

Retirement on the **Brain**

MOVING TOWARD

RETIREMENT

TheStandard®



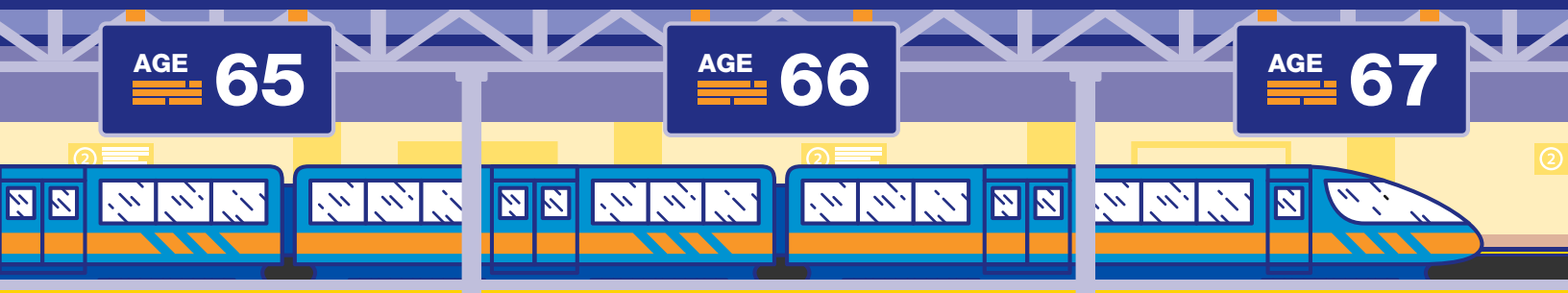


Whether you still have a ways to go, or you're nearing your destination, laying out a track toward retirement is important.

This guide offers key steps for retirement that will help you:

- **Set a retirement age goal**
- **Catch up on saving**
- **Look at Social Security benefits**
- **Consider life span, inflation and medical expenses**
- **Choose a mix of investments**
- **Create a money management plan**

YOUR TIMETABLE FOR RETIREMENT



Aim to retire when you have enough savings and benefits to cover your retirement spending needs. Your target retirement age is when you can reach that savings goal.

How Much Money Will You Spend?

Many financial planners say most retirees will spend 75% to 85% of their current income in retirement. So, if you spend \$60,000 a year while working, you can expect to spend about \$45,000 to \$50,000 a year in retirement.

Some people will spend less in retirement because they have lower income taxes, less debt and fewer daily costs. However, others will spend more due to costs such as medical expenses, mortgages, travel, co-signed loans and college costs for children or grandchildren.

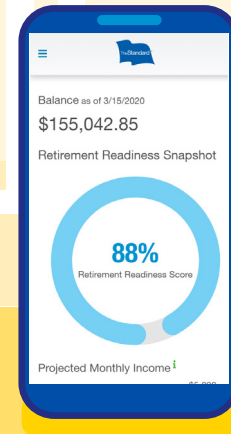
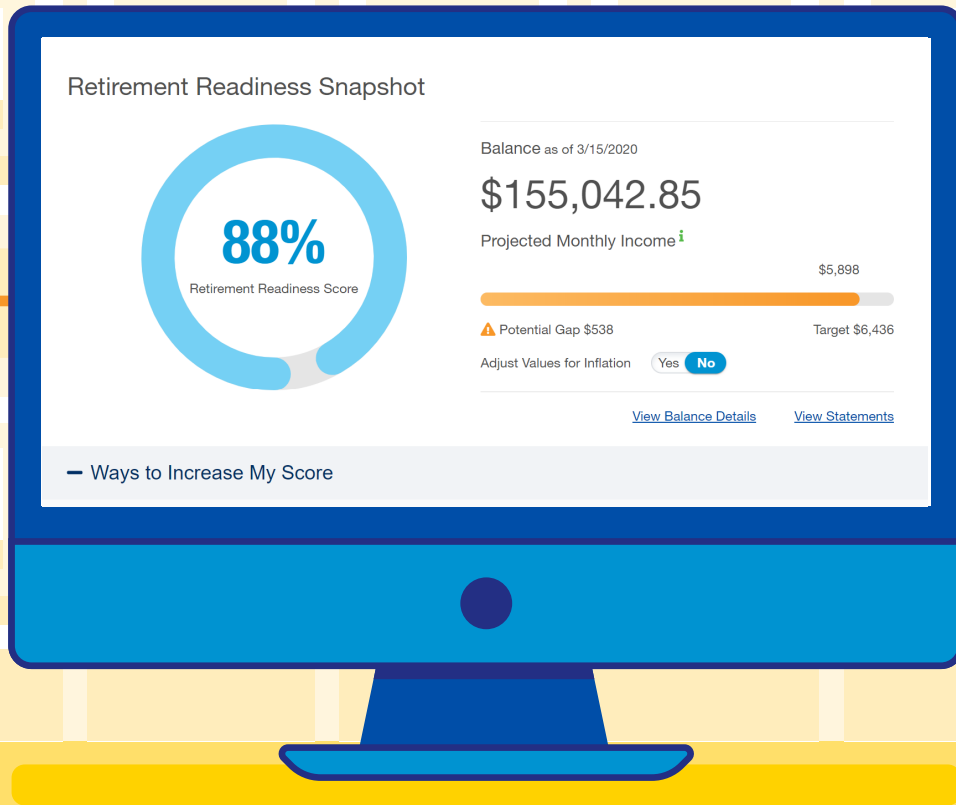
Knowing how much you'll be spending is important to help you know how much savings and income you'll need.

