

*Are you ready for*  
**retirement?**

*A guide to planning  
for life in retirement.*



**Mutual of Omaha**

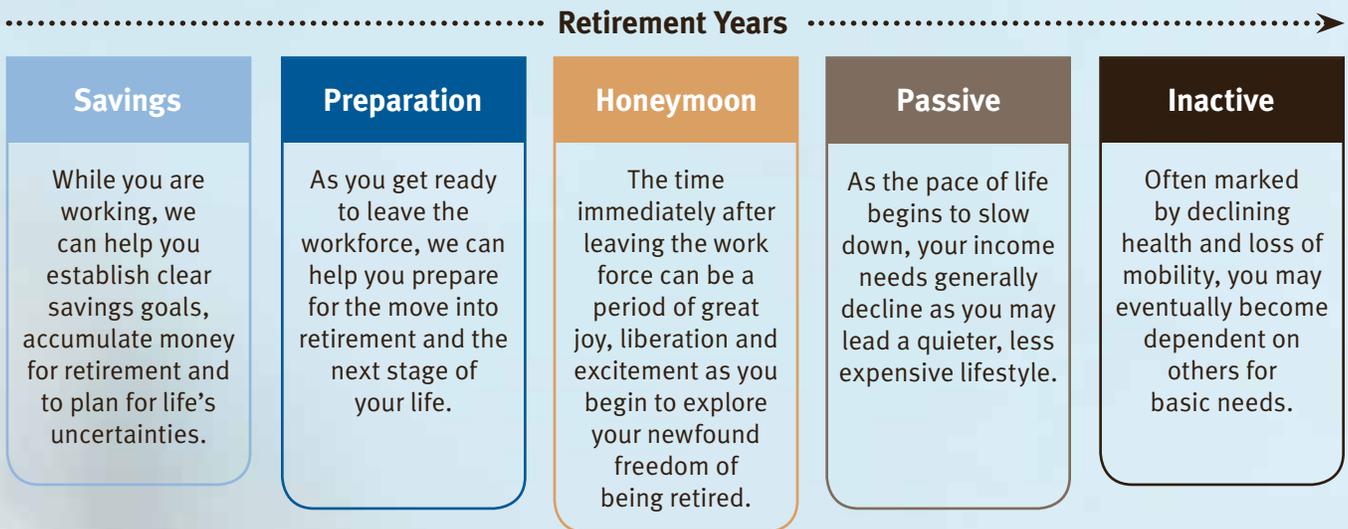
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We're ready to assist you with your retirement needs. Mutual of Omaha and its affiliate companies offer products that provide protection from the unforeseen and help for achieving your financial goals. We offer a full portfolio of insurance and financial services designed for individuals, families and small business owners.

Perhaps you've already retired, are nearing retirement or are even thinking about an early retirement. Planning for your retirement is not a single event – it's a series of events that can last as long as your adult life. The guidance you receive as you transition from one stage of retirement to the next can help set the stage for a comfortable retirement.



# retirement planning

*doesn't end  
when you retire*

# planning for retirement

A key question you may have is, “How do I use the financial resources I have accumulated over my lifetime to help me enjoy my retirement?”

Achieving retirement security is not a one-size-fits-all solution; it requires good preparation, thoughtful planning and careful decision making.

Here’s how we can help you take control of your retirement journey.



## Key Ages and Decision Points During Retirement

At age **50**, many retirement savings plans offer a catch-up provision allowing you to save additional money for retirement.

Age **59½** is when money received from tax-deferred retirement savings is no longer subject to the 10% penalty tax. However, pre-tax contributions and tax-deferred earnings are subject to income taxation.

Age **62** is generally the earliest age receiving Social Security retirement benefits can begin. However, the benefits paid will be reduced.

Age **65** is when Medicare benefits are available to qualifying individuals. It’s a good idea to contact Medicare 3 months before your 65th birthday.

Depending on your birth year, ages **65 – 67** are when “full” Social Security retirement benefits are available. After attaining the normal retirement age, earned income no longer reduces the benefit amount.

At age **70**, Social Security retirement benefits are maximized, and no additional credit is given for delaying receipt of benefit payments past this age.

Beginning at age **70½**, traditional IRA and QRP assets are subject to required minimum distributions and failure to withdraw the RMD may result in a 50% penalty tax.

