



## FACILITATOR GUIDE

**Informed Retirement Decisions: Managing Retirement Plan Assets****WORKSHOP OVERVIEW**

Audience profile: This workshop primarily is intended for adults in their 50s and early 60s who are nearing retirement and are considering how their employer-based retirement plans will contribute to their income in retirement. Some audience members may be uncertain or unaware of how to build up retirement plan assets or roll over retirement plan assets. Decisions they make about how and when to use their retirement plan assets can have a long-term impact on their retirement paycheck.

A shift from defined benefit plans to defined contribution plans has transferred the responsibility of managing retirement plans from employers to individuals, who often are not prepared to make these complex decisions. Many individuals make costly and/or inappropriate withdrawals from these plans without considering the implications of these decisions on their retirement future. The implications of these decisions affect one's retirement future.

By sharing tools and resources during this workshop, you will show participants how to get the clear answers they need so they can make better and more confident decisions about their retirement plan assets and, ultimately, their financial security in retirement.

This workshop walks participants through the basics of determining how best to build up and manage retirement plan assets, especially leading into retirement. The information presented focuses on guiding participants to review their existing retirement plans and to understand how these assets — as well as the decisions they make about contributing to and withdrawing from the plans — will impact their broader financial situation in retirement. This workshop also directs participants to free, credible resources to answer questions they may have about various retirement plans and how to use them for favorable outcomes in retirement.

***Length of workshop:***

90 minutes

***Description of content:***

The following topics are addressed in the *Informed Retirement Decisions: Managing Retirement Plan Assets* workshop.

- Current retirement plan inventory
- Guidelines for utilizing retirement plan assets prior to and during retirement
- Strategies to catch up retirement plan contributions

*Target Learning Outcomes:*

Participants will use what they learn in this workshop to determine how to use pensions and retirement plans in ways that benefit their financial security in retirement. They will demonstrate achievement of the competency by applying an intentional strategy to manage retirement plan assets for the long term, especially leading into retirement.

*Participants will address the following learning objectives as they master the competency:*

- a. Examine their existing retirement plan state of affairs.
- b. Discuss rules of thumb when utilizing retirement plan assets during retirement.
- c. Discuss approaches to catch up retirement plan contributions.

*Participants will know that they have achieved the learning outcomes when they have done the following:*

- a. Inventoried details of existing retirement plan assets.
- b. Tallied the total value of all retirement plan assets and estimated any funding gap during retirement.
- c. Determined viable options to build and catch up retirement plan contributions prior to retirement.
- d. Decided in advance what to do when faced with a rollover decision or severance package payout option.
- e. Established criteria for utilizing retirement plan assets working from personalized “test questions” when considering the consequences of drawing any money from retirement plan assets prior to age 59½ (e.g., In my best interest? Boundaries? Triggers? What am I giving up now and later?).

**FACILITATOR PREPARATION**

- View NEFE’s video resources to maximize your workshop facilitation and integrate best practices for engaging adult learners. ([www.financialworkshopkits.org/getting-started.aspx](http://www.financialworkshopkits.org/getting-started.aspx))
  - About Financial Workshop Kits (length: 4:20)
  - How to Use Financial Workshop Kits (length: 1:33)
  - Plan Prior to Teaching (length: 3:53)
  - Better Engage Your Audience (length: 3:32)
- Promote workshop.
- If possible, gather demographic information about your audience to make the workshop relevant to their financial circumstances, skills and knowledge.
- Preview this guide so you are prepared for questions that may arise.





