



**PATHWAY**  
*to Retirement*

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# Envisioning your Retirement & Income Planning



# “FULFILLMENT”

*What does it mean and how do you find it?*

# “RETIREMENT”

*What is it today and how do you define it?*



# How many years might you need to fulfill?



63

**Average  
retirement age  
in America**



18

**Average length  
of retirement**



30

**Average  
Retirement  
planning horizon**

## 4 tips for finding fulfillment in retirement

- 1 Ask key questions...and answer truthfully
- 2 Create your purpose
- 3 Acknowledge this is not “business as usual”
- 4 Do your research

# Ask key questions...and answer truthfully



- Are you ready to leave what you have been doing?
- Are you prepared for the challenges of creating a new life?
- Do you have the resources to create your new life?
- Have you coped well with other transitions?
- Are you patient?

# Create your purpose



- **Identify and nurture your passion if you have one**
- **Start “living your dream”**
- **Expand on what you already know and love**
- **Talk to everyone you know**
- **Give each new idea 6 months or more to see if it “sticks”**

# Consider care of you and your family



- **Plan to care for an aging parent**
- **Consider you might become a caregiver**
- **Consider you might become the one needing care**

# Acknowledge this is not “business as usual”



- **Expect a transition period – 2 to 5 years**
- **Create a new identity**
- **Embrace a new chapter of freedom**
- **Build and expand your social network**
- **Take the time to do what you’ve always promised yourself you would do**



# Where to start?

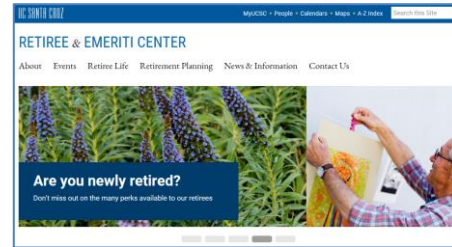
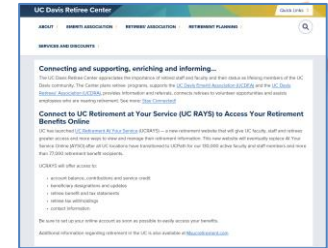
- Blogs and Books
- AARP



Wall Street Journal, "The Best Books of 2018 on Aging Well", 11/20/2018.

# Where to start?

- UC Retirement Centers
- Emeriti and Retirees' Associations
- Other happy retirees





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# Retirement Income Planning



A detailed **path** that helps you determine how to use your **financial resources** to generate **income to last** the rest of your life.



## Benefits of a Retirement Income Plan

- **Decide when you can retire**
  - **Align your income and expenses**
  - **Incorporate income security**
  - **Re-evaluate your investments**
  - **Streamline and keep things simple**
- 



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# Decide when you can retire

# Part 1: What you want

## When?



- By choice?
- By need?

## Where?



- Downsizing?
- Upsizing?

## What?



- Filling your days?
- Days of fulfillment?

## Part 2: What you can afford



**Ensure your savings last through retirement**



**Achieve the retirement goals and lifestyle you want**



**Maintain flexibility for opportunities and emergencies**



**Preserve your money for a legacy or inheritance**





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**Align your income and expenses**

# 3

## Categories of expenses



**Essential  
Expenses**



**Discretionary  
Expenses**



**Emergency  
Expenses**

Gap

Estimated  
income

Estimated  
expenses

**\$5,000**

Estimated income per month

**- \$7,000**

Estimated expenses per month

**- \$2,000**

Potential gap per month



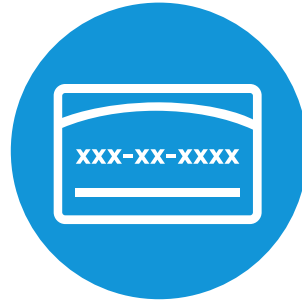
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# Incorporate income security

# Traditional retirement income sources



**UCRP  
(pension)**



**Social  
Security**



**UC  
Retirement  
Savings  
Program**



**Other  
Savings**


# UC Retirement Review

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PRIMARY RETIREMENT BENEFITS | SUPPLEMENTAL RETIREMENT BENEFITS | RETIRE HEALTH & WELFARE BENEFITS | RETIREMENT INCOME | CLASSES, NEWS & HELP | TIPS & TOOLS FOR MEMBERS LIKE YOU | SEARCH | MY UC ACCOUNTS | LOG OUT

