

# We're here to help **YOU** plan for the future

## RETIREMENT PLANNING



*Annuity Fund of the International Union of Operating Engineers, Local Union 94-94A-94B, AFL-CIO*



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# Agenda

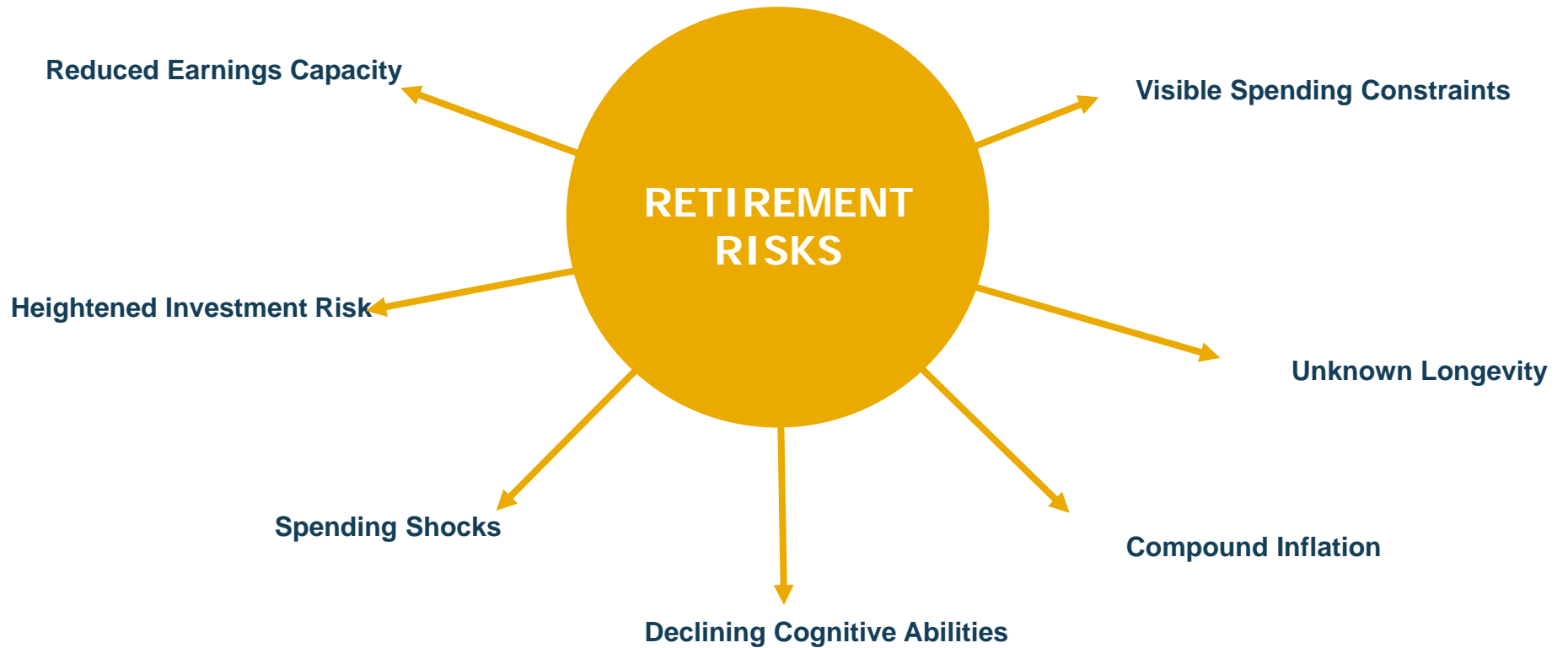


- Why it's important to plan
- Know what you have
- Plan for what you need
- Accessing your assets
- Additional resources



# Why it's important to plan

# Retirees face numerous risks





Know what you have

# How much is enough?

Estimate  
your  
retirement  
income



Screenshot is for illustration only. All calculations are estimates and cannot be guaranteed. When using the calculator, all investments offering the potential for higher rates of return also involve a higher degree of risk to principal.

# Your life now and in retirement

## Do what you want



Spend time  
with family



Hobbies



Travel



Volunteer  
work



Full  
retirement

# Plan for what you may need



Track monthly  
expenses



Estimate  
realistically



How might ongoing  
expenses change...  
up or down?