- Tour the U.S. Department of Labor website to become familiar with retirement issues ([www.dol.gov/ebsa/publications/nearretirement.html](http://www.dol.gov/ebsa/publications/nearretirement.html)).
- Tour the AARP website to become familiar with the topic ([www.aarp.org/](http://www.aarp.org/)).
- Make note of the suggested length for each topic. This workshop is designed to run approximately 90 minutes from Introduction and Preview to Wrap Up, depending on the amount of class discussion.
- Reflect on your own situation:
  - Do you have a pension, 401(k), IRA or mix of several retirement plans?
  - How do you balance risk and return to maximize savings growth in your retirement plans?
- Reflect on your own views about retirement plan assets and pensions:
  - When is the best time to start using retirement plan assets in retirement?
  - How and for what do you want to use your retirement plan assets in retirement?
- Throughout the workshop, keep these two points in mind:
  - When it comes to talking about money, sharing your own successes and challenges will make the workshop much more engaging — and valuable — for participants. It makes the points you're discussing come alive, reassures participants that they are not alone in having questions and concerns, and encourages them to share their own experiences, which can be equally valuable to other participants.
  - Participants may feel self-conscious about their financial situation or some of the choices they've made, so include a statement in your opening that this workshop is a judgment-free zone and that there is no single right or wrong answer — it depends on the person's situation and values. The aim of this workshop is to empower individuals to make decisions that work for them and aligns with their values and needs, which might not look like everyone else's.

## MATERIALS NEEDED

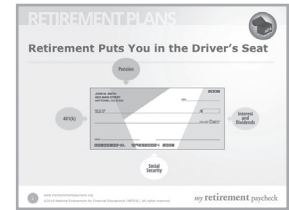
- PowerPoint presentation, LCD projector, screen, laptop computer
- Flip chart and easel or whiteboard, markers
- Pens/pencils for participants
- Copies of Workshop Packet, one per learner
- Name tags or name tents
- Optional: Internet access for live tour of the NEFE website and resources
- Optional: Pre-workshop and post-workshop evaluation forms, one per learner



Presenter Notes	Materials
<p>Introduction and Preview <i>10 minutes</i></p> <ul style="list-style-type: none"> <li>❑ Display this slide as you greet people when they arrive and help them get settled.</li> <li>❑ Ensure that everyone displays a name tag or name tent.</li> <li>❑ Welcome participants and introduce yourself.</li> <li>❑ Facilitate an introductory activity to engage participants as they share names and get to know one another. Provide a prompt to gain insight into your audience by asking a nonthreatening, retirement-based question.                         <ul style="list-style-type: none"> <li>— <i>What do you hope to gain by attending this workshop?</i></li> <li>— <i>What is one question you have regarding your retirement plan assets?</i></li> </ul> </li> </ul> <p>List the questions on the flip chart or whiteboard. At the end of the workshop, review the list to evaluate whether or not issues have been addressed or point out where to get more information.</p>	 <p>Slide 1 - Workshop Title</p> <p>Name tags or Name tents</p> <p>Markers Flip chart or whiteboard</p>
<ul style="list-style-type: none"> <li>❑ Lead into the workshop introduction as the Preview slide is displayed to provide an overview of the workshop content and outcomes.</li> <li>❑ Share that by the end of this workshop, participants will be better equipped to manage their retirement plan assets, especially leading into retirement.</li> <li>❑ Explain that during this workshop they will do the following:                         <ul style="list-style-type: none"> <li>— Preview eight key retirement decisions.</li> <li>— Explore guidelines about how to use retirement plan assets.</li> <li>— Discover where to go for additional help.</li> </ul> </li> </ul>	 <p>Slide 2 - Preview</p>



- ❑ Ask participants to give examples of ways people receive regular income. (Examples might include paycheck from a job, disability benefits, and alimony and palimony payments.)
- ❑ Note that individuals receiving these types of income probably had only partial control of these checks. Even if they negotiated the salary, their employer decided terms such as whether they'd be paid weekly or biweekly, when and how much their raises would be, or whether they were eligible for any bonuses — and how much and when those would be. For alimony and child support, the lawyers or court decided what they would receive and when. And for any kind of benefits check, the insurer or government determined how much they would receive and when.
- ❑ Point out that in these instances, the income earners simply focused on managing the money they received. But stress that this changes in retirement. Explain that once in retirement, they will be in the driver's seat because THEY will have to decide how much and how often they'll be paid.