## ESTIMATED INCOME FROM ALL UC SOURCES

### Welcome to your 2021 Retirement Review



Marilyn, your current retirement readiness score is **78%**

Your UC benefits may provide retirement income of about \$4,873 per month, or 78% of your current estimated annual pay. This estimate assumes you will retire from UC at 70 or later. To see how your income stacks up after you add in Social Security and personal savings, select the **YOUR MODELED RETIREMENT READINESS INFORMATION** tab below and start modeling.

**YOUR CURRENT RETIREMENT READINESS INFORMATION**  
Does not include any modeled changes

<p><b>YOU MAY HAVE</b></p> <p><b>\$4,873</b></p> <p>per month</p> <p><i>78% of your current pay, assuming you retire from UC at 70</i></p>	<p><b>YOU MAY NEED</b></p> <p><b>\$5,000</b></p> <p>per month</p> <p><i>80% of your current pay; you may need more or less than this.</i></p>	<p><b>POTENTIAL GAP</b></p> <p><b>\$127</b></p> <p>per month</p> <p><i>Use the modeler to see ways to help make up a potential gap.</i></p>
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**WANT TO SAVE MORE?**

You can increase your contributions to the 403(b), 457(b) or DC Plan online.

[NETBENEFITS.COM](#)

**DATA USED IN THIS ESTIMATE**

Data for the UC 403(b), 457(b) and DC Plans is as of December 31, 2019. Data for the UC Retirement Plan and CAP is as of December 2020.

[SEE DATA](#)

**HOW THE ESTIMATE WAS CALCULATED**

The Retirement Review is

# Set up automatic withdrawals

- **Regular payments**
- **Straight to your bank account**
- **May help offset your IRS  
Minimum Required Distributions  
(MRDs), requirements**





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# Re-evaluate your investments



Professionally managed investments

Do it yourself (Build your own)

TIER I - TARGET DATE FUNDS UC PATHWAY FUNDS		
UC Pathway Income Fund UC Pathway Fund 2020 UC Pathway Fund 2025 UC Pathway Fund 2030	UC Pathway Fund 2035 UC Pathway Fund 2040 UC Pathway Fund 2045 UC Pathway Fund 2050	UC Pathway Fund 2055 UC Pathway Fund 2060 UC Pathway Fund 2065
TIER II - MAIN FUND MENU BOND AND STOCK INVESTMENTS*		
<b>Bond</b> <i>Short-Term</i> UC Savings Fund  <i>Intermediate-Term</i> UC Bond Fund  <i>Inflation-Protected</i> UC Short Term TIPS Fund UC TIPS Fund	<b>Domestic Stock</b> <i>Broad Cap</i> UC Domestic Equity Index Fund  <i>Large Cap</i> UC Growth Company Fund  <i>Small Cap</i> UC Domestic Small Cap Equity Fund	<b>Foreign Stock</b> <i>Developed Markets</i> UC International Equity Index Fund UC Diversified International Fund  <i>Emerging Markets</i> UC Emerging Markets Equity Fund  <i>Specialty Stock</i> UC Global Equity ex Fossil Fuel Fund UC Real Estate Fund UC Social Equity Fund
TIER III - FIDELITY BROKERAGELINK®		

# Deferred Lifetime Income Option

(available through the UC Pathway Funds)

- Annual purchase opportunity
- Get all the details about this new feature at [myUCretirement.com](https://myUCretirement.com)>Retirement Income>Strategies



**Purchase Deferred Lifetime Income** using a portion of your Retirement Savings Program account balance.



**Start receiving Deferred Lifetime Income payments** from the insurer every month until your death (or spouse's death if you select the Joint & Survivor option).