How Much Income Can You Expect?

A rule of thumb is to withdraw 4% of your savings each year to have enough savings throughout retirement. For example, if you have \$1 million saved, you may be able to withdraw \$40,000 a year.

If 4% of your savings, plus any other sources of income, aren't enough to match how much you expect to spend each year, you'll want to increase how much you save before retiring.

ARE YOU ON TRACK?



Personal Savings Center (standard.com/login) is your online portal for tracking and managing your retirement plan account online.

Check the **Retirement Readiness Snapshot** on the Overview page to see if your retirement savings are on target. You can see how to meet your goals by adjusting your retirement date, contributions and outside savings.

If you'd like to explore your retirement savings in more detail, use the Retirement Planner (if your plan offers it). From the menu, choose Planning Tools and then Retirement Planner.

HOW TO CATCH UP ON SAVING

If you're running behind schedule on your savings goals, here are a few ways to get up to speed.

Scale Back Spending

Consider moving to a less expensive home. Spending less on housing — including maintenance and property taxes — frees up money that can be invested for your retirement. You can also pay off debt and see where you can cut back on expenses. Creating a budget and reviewing your expenses can help you understand where you can scale back on spending so you can save more.

Increase the Amount You Save

Consider increasing your contribution when you get a pay increase. As you pay off debts, you can save even more.

Just a small increase in how much you save could mean thousands of dollars over time. Check out the chart below to see how.

ADDITIONAL GROWTH OVER TIME

Contribution Increase	10 years	20 years	30 years	40 years
1% (\$29.17 monthly)	\$5,049	\$15,195	\$35,587	\$76,566
5% (\$145.83 monthly)	\$25,241	\$75,967	\$177,908	\$382,777

This example is hypothetical and for illustrative purposes only and is not indicative of the performance of any specific investment. Investments are subject to market risk and fluctuate in value. All contribution amounts are based on a \$35,000 annual salary and assume an annual rate of return of 7% compounded monthly.

WHEN TO TAKE SOCIAL SECURITY

You can begin collecting Social Security benefits as early as age 62. But if you retire before then, you'll need other funds to cover your retirement until you're eligible for Social Security. Remember that the longer you wait to begin collecting Social Security benefits, the higher your benefits will be.

RETIREMENT AGE AND SOCIAL SECURITY BENEFITS

TIME	AGE	EXPECTED
EARLY START	62	75% of benefits
EARLY START	63	80% of benefits
EARLY START	64	86.7% of benefits
EARLY START	65	93.3% of benefits
FULL RETIREMENT	66 - 67*	100% of benefits
DELAYED BENEFIT START	67 - 70	Varies by individual's age (up to 8% more per year)

*Full retirement age depends on the year you were born. Visit ssa.gov/planners/retire/retirechart.html to see what counts as full retirement age for you.

This table is a general guide. The Social Security Administration can give you a more accurate figure. Watch for an annual letter that shows how much you'll receive depending on when you retire. If you don't receive this statement, contact ssa.gov.