Slide 3 - Retirement Puts You in the Driver's Seat

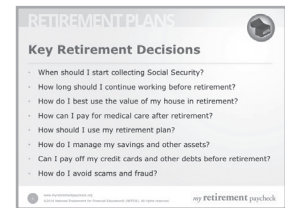
- ❑ Explain that a retirement paycheck is how people pay themselves throughout their retirement years. When a person takes an action within a decision area, it either produces or reduces retirement income. A “retirement paycheck” describes how each decision area and all income streams work together to create a paycheck.
- ❑ Point out that academic research and evidence suggests that retirement is a holistic process, with each decision area affecting other areas of consideration. For example, all of the questions shown in the illustration on the screen are connected to one larger question: *How much of a regular retirement paycheck can I expect to pay myself?* The answer to this question depends on decisions made about factors such as work, benefits and housing. By piecing together many different streams of income, taking responsibility for making informed decisions, and appropriately growing and protecting assets, individuals can make a small nest egg last longer during retirement.



Slide 4 - A Holistic Approach

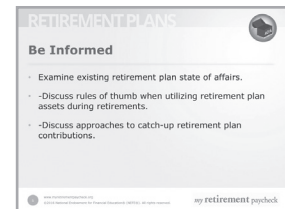


- ❑ Explain that just as retirement planning encompasses savings, work, pensions and Social Security, decisions about drawing down assets are interrelated as well.
- ❑ Note that there are eight decision areas: Retirement Plans, Savings and Investments, Debt, Fraud, Social Security, Work, Home and Mortgage, and Insurance. While most of these decision areas are income producers — meaning they contribute income to one’s retirement years — areas such as Debt and Fraud are examples of income reducers.
- ❑ Explain that decisions that are made in each of these areas have a real impact on what a person can pay themselves as part of their retirement paycheck.



Slide 5 - Key Retirement Decisions

- ❑ Preview that this workshop specifically will help participants be informed about factors that impact their decisions about how to use retirement savings assets. Distribute the Workshop Packet and point out the Action Plan. Preview the directions and explain that today participants will address the following topics to help them decide how best to manage and use their retirement assets:
  - Examine their existing retirement plan state of affairs.
  - Discuss rules of thumb when utilizing retirement plan assets during retirement.
  - Discuss approaches to catch up retirement plan contributions.




Slide 6 - Be Informed

Workshop Packet

Action Plan: My Retirement Plan Assets

Pre-Workshop Evaluation

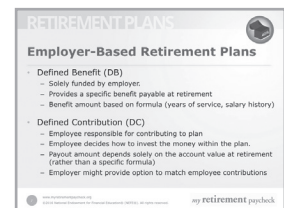


<p>Topic A: Examine the existing retirement plan state of affairs.  <i>15 minutes</i>                  Important</p>	
<ul style="list-style-type: none"> <li>❑ Facilitate a discussion about the value of knowing one’s own retirement plan state of affairs. Ask participants to consider whether or not they think that they can afford their desired lifestyle throughout their retirement years. Follow up by asking if they know what kinds of retirement plans they have and how much is saved in each (or, how much it will pay out if it is a pension or annuity). Share that this is an important step in understanding how much they’ll be able to pay themselves in retirement.</li> <li>❑ Point out that there are different types of retirement plans: pensions; tax-deferred employer retirement savings plans such as 401(k), 403(b), 457plans and Thrift Savings Plans (TSP) depending upon where someone works; and IRAs (traditional and Roth). Each has its own rules and income tax differences.</li> </ul>	 <p>Slide 7 - Get to Know Your Retirement Plan</p>

