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?

Average retirement age in America: 63
Average length of retirement: 18
Average Retirement planning horizon: 30

Source: US Census Bureau, 2017, labor force participation rates for people ages 40 - 80
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

Where to start?

- UC Retirement Centers
- Emeriti and Retirees’ Associations
- Other happy retirees
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
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
Align your income and expenses
Categories of expenses

1. Essential Expenses
2. Discretionary Expenses
3. Emergency Expenses
Estimated income per month - $2,000
Estimated expenses per month - $7,000
Potential gap per month - $5,000
Incorporate income security
Traditional retirement income sources

- UCRP (pension)
- Social Security
- UC Retirement Savings Program
- Other Savings
UC Retirement Review

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

YOU MAY HAVE
$4,873
per month
78% of your current pay; assuming you retire from UC at 70.

YOU MAY NEED
$5,000
per month
80% of your current pay; you may need more or less than this.

POTENTIAL GAP
$127
per month
Use the model to see ways to help make up a potential gap.

WANT TO SAVE MORE?
You can increase your contributions to the 403(b), 457(b) or DC Plan online.

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.

For illustrative purposes only.
Set up automatic withdrawals

• Regular payments
• Straight to your bank account
• May help offset your IRS Minimum Required Distributions (MRDs), requirements
Re-evaluate your investments
**Professionally managed investments**

**Do it yourself (Build your own)**

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**Tier I - Target Date Funds**

<table>
<thead>
<tr>
<th>UC Pathway Income Fund</th>
<th>UC Pathway Fund 2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>UC Pathway Fund 2020</td>
<td>UC Pathway Fund 2040</td>
</tr>
<tr>
<td>UC Pathway Fund 2025</td>
<td>UC Pathway Fund 2045</td>
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<tr>
<td>UC Pathway Fund 2030</td>
<td>UC Pathway Fund 2050</td>
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**Tier II - Main Fund Menu**

<table>
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<tr>
<th>Bond</th>
<th>Domestic Stock</th>
<th>Foreign Stock</th>
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<tbody>
<tr>
<td>Short-Term</td>
<td>Broad Cap</td>
<td>Developed Markets</td>
</tr>
<tr>
<td>UC Savings Fund</td>
<td>UC Domestic Equity Index Fund</td>
<td>UC International Equity Index Fund</td>
</tr>
<tr>
<td>Intermediate-Term</td>
<td>Large Cap</td>
<td>Diversified International Fund</td>
</tr>
<tr>
<td>UC Bond Fund</td>
<td>UC Growth Company Fund</td>
<td>Emerging Markets</td>
</tr>
<tr>
<td>Inflation-Protected</td>
<td>Small Cap</td>
<td>Emerging Markets Equity Fund</td>
</tr>
<tr>
<td>UC Short Term TIPS Fund</td>
<td>UC Domestic Small Cap Equity Fund</td>
<td>Specialty Stock</td>
</tr>
<tr>
<td>UC TIPS Fund</td>
<td></td>
<td>UC Global Equity ex Fossil Fuel Fund</td>
</tr>
</tbody>
</table>

**Tier III - Fidelity Brokeragelink®**

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Target Date Funds are an asset mix of stocks, bonds and other investments that automatically becomes more conservative as the fund approaches its target retirement date and beyond. Principal invested is not guaranteed.
Deferred Lifetime Income Option
(available through the UC Pathway Funds)

- Annual purchase opportunity
- Get all the details about this new feature at myUCCretirement.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).

Information is provided by the University of California. Fidelity Investments is not responsible for its content.
Streamline and keep things simple
Streamline your accounts

• Consolidate to one UC plan
• Rollover other accounts into a single plan

Be sure to consider all your available options and the applicable fees and features of each before moving your retirement assets.
A distribution from a Roth IRA is tax-free and penalty-free, provided the 5-year aging requirement has been satisfied and one of the following conditions is met: age 59½, disability, qualified first-time home purchase, or death.
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

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

Read articles on income planning at 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.

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Retirement Income Sources
- Social Security

5 Important Questions to Ask Before You Claim
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

PERMANENT REDUCTION IF CLAIMING BEFORE FULL RETIREMENT AGE (FRA)

AGE 60
- Earliest age for surviving spouse benefits

AGE 62
- Earliest age to claim
  - Lock in 25%–30% reduction
  - Can reduce surviving spouse benefit

AGE 65
- Medicare eligibility

FRA AGE 66–67
- Full Retirement Age
  - Full Social Security benefit available

AGE 70
- Maximum benefit
  - Maximum surviving spouse benefits

Source: Social Security Administration.
Q2. How can I claim retirement benefits
4 Ways to claim

1. Individual Worker
2. Spouse
3. Ex-Spouse
4. 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

For illustrative purposes only and based on Social Security rules in effect at the time of publication, and subject to change at any time. All figures assumed to be pretax.
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

Cannot exceed **50%** of ex-spouse’s PIA

Reduced payment if you claim before your FRA

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

You “step into his/her shoes”
When the higher-earning spouse / ex dies first

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

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

- Online Services
- Disability
- Medicare Enrollment
- Employees: File W-2 online
- Retirement

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.

SSA.gov home page as of March 26, 2021.
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.

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 MM/DD/YYYY

SUBMIT
Q4. What do I need to get my benefits?
You must first qualify for Social Security

1. You paid into Social Security
2. You earned at least 40 “credits”
3. Reach age 62
You need to know your Full Retirement Age

<table>
<thead>
<tr>
<th>If you were born in…</th>
<th>Your full retirement age is…</th>
</tr>
</thead>
<tbody>
<tr>
<td>1943–1954</td>
<td>66 years</td>
</tr>
<tr>
<td>1955</td>
<td>66 years, 2 months</td>
</tr>
<tr>
<td>1956</td>
<td>66 years, 4 months</td>
</tr>
<tr>
<td>1957</td>
<td>66 years, 6 months</td>
</tr>
<tr>
<td>1958</td>
<td>66 years, 8 months</td>
</tr>
<tr>
<td>1959</td>
<td>66 years, 10 months</td>
</tr>
<tr>
<td>1960 or later</td>
<td>67 years</td>
</tr>
</tbody>
</table>

Source: Social Security Administration
You need to understand the implications

**Claiming Age**

- Average of your 35 highest-earning years
- Actuaries determine PIA

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

**Waiting:**
- Increases until age 70
- Up to 32% more
Q5. Where does Social Security fit in my plan?
When you claim Social Security can have a significant impact on your savings

<table>
<thead>
<tr>
<th>Age</th>
<th>Social Security</th>
<th>Your Portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>FRA (Full Retirement Age)</td>
<td>$1,800</td>
<td>$2,200</td>
</tr>
<tr>
<td>Age 70</td>
<td>$2,232</td>
<td>$1,768</td>
</tr>
<tr>
<td>Age 62</td>
<td>$1,260</td>
<td>$2,740</td>
</tr>
</tbody>
</table>

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

- How long you may live
- Impact on your survivors
- Your overall financial situation
Next steps

Attend Social Security classes available at myUCretirement.com/classes

Get your Social Security Statement at SSA.gov

Read articles on Social Security at myUCretirement.com

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