Is Retirement on the Horizon? **Pinpoint Your Target Date**

Establishing a targeted retirement date helps you create a plan that fits your lifestyle

If you're nearing retirement, say 5-10 years out, knowing *exactly* when you want to retire can have a major impact on your current savings and investment plans. And there are a few key factors to consider if you want to build a retirement income plan that fits your savings, lifestyle and goals.

- **What kind of retirement you want.** Not all retirements are created equally. Whether you want to enjoy the simple life at home or travel the world will impact your retirement plan.
- **How much your retirement will cost.** Establishing a retirement budget is similar to the household budget you have now, with a few key assumptions and adjustments.
- **Your current amount of savings.** After getting a grasp on your current savings and investment strategies, you may want to consider fine-tuning your plan.

1. Visualize *your* retirement

Think about *your* retirement. Discuss it with your partner and/or your family. What does it look like? What do you expect to be doing on an average day? What are you hoping to experience over the years?

2. Determine your retirement income plan

During retirement, you will need income just as you do now. That money will come from a variety of possible sources, including Social Security, pension plans, retirement savings accounts and investments. Many keep working in some capacity beyond their traditional retirement date, in which case retirement income is bolstered by a continuation in salary.

To target a retirement date, you need a general idea of how much of that money you will want to spend in retirement each year. A projected budget can help.

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3. Monthly expenses:

Home

Rent or mortgage payments $ ____________

Utilities $ ____________

Property tax and insurance $ ____________

General household maintenance $ ____________

Total $ ____________

Everyday Expenses

Food $ ____________

Household supplies $ ____________

Clothing $ ____________

Personal care products $ ____________

Gifts $ ____________

Total $ ____________

Transportation

Car payments $ ____________

Car registration taxes, fees and insurance

$ ____________

Maintenance and fuel $ ____________

Other transportation $ ____________

Total $ ____________

Health

Medicare/supplemental insurance $ ____________

Medications and medical supplies $ ____________

Co-pays and out-of-pocket payments $ ____________

Dental $ ____________

Gym/health club membership $ ____________

Total $ ____________

Travel and Entertainment

Travel $ ____________

Dining out $ ____________

Entertaining $ ____________

Hobbies or Activities $ ____________

Total $ ____________

Miscellaneous

Other insurance costs (long-term care insurance) $ ____________

Other debt $ ____________

Other expenses $ ____________

Savings contributions (for emergencies or one-time purchases) $ ____________

Total $ ____________

Monthly Total $ ____________

Annual income required $ ____________

This can be a tough estimate if retirement is far away, so aim to replace about ***80 percent*** of your pre-retirement salary in your first year of retirement.

Keep in mind: Some of these costs will increase over time, some will decrease and some may be eliminated entirely.

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4. Take stock of your current retirement savings

Now that you have an estimate of how much you'll likely need, it's time to determine how much you have in your savings right now, how much you contribute each month and your annual rate of return.

Consider the following sources of income:

- [ ] 401(k)
- [ ] 403(b)
- [ ] IRA
- [ ] Roth IRA
- [ ] Investment accounts
- [ ] Liquid accounts (checking or savings)
- [ ] Additional income sources

An advisor can help you get a clear understanding of where you are on your savings and investments.

5. A big consideration: Social Security

For most people, Social Security provides more than half of their retirement income.

Your retirement date will invariably be influenced by Social Security, because retiring earlier than age 67 and starting to collect Social Security can mean a significant reduction in your monthly benefits over the rest of your life.

You can retire and receive Social Security benefits as early as 62; however, your monthly benefits will be reduced to 70 percent of the full amount. Each month you wait, you earn a small percentage more. See below:

If you start getting benefits at age*	Wage Earner: The Retirement Benefit you will receive is reduced to	Spouse: The Retirement Benefit you will receive is reduced to
62	70%	32.5%
63	75%	35%
64	80%	37.5%
65	86.7%	41.7%
66	93.3%	45.8%
67	100% (no reduction)	50% (no reduction)

*If your birthday is on the 1st of the month, the benefit is figured as though your birthday fell during the previous month.

TIP: Claiming too early means reduced income, but claiming too late may mean living on a tighter budget during your most active and healthy retirement years. An advisor can help you decide what will work best for you.

6. Consider different scenarios

Even though 5-10 years doesn't seem like a long time, a lot can change between now and your retirement date, so it's important to compare a few options. An advisor can also help you understand what it takes to retire at different ages.

If I retire at age ____________________
I will need $ ____________________
My annual income will be $ __________
Here is my savings and investment plan to get there:

____
____
____

If I retire at age ____________________
I will need $ ____________________
My annual income will be $ __________
Here is my savings and investment plan to get there:

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____

If I retire at age ____________________
I will need $ ____________________
My annual income will be $ __________
Here is my savings and investment plan to get there:

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For more on retirement and investing planning:

Call the SunTrust Investment Services Client Advisory Center at 844.206.8900 or learn more **online**.

Note: Center hours are 8-6 ET, Monday through Friday

[1] "Full Retirement Age: If You Were Born In 1960 Or Later," Social Security Administration

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