LIFE SPAN, INFLATION AND EXPENSES

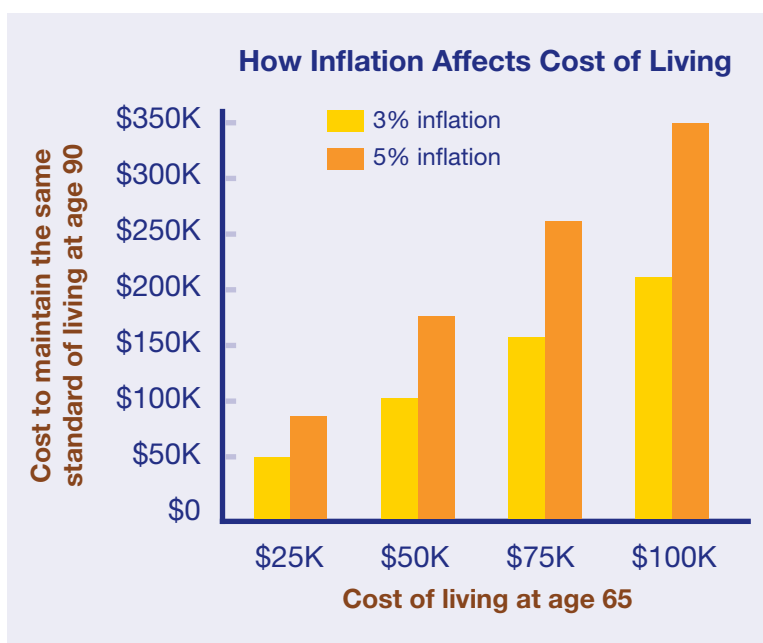
When you retire, you'll need to make sure your money lasts as long as you need it to. Here are three things for everyone to consider:

Life Span

Living longer means it's easier to outlive your savings.

According to the Social Security Administration, the average life expectancy of a 65-year-old man is 84 years; for a 65-year-old woman, it's 86.5 years.

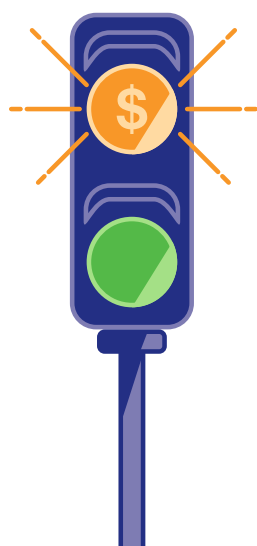
If there's a history of longevity in your family, you may want to start collecting Social Security later when benefits are higher. And consider withdrawing less from your savings so you'll have enough money to last your lifetime.



Inflation

Your living costs will go up because of inflation. Between 2000 and 2018, inflation averaged just over 2%.¹ At that rate, over a retirement of 25 years or more, the price of basic needs such as food, gas and clothing would nearly double. If your retirement saving doesn't grow at the same rate as inflation, you'll have less to spend on things you need.

This chart is hypothetical and for illustrative purposes only and is not intended to be a projection of future values of any product.



Medical Expenses

Health care costs continue to rise. Some financial planners suggest planning for a 5% increase in health care costs per year.

According to HealthView Services, total projected lifetime healthcare costs for a healthy 65-year-old couple retiring in 2020 are expected to be \$363,946.²

¹ U.S. Bureau of Labor statistics — based on the Consumer Price Index.