Continued on page 8



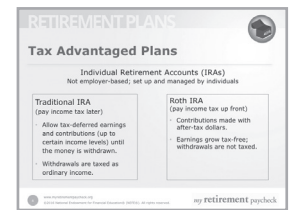
- Note that employer-based retirement plans may be categorized as either a defined benefit plan or defined contribution plan:
  - **Defined benefit (DB)** plans identify the specific benefit that will be payable to an individual at retirement. This benefit usually is based on a formula that takes into account factors such as the number of years of service to an employer and some measure of an individual's salary (e.g., the highest three or five years of earnings). The benefit is provided in the form of regular payments over the recipient's lifetime beginning at what the plan calls "normal retirement age," which typically is age 65. This stream of periodic payments generally is known as a pension or sometimes called an annuity. It is important to note that the employer generally manages DB plans and assumes the risk of accumulating sufficient assets to pay out promised future benefits.
  - **Defined contribution (DC)** plans do not promise to pay a specific formula-based benefit at retirement. Rather, under a DC plan, an employer generally allocates contributions to an employee's account, often in the form of matching contributions. These funds often are invested in mutual funds or company stock available inside the retirement plan. With salary-reduction tax-deferred employer plans (e.g., 401(k), 403(b), 457 plans and TSP), employees make contributions and each employee is responsible for deciding how to invest the money within available plan options. The retirement benefit payable from a defined contribution plan depends solely on the value of the account balance at retirement. Factors include how much an employer and/or individual contributes to the plan, selected investments, how long the funds are invested and how well investments perform inside the plan. Contributions and earnings in these plans are tax-deferred; however, withdrawals are taxed as ordinary income. For 2016, the contribution limit for tax-deferred employer plans is \$18,000 for workers under age 50. The catch-up contribution limit (for people who are at least 50 years old) is \$6,000 for a maximum contribution limit of \$24,000 (2016 figure).




## Slide 8 - Employer-Based Retirement Plans



- Share that individual retirement accounts (IRAs) are like DC plans and are available for those without employer-based retirement plans, or as an additional plan for those wanting to expand their retirement savings. There are two types of IRAs:
  - Traditional IRAs allow tax-deferred contributions (only up to certain income levels based upon tax filing status; e.g., single and married couples filing jointly) and earnings until the money is withdrawn. Withdrawals are taxed as ordinary income.
  - Roth IRAs are funded with after-tax dollars (i.e., money that has already been taxed), but earnings grow tax-free and distributions are not taxed when money is withdrawn.
  
- Point out additional information about IRAs:
  - For 2016, total contributions to all traditional and Roth IRAs cannot be more than \$5,500 (or \$6,500 if age 50 or older).
  - IRA rollovers are a popular way to transfer money from a retirement plan when changing jobs because they prevent a person from having to pay taxes on funds that are withdrawn and allows money to keep growing on a tax-deferred basis. Keep in mind, however, that money often can be left in a former employer's plan to grow, generally at a lower cost than an IRA (i.e., administrative fees tend to be lower within employers' plans versus owning an IRA on your own). Money in a tax-deferred employer plan also could be transferred to a new employer's plan, if this is allowed.



Slide 9 - Tax-Advantaged Plans

 **ACTIVITY: Preview the Organizing My Retirement Assets activity, and guide participants to fill out their spreadsheet to the best of their knowledge to estimate how much they already have saved in retirement accounts.**

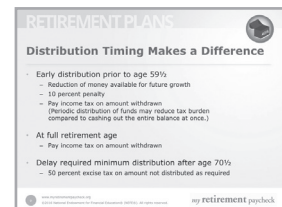
**Review the Action Plan: My Retirement Plan Assets to point out the first step in the action plan is to take an inventory of their current retirement plan assets.**

Activity: Taking Inventory

Action Plan: My Retirement Plan Assets (#1)



- Discuss the impact on retirement income when retirement plans are utilized at different times. Point out that individuals need to consider the income tax implications when deciding whether to take retirement plan disbursements early, delayed, or at full retirement.
  - When retirement plan assets are cashed out prior to age 59½, a 10 percent penalty is assessed and taxes need to be paid on the amount withdrawn. Furthermore, the amount of money available to grow for the future is diminished. If the whole amount is cashed out, taxes need to be paid at one time instead of spreading taxation out over many years by taking periodic distributions.
  - Retirement plan assets that are used at normal retirement age — or even delayed until age 70½ — have more time to grow, and more money is available for later years, when some costs of retirement such as health care and long-term care may increase.
  - Individuals who delay the required minimum distribution after age 70½ may face a 50 percent excise tax on the amount not distributed as required.

