



# ANSWERS TO YOUR TOUGHEST RETIREMENT QUESTIONS



You're coming up on retirement, and whether you've been anticipating and planning for 30 years or are starting to plan later on, you know that retirement comes with a lot of questions. Without a solid retirement plan, you could be subjecting yourself to unnecessary stress and anxiety when something unforeseen happens. The truth is that it's impossible to plan for exactly what will happen during your retirement because we don't know what will happen.

Instead, a good course of action is to put in place key elements that will help provide you with the retirement you desire while remaining flexible to the situations that will arise. Maeder Wealth Group has been helping people create investment plans for over a decade, so we are familiar with the questions you may have and the strategies that will help to provide a quality retirement.

## **DO I HAVE ENOUGH MONEY TO RETIRE AND LIVE COMFORTABLY?**

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Your retirement plan should be as unique as you are, and just like no two fingerprints are the same - neither are retirement plans. Competing information from different sources will steal your attention away from what really matters: your comfort in retirement.

Think about what you want for your retirement. What would make the freest years of your life perfect, and how do we make that fit into your plan? Here are some aspects to consider:

- Develop a spending plan/budget based on your current spending patterns and monthly expenses
- Determine some of your future spending like home improvements, annual travel, gifting/education
- Create a projection of your income, spending, healthcare costs, taxes, assets, and returns



These items are a good starting place when beginning to answer the question of how much money you will need in retirement, but there are many other factors that you will need to consider. Working with experienced advisors with a range of expertise can help give you the clarity and confidence you need to design a plan that works best for you.



## **WILL I BE ABLE TO AFFORD QUALITY MEDICAL CARE?**

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The dialogue regarding healthcare in the U.S. is ever-changing, leaving many feeling unsure about how to finance health care for their retirement years. Don't panic - with proper planning, wise insurance decisions, and a deep knowledge of your own needs and coverage, you can potentially reduce the burden of medical expenses when you retire.

Healthcare costs should be a priority when speaking with your financial advisor. With longer lifespans and rising healthcare expenses, healthcare is often the forgotten expense in retirement. You might want to consider a Health Savings Account (HSA) to prepare for these costs. The sooner you get started, the better.

To qualify for a health savings account you must be enrolled in a high deductible health plan (HDHP) either through your employer, an individual health plan, or a government health plan. An HSA account is a high tax-advantaged savings account that helps mitigate the risk of a high deductible plan. Its tax advantages are 3 fold:

- 1. Money goes in pre-tax (so the money you deposit reduces your taxable income).**
- 2. Money grows tax-free.**
- 3. When money is withdrawn, for qualified medical expenses, it is tax-free.**

A Health Savings Account (HSA) is a valuable asset for planning ahead and providing confidence in your future healthcare expenses. There are no income requirements to qualify and the funds accumulate year after year—unlike Flexible Savings Accounts (FSAs), which must be used or forfeited by the end of the tax year.

Once you have reached the age of 65, you can make withdrawals from your HSA for something other than a qualified medical expense without paying the penalty. However, these withdrawals will be subject to ordinary income tax.

Fully funding this account through to retirement will help significantly in paying for healthcare expenses in retirement. It may not cover all of them but it will take a bite out of them.





## WHAT IS THE BEST WAY TO SUPPORT THE CHARITIES AND CAUSES I'M MOST PASSIONATE ABOUT?

There are many ways to help ensure the ongoing support for charities you are passionate about. Below are a few of the different options you would have to make that happen:

1. Donor Advised Funds - allows the donor the ability to time deductions and take advantage of significant tax advantages while establishing a funding source for future charitable contributions.

*Donors are urged to consult their attorneys, accountants or tax advisors with respect to questions relating to the deductibility of various types of contributions to a Donor-Advised Fund for federal and state tax purposes.*

2. Charitable Remainder Trusts \* allows donors to give money to charity while providing a continuation of income to the family for a set number of years. After the specified period of time, the remainder of the trust is donated to the designated charity.

3. Charitable Lead Trusts \* provides an income stream to a charity while ensuring the eventual return of trust property to the non-charitable beneficiary.

Offered through Wells Fargo Bank, N.A.

Tax laws surrounding charitable giving are always in flux, so it's wisest to consult with professionals that can help you leverage your charitable giving with the latest tax benefits. Our advisors can help you understand the opportunities available to you and ensure both you and your causes are supported through retirement.

Trust Services are available through Wells Fargo Bank, N.A. and Wells Fargo Delaware Trust Company, N.A.