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**Streamline and keep things simple**

# Streamline your accounts

- **Consolidate to one UC plan**
- **Rollover other accounts into a single plan**



# Annual check-ins address current topics



# Specific Actions Needed at Specific Ages

## 50s–Quick Plan

- Write down best estimates
- “Super save”
- Set up an initial planning session with Fidelity

## 60s–Detailed Plan

- Determine Social Security strategies
- Reassess risk and asset allocation
- Build a detailed financial assessment

## 65+ –Master Plan

- Sign up for Medicare
- Discuss retiree health insurance options with employer
- Prepare portfolio for required minimum distributions

# Next steps



**Attend classes  
available at  
[myUCretirement.com/classes](https://myUCretirement.com/classes)**



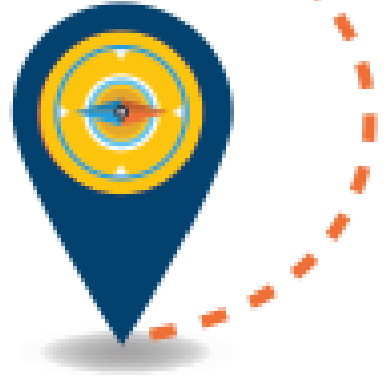
**Gather your UCRP  
estimate, UCRSP  
account balances  
and Social Security  
Estimate**



**Read articles on  
income planning at  
[myUCretirement.com](https://myUCretirement.com)**



**Schedule a  
planning session  
in person or over  
the phone  
800-558-9182**



The retirement planning information contained herein is general in nature and should not be considered legal or tax advice. Fidelity does not provide legal or tax advice. This information is provided for general educational purposes only and you should bear in mind that laws of a particular state, changes in Social Security rules, and your particular situation may affect this information. You should consult your attorney or tax advisor regarding your specific legal or tax situation.

## Investing involves risk, including risk of loss.

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# Retirement Income Sources - Social Security

## 5 Important Questions to Ask Before You Claim

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# 5 Important questions

- 1 When should I claim (vs. when can I claim)?
- 2 How can I claim retirement benefits?
- 3 Where do I get information?
- 4 What do I need to get my benefits?
- 5 Where does Social Security fit in my plan?



**Q1.** When should I claim  
(vs. when can I claim)?

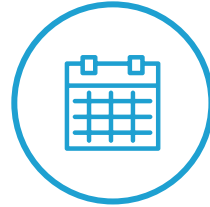
# Everyone knows the earliest age to claim, but is that the right time for you?