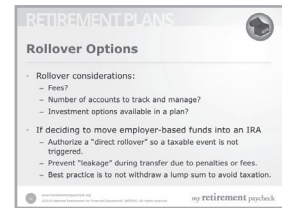


Slide 10 -  
Distribution Timing  
Makes a Difference

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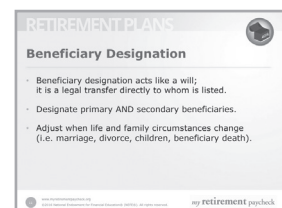


- Review potential options and best practices when rolling over retirement plan assets between accounts. Note that when leaving a job, many people consider rolling their retirement plan into a traditional IRA or another 401(k) account.
  - When considering a rollover into an IRA, consider the fees associated with the account in the current 401(k) versus an IRA, the number of accounts to track and manage and the investment options available in each plan.
  - If choosing an IRA instead of keeping money in the 401(k) at the time of a job change, make sure to authorize a “direct rollover” (also called a trustee-to-trustee transfer) so that a taxable event is not triggered.
  - Since 2015, taxpayers only can make one rollover from one IRA to another in a 12-month period. Trustee-to-trustee transfers are not limited.
  - The goal is to prevent funds from “leaking” during a job transfer. Leakage may happen because of penalties or fees. In some cases, it’s best to leave the money where it is. Seek guidance from a human resources professional.
  - The best practice is to not take a lump sum from a retirement plan, as this action is subject to taxation and penalties and it prevents future growth.
  - If a rollover is due to divorce, it must be done as a transfer from one account directly to another to avoid the original owner of the account paying taxes on the amount. A qualified domestic relations order (QDRO) is needed.



Slide 11 - Rollover Options

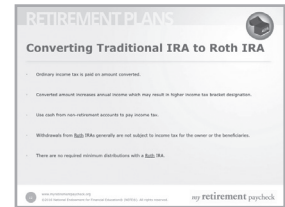
- Highlight the importance of keeping beneficiary information up to date, especially when family and life circumstances change.
  - Note that a beneficiary designation acts like a will and is a legal transfer directly to whom is listed. Primary and secondary beneficiaries should be designated. Periodically review bequest priorities and update beneficiaries accordingly.




Slide 12 - Beneficiary Designation



- Briefly discuss the rationale for converting or not converting traditional IRA accounts into Roth IRA accounts.
  - When money is converted from a traditional IRA to a Roth IRA, ordinary income tax must be paid on the amount converted. Also, the dollar amount converted is added to an individual’s income in the year of conversion, which may result in a higher tax bracket designation. Cash from nonretirement accounts should be used to pay the income tax.
  - On the other hand, withdrawals from Roth IRAs generally are not subject to income tax for the owner or the beneficiaries and there are no required minimum distributions with a Roth IRA.
  - A good time to convert is when markets are low and traditional IRA investments have declined in value, as taxes will be paid on a lower account value. If and when investments in the Roth IRA rebound, growth will be income-tax free. Another good time to do a Roth conversion is when expected income for a tax year is lower than normal so the conversion does not increase one’s marginal tax rate.
  - Encourage participants to seek professional advice about the impact of Roth conversions.

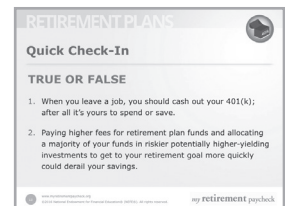


Slide 13 - Converting Traditional IRA to Roth IRA

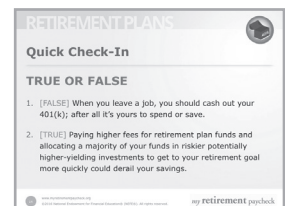
 **ACTIVITY: Guide participants to complete Action Plan Task #2 to predetermine what they would do with their existing retirement plan funds in the event that they need to make a rollover decision or are offered severance package options when leaving a job.**

Action Plan: My Retirement Plan Assets (#2)

- **CHECK-IN QUIZ ACTIVITY: Display the quiz questions. Ask individuals to silently reflect on whether the answers are “True” or “False.” Click to the next slide to show the answers.**



Slide 14 - Check-in Quiz



Slide 15 - Check-in Quiz (answers)

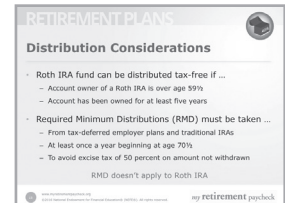


Topic B: Discuss rules of thumb when utilizing retirement plan assets during retirement.