# WHAT IS THE BEST SOCIAL SECURITY OPTION FOR ME?

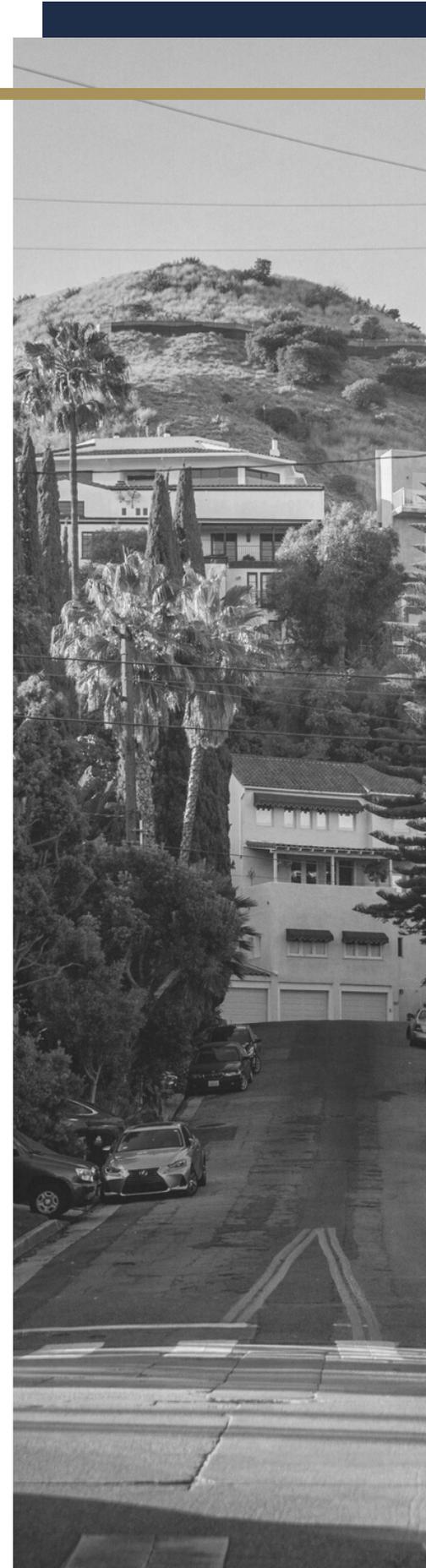
Much of our retirement planning may hinge upon when we choose to begin claiming Social Security benefits. There are numerous key factors to consider, including your age, the amount you need to live comfortably, and marital status.

Longer life expectancies mean you will likely need Social Security income for a longer period of time. So it may make sense to take advantage of delaying rules that can grow your monthly benefit while helping you accumulate more benefits over the course of your retirement.

Starting Social Security benefits earlier than the full retirement age can offer financial benefits, even with reduced payments. This break-even point typically falls between 12-15 years from the beginning of the benefits. Those looking for a larger payout in a shorter amount of time should evaluate this decision carefully with the help of a financial advisor tailored for your individual situation.

For a single person, life expectancy primarily determines when this break-even point may occur. For a couple, a break-even analysis is complicated by the different life expectancies of each individual. Typically, this analysis would look at all possible life expectancy combinations and focus on a strategy that would provide the largest lifetime benefit to both spouses for as long as either spouse is alive.

Depending on what other assets and income sources you have available to you, our advisors can help you determine what the best course of action will be for your particular lifestyle.



# WHAT IS THE MOST TAX-EFFICIENT WAY TO HELP MAXIMIZE MY WITHDRAWALS IN RETIREMENT?

Managing your portfolio requires consideration of how to reduce the tax burden on investments. Knowing the right tax laws and strategies can make all the difference in helping you achieve your desired financial goals. While investing solely for tax reduction is not recommended, it is important to remember that planning with taxes in mind can help increase your wealth by reducing the amount you owe to the government.

One of the key components in determining tax-efficient strategies in retirement is timing. How and when you choose to withdraw from various accounts, whether it is a 401(k), Roth IRA, or more, may impact your tax obligations during retirement.

Taking advantage of tax strategies such as tax loss harvesting, Roth IRA conversions, and charitable contributions of appreciated stock, to name a few, in the investment planning and management process can have a significant impact on the growth of a portfolio and the implementation of a successful plan. Different types of accounts will have varying tax burdens, so it is crucial to have advisors like us help you create an investment and withdrawal strategy that alleviate the stress of taxes in retirement.



# HOW DO I LEVERAGE MY INVESTMENTS IN COMPANY STOCK?

A well-balanced allocation will have a healthy mix of stocks, bonds, exchange-traded funds, (ETFs), index funds, and mutual funds. Should you choose to invest in company stock, especially through an employer-sponsored retirement plan, we believe that it is important to ensure counterbalanced with other types of securities, such as mutual funds or ETFs.

Though there are strategies that we can suggest for keeping a well-balanced allocation, investing involves an understanding of how much risk you are willing to take with your finances while also understanding the return you require to meet your financial goals.

Determining which investments are not too conservative or aggressive takes time, patience, & research. We would love the privilege of reviewing your portfolio and sharing our strategy of how you can make the most of your current investments.



When approaching retirement, we understand that the financial world can seem overwhelming. That is why we are here to assist you in any way you need. At Maeder Wealth Group, it is our goal to provide you with confidence in your financial future so you can enjoy the retirement that you have been working toward. You deserve some time to relax and enjoy the fruits of your labor.



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