² HealthView Services: 2018 Retirement Healthcare Costs Data Report

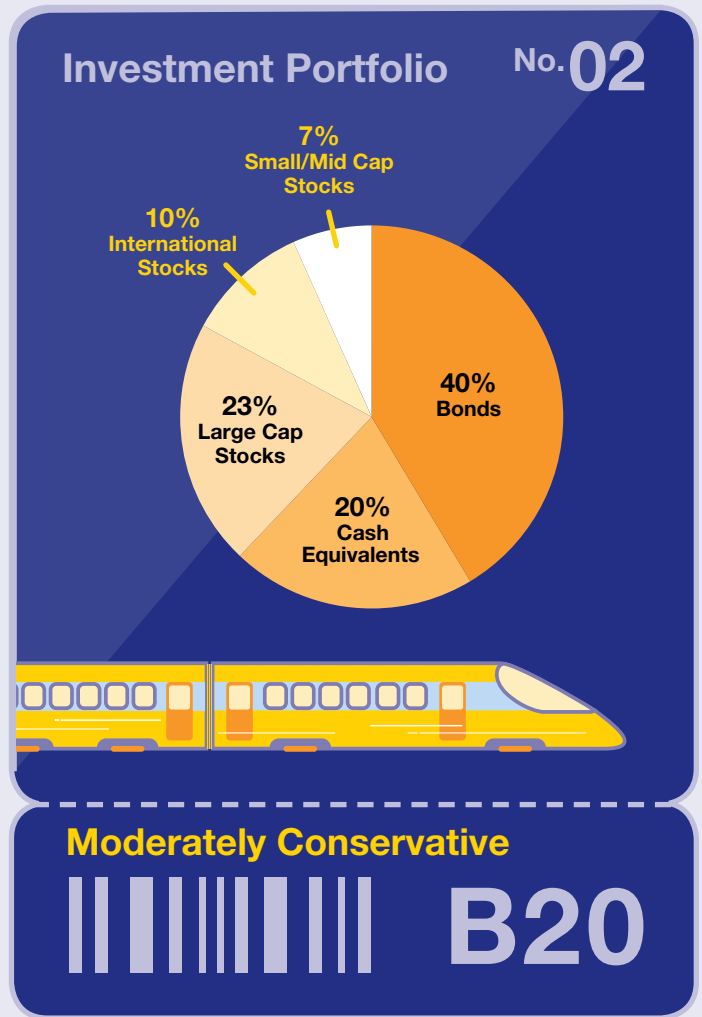
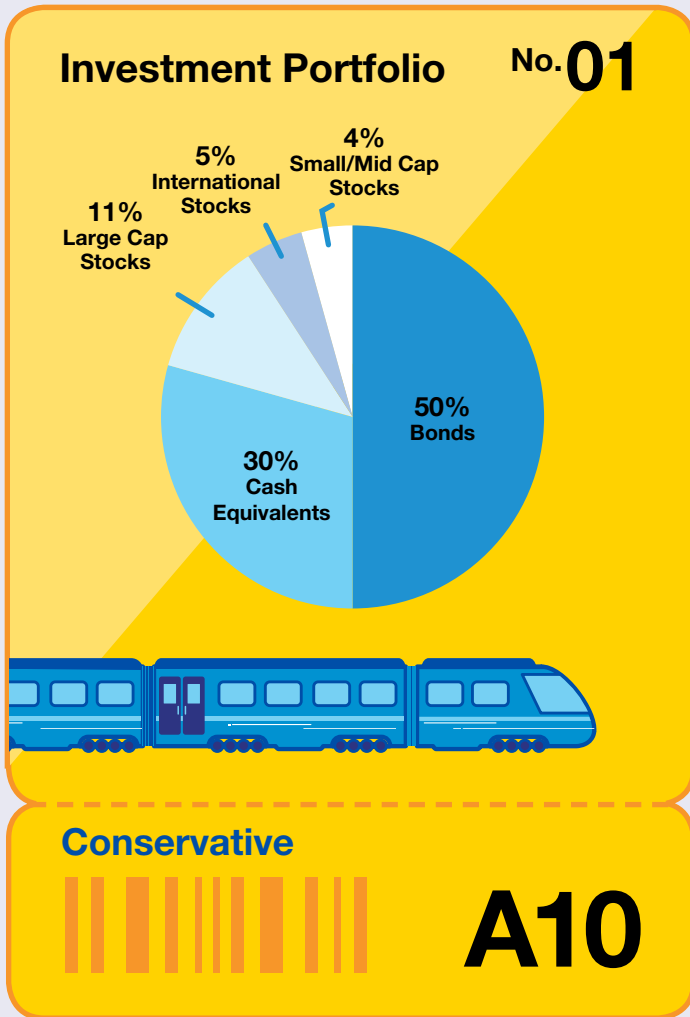
CHOOSING THE RIGHT WAY TO INVEST

A key part of staying on track for retirement is to earn steady returns as you age. That's why you need a mix of protected savings and growing investments.

Find the Right Mix

Different investments tend to do better in different market conditions. For instance, stocks may take off while bonds suffer and vice versa. You can help balance that risk by choosing a mix of investments that fit your retirement age, situation and comfort with risk.

These portfolio examples show how you might invest differently depending on your comfort with risk.