# How long will your retirement last?



- Plan for longevity
  - You need your money to last as long as you live
- How much will your investments need to earn?
  - Balance potential for return and risk

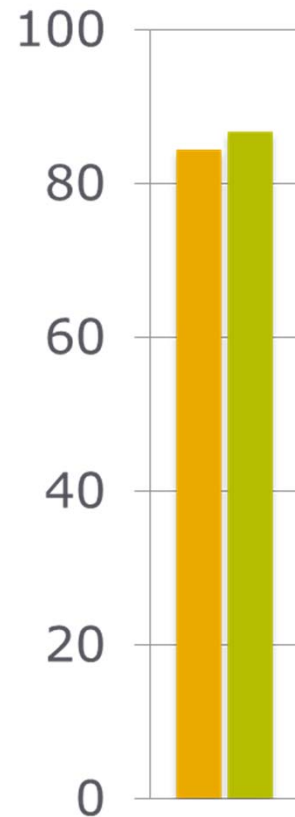
DISCUSS

# Retirement facts



Man

84.3



Woman

86.6

Source Social Security Administration, Life Expectancy, (<https://www.ssa.gov/planners/lifeexpectancy.html>)

# Possible sources of retirement income



- Pension
  - Central Pension Fund
- Social Security
- Retirement Plan
  - Annuity Fund of the International Union of Operating Engineers, Local Union 94-94A-94B, AFL CIO
- Individual Retirement Accounts (IRAs)
- Personal Savings
- Household Income
- Other Investments

# Adjust your plan



- Move to less expensive location
  - Now or in retirement
- Delay taking Social Security
  - Impact on Social Security benefits

\* 2016 tax year numbers.

# Investment fund lineup



Please refer to Investment Disclosure Handout.

All mutual funds are subject to market risk and will fluctuate in value.



# Accessing your assets

# Keep your money working for you



## **Keep your money in a tax-advantaged account!**

- Annuity Fund of the International Union of Operating Engineers, Local Union 94-94A-94B, AFL CIO
- An Individual Retirement Account

# Withdrawal options



## Withdrawals\*

- Retirement (In Plan)
  - Monthly Installments
  - Quarterly Installments
  - Annual Installments
  - Annuity payments
    - Joint & Survivor
- Lump Sum with or without rollover to a qualified vehicle
- Partial Lump Sum
- RMD Age 70 ½

\* Ordinary income taxes due upon withdrawal. Withdrawals before the age of 59 1/2 may be subject to an early distribution penalty of 10%.



## DISTRIBUTION OPTIONS

# Leave your savings in your current plan

### Advantages

- Continued potential tax-deferred growth
- Delay paying income taxes and avoid possible early withdrawal penalties
- Potential for special penalty-free distributions<sup>1</sup>
- Assets may continue to receive protection from creditors
- Institutional Investment Share Classes have lower expense ratios
- Can continue to pay off any outstanding loans
- Flexible Distribution Options
- Access to a Stable Value Fund
- Professionally managed Retirement Fund

### Disadvantages

- Limited investment options
- Limited withdrawal options available to beneficiaries
- May be difficult to maintain a cohesive retirement planning strategy

<sup>1</sup> Must have separated from employment in the year you reach age 55 or older.

## DISTRIBUTION OPTIONS

# Rollover to an IRA

### Advantages

- Continued potential tax-deferred growth
- Avoid paying income taxes and possible early withdrawal penalties
- Larger selection of investment choices
- Certain distribution penalty exceptions available only with IRAs
- Possible conversion to a Roth IRA
- Potential for increased options for beneficiaries
- More likely to work with financial professional

### Disadvantages

- Institutional Share Classes not available
- No Stable Value Fund is available<sup>1</sup>
- There may be additional fees
- Possible decreased protection of assets from creditors

<sup>1</sup> Money Market Fund may be available.

## DISTRIBUTION OPTIONS

# Take your distribution in cash

### Advantages

- Immediate, unrestricted use of your retirement savings
- Individuals born prior to January 1, 1936 have the potential to use special tax treatments

### Disadvantages

- 10% early distribution penalty (if under age 59½)<sup>1</sup>
- Will have to pay federal and possibly state and local taxes
- Distribution may move you to a higher tax bracket
- Savings no longer grow tax-deferred

<sup>1</sup> Unless certain conditions are met, please consult with a tax professional

# Additional resources

## OnDemand Workshops (budgeting, investing)

- Visit the learning center on [mylife.jhrps.com](http://mylife.jhrps.com)

## Want to talk to someone?

- Give us a call at 800.294.3575. (Representatives are available from 8 a.m. to 10 p.m. Eastern time on New York Stock Exchange business days. For your protection all calls to representatives are recorded)
- J.W. Thompson Investments – for information about investing, retirement savings, and the investment funds offered, the Plan offers personalized investment advice through J.W. Thompson Investments at 888.453.1869, [John@jwti.com](mailto:John@jwti.com) or [Jay@jwti.com](mailto:Jay@jwti.com).

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## Social Security

- [www.ssa.gov](http://www.ssa.gov)
- 1-800-772-1213

## Medicare

- [www.medicare.gov](http://www.medicare.gov)

# MyLifeNow Mobile App iOS or Android

- View account balances and personal rate of return
- Review your investments by asset class





Thank you



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MGTS-P33285-GE 06/17-33285

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