# cornerstones to retirement security

## Asset Management

- Retirement Savings
- Income Planning Solutions

## Health Care

- Medical Expenses
- Medicare

## Long-Term Care

- Home Health Care
- Assisted Living
- Skilled Nursing Facilities

## Legacy Planning

- Final Expenses
- Survivorship Needs
- Estate Liquidity

Accumulating money is only one part of the retirement puzzle. Protecting the assets you've worked hard to build and ensuring your money lasts throughout your lifetime are also important aspects of achieving a secure retirement. Here are key questions to consider:

### 1. What will retirement cost?

During the honeymoon stage, it's quite possible you will need as much income in retirement as you did when you were still working. Social Security or pension income can help, but you often cannot rely on them for all of your expenses. Evaluating your everyday living expenses and determining which assets are available for retirement income are important steps in developing a sensible retirement income strategy that fits your individualized needs.

### 2. What are the risks to achieving retirement security?

As you continue down your retirement journey, we can help you identify potential risks that can affect your retirement security and implement solutions to help keep your retirement on track.

**Longevity risk** is the risk of living a long life and impacts nearly every aspect of your retirement strategy including your health care and how much money you will need.

**Inflation risk** is the loss of purchasing power as the price of goods and services increases over time.

**Market risk** is the changing value of assets in response to overall economic conditions.

**Interest rate risk** is the variability of returns on your interest-bearing assets.

**Public policy risk** is the impact of legislative changes such as income taxes, estate taxes, health care and Social Security.

### 3. Will I be able to preserve and protect the money I've saved for retirement?

You've worked hard to enjoy a comfortable retirement. The last thing you want to happen is for your hard-earned retirement assets to be jeopardized by an unfortunate event.

Health care, including the cost of long-term care, represents a significant expense for retirees and continue to escalate. (For example, a year in a private room of a nursing home costs on average \$87,729\*.) Medicare may help pay your medical bills once you reach age 65. *But how do you plan to pay for the out-of-pocket costs not covered by Medicare? And how do you expect to pay for those costs if you or your partner need extended long-term care services?*

Additionally, your death or the death of your partner can bring on both emotional and financial consequences that can shape your retirement, as well as your legacy.

*\*Mutual of Omaha Insurance Company's Cost of Care survey conducted by Univita, 2010.*

# Helping You Achieve Retirement Security

## Create Your Vision of Retirement

What are the top 3 things that are important to you during retirement?

NAME

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

NAME

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

## Identify and Evaluate Potential Risks

What is your level of concern regarding the potential risks you may face?

	NAME			NAME		
1. Outliving your money	High	Medium	Low	High	Medium	Low
2. Managing your retirement savings and income	High	Medium	Low	High	Medium	Low
3. Basic health care needs	High	Medium	Low	High	Medium	Low
4. Long-term care needs	High	Medium	Low	High	Medium	Low
5. Providing for your surviving partner or family at death	High	Medium	Low	High	Medium	Low
6. Organizing your estate	High	Medium	Low	High	Medium	Low

## Determine Income Needs and Desires

Using the Retirement Income Snapshot worksheet, establish your target income needs.

**Core expenses** – food, housing, clothing, utilities, health care, transportation, insurance and debts.

**Lifestyle expenses** – travel, entertainment, leisure, recreation, gifts and professional services.

## Evaluate Fixed Income Sources

Using the Retirement Income Snapshot worksheet, identify and appraise your sources of stable retirement income.

- Social Security
- Pension
- Cash value life insurance
- Continued employment
- Annuities

# Helping You Achieve **Retirement Security**

## Examine Housing and Health Care Needs

- The decision of where to live during retirement is a personal decision that not only impacts your income needs, but also affects your emotional, social and physical well being.
- Health care costs, including the cost of long-term care, continue to rise and represent a major expense for retirees.
- Preparation for long-term care is critical to keep years of planning intact and protect your retirement nest egg – home health care, assisted living and skilled nursing home options.
- Draft advanced directives, health care proxy and living will.

## Plan Your Legacy

- Final expense • Settlement costs • Survivorship costs • Income protection
- Estate liquidity • Pension maximization • Estate equalization • Charitable giving

## Develop and Implement a Sound Retirement Income Strategy

- Evaluate options and determine when to begin receiving pension or Social Security retirement benefits.
- Using the Retirement Income Snapshot worksheet, determine the savings or assets available for retirement income. Examples include personal savings, cash value life insurance, real estate, IRAs and qualified retirement plan assets.
- Examine rollover options and consequences of asset liquidation.
- Evaluate choices and determine suitability of savings and income vehicles.
- Implement retirement income solutions to maximize and protect retirement income

## Organize Your Estate

- Coordinate and organize your estate for appropriate distribution
- Verify asset ownership and beneficiary arrangements
- Draft legal documents for the transfer of assets – will and trusts
- Charitable giving strategies

## Monitor Your Plan

- You may experience changes during your retirement journey. Monitoring your plan and making adjustments if necessary will help you stay on track.



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