You should carefully consider the investment objectives, risks, charges and expenses of the investment options offered under the retirement plan before investing. Small-company (small cap) investing involves specific risks not necessarily encountered in large-company investing, such as increased volatility. Funds that invest in bonds are subject to certain risks, including interest-rate risk, credit risk and inflation risk. As interest rates rise, the prices of bonds fall. International investing involves certain risks, such as currency fluctuations, economic instability and political developments. These risks may be accentuated in emerging markets. Your plan may be funded by a mutual fund trust, collective trust or a group annuity contract. All are suitable for long-term investing, including saving for retirement. While annuities generally provide tax-deferred treatment of earnings, the group annuity contract does not provide any additional tax-deferred treatment beyond the treatment provided by your retirement plan.

MAKING YOUR MONEY LAST

Here are a few ways to plan for roadblocks and help make sure you've got what you need for the entire journey.



Extend Your Benefits

Think about waiting a few years before retiring so your savings can build and grow. The same applies to Social Security benefits and many pension plans: The longer you wait before collecting these benefits, the bigger the monthly benefit.

Work During Retirement

Support yourself in retirement with a part-time job. By waiting a few extra years before collecting benefits or making withdrawals from your savings, you can make your money last longer.

Have a Cushion

Having money available in retirement, outside of what you use for daily expenses, can be helpful to get through periods of market downturns. Keep some of your savings in cash or other investments that tend to keep a stable value during market swings.

Withdraw at a Sustainable Rate

Planners generally say that if you withdraw 4% of your assets in a given year, chances are your savings will last throughout your retirement. It's especially important to keep your withdrawal rate as low as possible early in retirement. This helps you keep more of your savings earning for you.



ESTATE PLANNING

Along with a retirement plan, everyone needs to have these three essential documents for the future:

- Will: Outlines how your assets will be handled and who will care for your dependents after you're no longer here.
- Advance directive: States your wishes for end-of-life care.
- Power of attorney: Authorizes someone to act as your representative in financial and legal matters if you're unable to make decisions.

ADDITIONAL CONSIDERATIONS TO STAY ON COURSE

As you approach retirement, it's good to think about factors such as if you want to keep your savings in your employer's retirement plan, when to take withdrawals, and planning for taxes. These will help ensure you're taking steps that are best for your needs.

Retirement Accounts

Many employer-offered retirement savings plans will let you keep your savings in the plan once you retire. You can always consolidate your accounts to make it easier to manage your money. If your plan has a Roth feature, you can contribute after-tax and make qualified withdrawals tax free when you retire.

Taking Withdrawals

At certain ages you'll be able to — or be required to — take withdrawals from your pre-tax retirement accounts.

- **Turning age 55:** If you leave your job between the ages of 55 and 59½, you can take money out of your 401(k) or 403(b) plan without penalty.
- **Reaching age 59½:** You can withdraw money from your retirement plan or IRA without paying the early withdrawal penalty, whether you're still working or not.¹
- **At age 73:** If you've stopped working or are an owner of the company sponsoring the retirement plan, you're required to withdraw a minimum amount from your retirement plan or traditional IRA, or you'll pay penalties.²

Taxes

When you retire, keep in mind that you'll pay taxes on your pre-tax savings and earnings when you withdraw. Your tax rate will vary depending on your income, filing status, number of dependents and other factors.

¹ The 10 percent penalty for early withdrawal does not apply to governmental 457(b) plans.

² Applies to people turning 73 on or after Jan. 1, 2023.

Pensions

If you're lucky enough to have a pension, you'll have a nice addition to your income during retirement. Find out the following:

- Payment amount
- Withdrawal options
- If payments will be adjusted for inflation
- How Social Security may affect payments





RETIREMENT PLANNING RESOURCES

- **Visit Personal Savings Center**, where you can manage your account online. Visit standard.com/login.
- **AARP** provides services for retirees and people nearing retirement. Visit aarp.org.
- **Social Security Administration** has details on your Social Security benefits and retirement planning. Visit ssa.gov.

The Standard, 1100 SW Sixth Avenue, Portland, OR 97204 | standard.com/retirement

The Standard is the marketing name for StanCorp Financial Group, Inc., and its subsidiaries. StanCorp Equities, Inc., member FINRA, wholesales a group annuity contract issued by Standard Insurance Company and a mutual fund trust platform for retirement plans. Standard Retirement Services, Inc. provides financial recordkeeping and plan administrative services. Investment advisory services are provided by StanCorp Investment Advisers, Inc., a registered investment advisor. StanCorp Equities, Inc., Standard Insurance Company, Standard Retirement Services, Inc., and StanCorp Investment Advisers, Inc., are subsidiaries of StanCorp Financial Group, Inc., and all are Oregon corporations.