**How much income  
do you need?**



**What other  
income sources  
are available?**

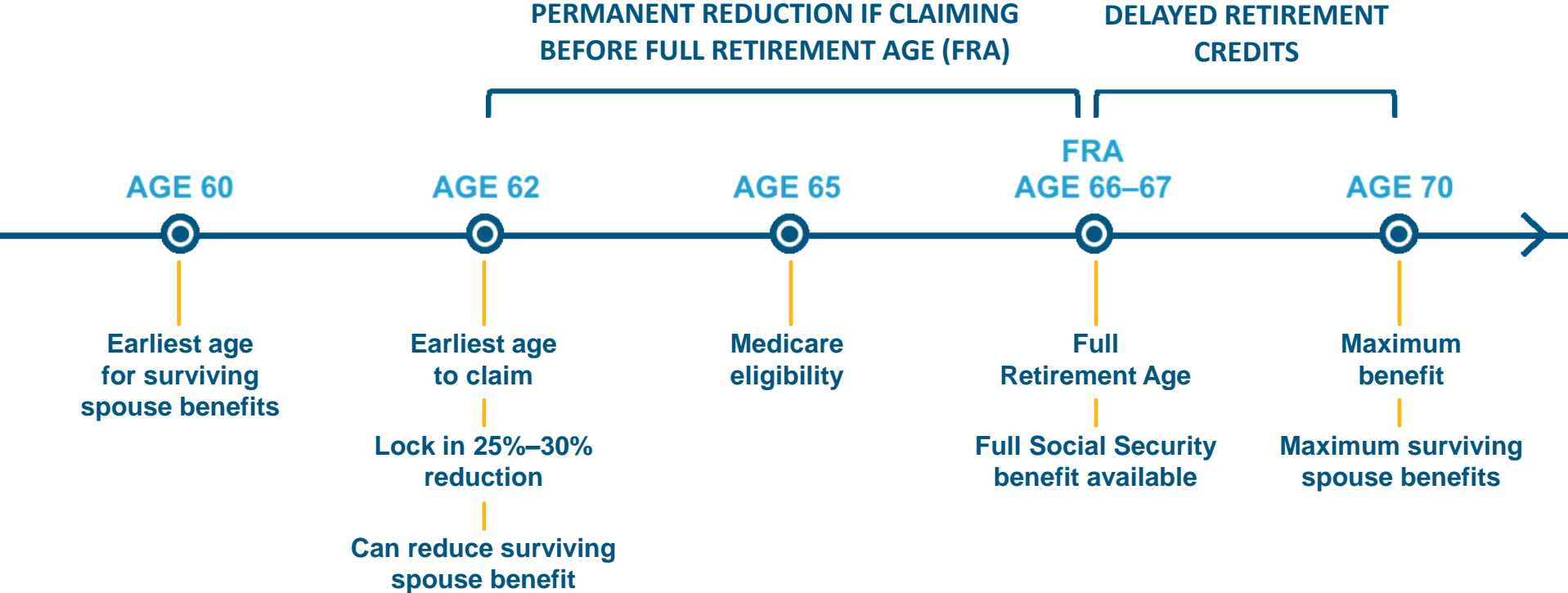


**The longer your  
wait, the higher  
the benefit**



**Consider  
life expectancy and  
longevity**

# Claiming early locks in permanent reductions





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## Q2. How can I claim retirement benefits

# 4 Ways to claim



**Individual  
Worker**



**Spouse**



**Ex-Spouse**



**Surviving  
Spouse**

# Individual worker



**MAXIMIZE  
BENEFITS**  
at 70?



**OTHER  
RESOURCES**  
AVAILABLE?



**CONTINUE  
WORKING?**



# Spouse



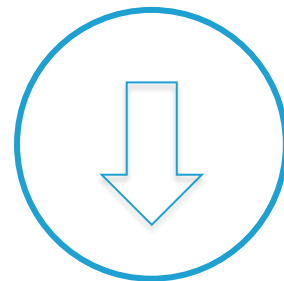
**You are married**



**Spouse enrolled in  
Social Security**

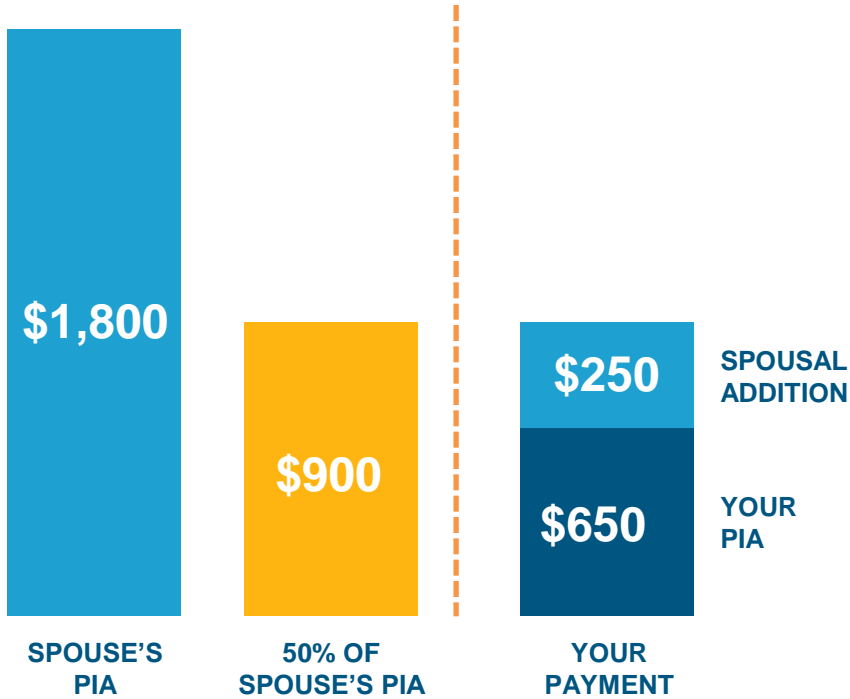


**Maximum benefit:  
half of spouse's full  
benefit**



**Reduced amount  
if you claim  
before FRA**

# You have a work record and a current spouse



total benefit cannot exceed

# 50%

of your spouse's Primary Insurance Amount (PIA)