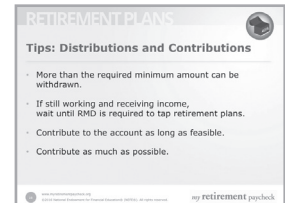
25 minutes

Essential

- Ask participants if they've begun to think about how they will utilize retirement plan assets during retirement. Inform participants that often there are rules, timeline requirements, key dates and triggers related to retirement plan asset distribution. Distributions from all types of retirement accounts are allowed without penalty for those who are at least 59½ years of age.
  - If the owner of a Roth IRA is over age 59½ and has owned the Roth IRA for at least five years, then money can be withdrawn without having to pay income tax or penalties. Distributions must be taken from tax-deferred employer plans (401(k), 403(b), 457 plans and TSP) and traditional IRAs by age 70½. This is called a required minimum distribution (RMD) and anyone who does not begin distributions at this time incurs an excise tax of 50 percent of the amount not withdrawn as required. There is no distribution requirement for a Roth IRA.
  - When taking RMDs, an account owner can take more than the required minimum amount (usually calculated by the retirement plan custodian). The minimum amount must be taken at least once a year beginning the year one reaches age 70½.
  - Roth IRAs do not require annual withdrawals at any time.
  - To maximize account balances, one rule of thumb is to wait until RMDs are required to tap retirement plans if still working and receiving income. Keep contributing to the account as long as feasible and contribute as much as possible.



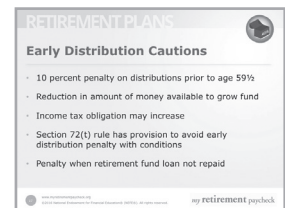
Slide 16 - Distribution Considerations



Slide 17 - Tips: Distributions and Contributions



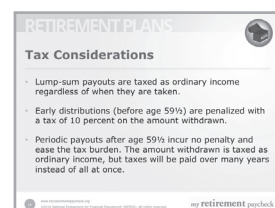
- Reiterate cautions and consequences of tapping retirement plan distributions before age 59½ while acknowledging that sometimes this is a necessary action
  - There is a 10 percent penalty on taking distributions prior to age 59½. However, it's more critical to consider that withdrawing money from a plan prior to retirement affects the amount of money that will accumulate over time because compound interest is earned on less money.
  - When money is left in a plan, it grows tax-free until it is distributed. On the other hand, if money is taken from the account, the growth rate on the account will be reduced by the withdrawal itself plus the 10 percent penalty for early withdrawals, plus ordinary income taxes.
  - There is a provision that allows taxpayers to take early withdrawals from retirement savings plans without incurring the 10 percent penalty that typically is charged prior to age 59½. This is called the Section 72(t) rule. To avoid the 10 percent penalty, an individual must continue to take the same required distribution (called substantially equal periodic payment or SEPP by the IRS) using the same method, at least annually, for the longer of five years or until they reach age 59½. Once Section 72(t) distributions begin, if the series of regular withdrawals is modified in any way, the 10 percent early distribution penalty will be imposed retroactively beginning with the first year of distribution. Several exceptions to Section 72(t) rules (e.g., death and disability) apply.
  - If participants are considering taking a loan against a retirement account or tapping funds early, remind them that there are penalties for not paying back loans. In any case, funds that are withdrawn should be replaced. In the case of an emergency requiring cash, most people are better off to use liquid savings (outside of a retirement plan) if available. Remind participants to consider job stability as well: In the case of a job change or layoff, a loan against retirement plan assets will be due in full within a short period of time, typically 60 to 90 days.
  
- Encourage participants to seek professional advice about the long-term impact and immediate tax consequences of taking money from retirement plans.



Slide 18 - Early Distribution Cautions

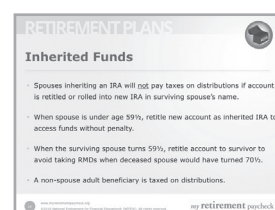


- Remind participants that tax liabilities should factor into decisions made about retirement plan assets, including lump-sum payouts, early distributions, and periodic payouts after age 59½.
  - Lump-sum payouts are taxed as ordinary income regardless of when they are taken.
  - Early distributions (before age 59½) are penalized with a tax of 10 percent on the amount withdrawn.
  - Periodic payouts after age 59½ incur no penalty and ease the tax burden. The amount withdrawn is taxed as ordinary income, but taxes will be paid over many years instead of all at once.



