Team” will, upon request, strive to review your taxes and assist in implementing various potential strategies to strive to save you money on taxes based upon the tax laws at that time.
15. (OPTIONAL): Your “FTA Fiduciary Team” will, upon request perform a Security Maximization Calculation and a Time Value of Money Calculation to help you strive to make the best choices about your Social Security.
16. (OPTIONAL): Your “FTA Fiduciary Team” will upon request strive to help you make the best choices about your RMD’s AND/OR doing Roth Conversions on your qualified plans.
17. Establish an ongoing meeting system to review the fully implemented plan in case any changes are needed (i.e. health status, family status, change in tax or estate laws, market or economic conditions and just general reviews).
18. A thorough review between John, Jane, and your “FTA Fiduciary Team” must occur AT LEAST annually, preferably more often.
19. Your plan will be monitored daily by your “FTA Fiduciary Team”.
20. Your “FTA Fiduciary Team” stands ready to answer any financial questions quickly and efficiently, to the best of our ability, or help you with all financial concerns that you may have now and in the future to help you strive to ensure that you have “financial peace of mind” and can apply your full effort to enjoying your retirement!

# **Notes**