# Ex-spouse



**Marriage for  
10 years**



**You have not  
remarried**

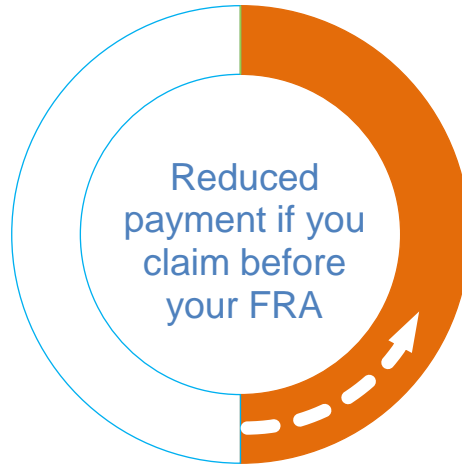
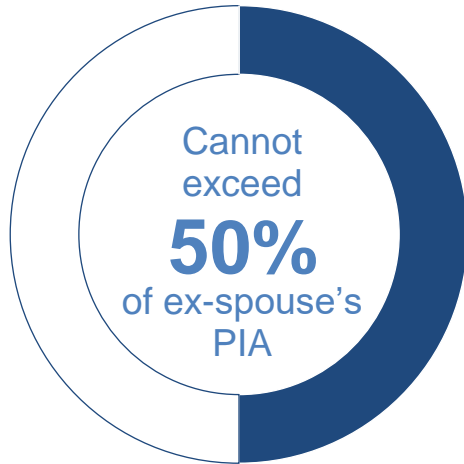


**Both at least  
age 62**



**Divorced 2+ years or  
ex is claiming**

# Ex's can claim on each other's records



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## Confidentiality:

- Between you and the SSA
  - Marriage certificate
  - Divorce decree
  - Ex's SSN
  - Other required proof and documentation
-

# Surviving Spouse or Surviving Ex-Spouse

Your spouse dies




**Your ex-spouse dies**  
if you were married 10+  
years and did not remarry  
before age 60

**You “step into his/her shoes”**

When the higher-earning  
spouse / ex dies first



## Survivor benefit considerations:

- Survivor benefits available as early as age 60
  - Early claims will be reduced
  - Can switch between survivor and individual benefits
  - You are responsible for notifying the SSA
- 



## Q3. Where do I get information?

# Social Security website: SSA.gov

Social Security

SEARCH MENU LANGUAGES SIGN IN/UP

What should I do if I get a call claiming there's a problem with my Social Security number or account?

Online Services

Employers: File W2s online

Retirement

Disability

Medicare Enrollment

**my Social Security**  
Check out your *Social Security Statement*, change your address & manage your benefits online today.


**Social Security Number**  
Your Social Security number remains your first and continuous link with Social Security.

**Retirement Estimator**  
Calculate your benefits based on your actual Social Security earnings record.

**FAQs**  
Get answers to frequently asked questions about Social Security.



# UC and Fidelity Resources




**CLAIMING  
SOCIAL SECURITY:  
HELPFUL TIPS**


Choosing when to start claiming Social Security benefits is an important decision, with pluses and minuses for every option. This guide will help you make a more informed decision.

Provided by **Fidelity**

## When should you claim SOCIAL SECURITY?

If you are 50 or over, it's a good time to start thinking about how Social Security fits into your overall plan. The right strategy could mean a significant difference in your retirement benefits, so let us show you an example of how you can get the most for your future.

I WAS BORN 





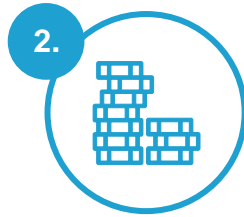
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**Q4.** What do I need to get  
my benefits?

# You must first qualify for Social Security



You paid into  
Social Security



You earned at  
least 40 “credits”



Reach age 62

# You need to know your Full Retirement Age

If you were born in...	Your full retirement age is...
1943–1954	66 years
1955	66 years, 2 months
1956	66 years, 4 months
1957	66 years, 6 months
1958	66 years, 8 months
1959	66 years, 10 months
1960 or later	67 years

# You need to understand the implications



Average of  
your 35 highest-  
earning years



Actuaries  
determine PIA



Claiming Age

**Not waiting:**  
Permanent reduction  
As much as **30%** less

**Waiting:**  
Increases until age 70  
Up to **32%** more



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## Q5. Where does Social Security fit in my plan?

# When you claim Social Security can have a significant impact on your savings

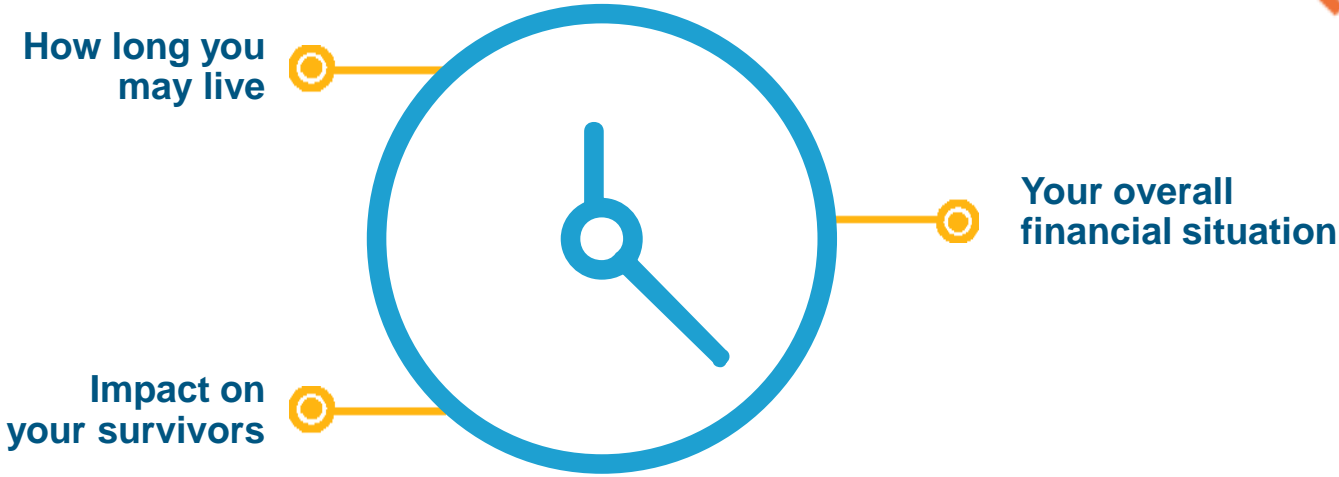
	Social Security	Your Portfolio
FRA (Full Retirement Age)	\$1,800	\$2,200
Age 70	\$2,232	\$1,768
Age 62	\$1,260	\$2,740

77%

\$972

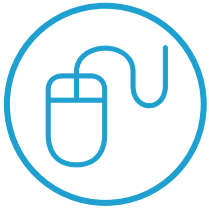
Hypothetical example to illustrate how different Social Security claiming dates deliver different income amounts. Assumes FRA is 67. Essential expense need is \$4,000 per month.

# Deciding when to claim is a key piece of your retirement income plan





# Next steps



**Attend Social Security classes available at [myUCretirement.com/classes](https://myUCretirement.com/classes)**



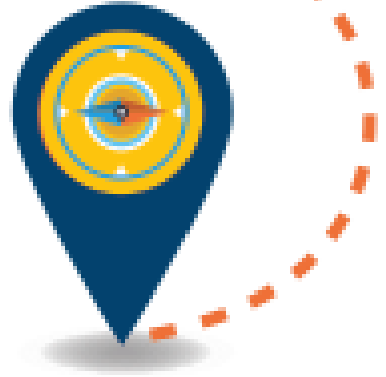
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**Schedule a planning session in person or over the phone [800-558-9182](tel:800-558-9182)**



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# THANK YOU!