Slide 19 - Tax Considerations

- Note that there are special considerations for surviving beneficiaries inheriting retirement funds.
  - Spouses inheriting an IRA will not need to pay taxes on the account if they retitle the account or roll the money into a new IRA in their own name. If under age 59½, the new IRA will need to be retitled as an inherited IRA. In this case, the spouse can use the money without penalty. When the surviving spouse turns 59½ the account should be retitled in his or her name to avoid taking RMDs when the deceased spouse would have turned age 70½.
  - Different rules apply to a non-spouse adult named as a beneficiary. A non-spouse beneficiary will need to pay taxes on the account.



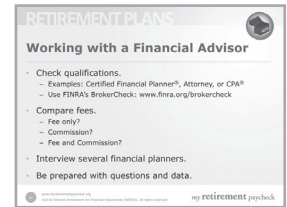
Slide 20 - Inherited Funds

(optional)  
Internet Access


Note: If Internet access is available, display the AARP website where additional information can be found regarding inherited IRAs.  
[www.aarp.org/money/investing/info-10-2012/how-to-handle-inherited-iras.html](http://www.aarp.org/money/investing/info-10-2012/how-to-handle-inherited-iras.html).



- Share some best practices when working with a financial planner.
  - Check qualifications. For example, a Certified Financial Planner® certificant has met education, examination, experience and ethics requirements. Other professionals who may offer financial planning advice include attorneys (estate planners) and certified public accountants (CPAs), and human resources professionals at a worker’s place of employment. Verify background and disciplinary actions through a website such as BrokerCheck ([www.finra.org/brokercheck](http://www.finra.org/brokercheck)).
  - Compare fees. Some financial planners work for organizations that sell products and may get paid by selling those products. Other planners are fee-only and are not paid on commission. Other compensation forms include fee and commission, salary, or commission only.
  - Interview several financial planners before selecting one.
  - Prepare for consultations. Be efficient with time and go in with prepared paperwork and specific questions.



Slide 21 - Working with a Financial Advisor

 **ACTIVITY: Distribute the Should they go for it? scenario activity and preview the instructions. Arrange participants into small groups of two or three people, and establish a time limit for the teams to make decisions about using retirement funds based on the test questions adisplayed in the activity. Have small groups report out.**

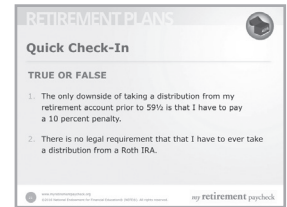
**Review the Action Plan, Tasks #3 and #4. Invite participants to consider what test questions they would have when deciding how to use their retirement funds based on their anticipated retirement age. Encourage them to write their test questions in the Action Plan.**

Activity: Should they go for it? Scenarios

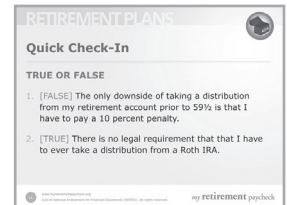
Action Plan: My Retirement Plan Assets (#3, #4)



- ❑ **CHECK-IN QUIZ ACTIVITY: Display the quiz questions. Ask individuals to silently reflect on whether the answers are “True” or “False.” Click to the next slide to show the answers.**



Slide 22 - Check-in Quiz

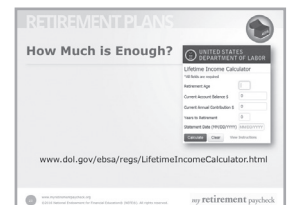


Slide 23 - Check-in Quiz (answers)

Topic C: Discuss approaches to catch up retirement plan contributions.  
 20 minutes  
 Important

- ❑ Share that although most of the discussion to this point has been about how to use retirement plan assets, it’s important to build these assets as well. Share that there are a variety of catch-up strategies for retirement plan contributions.
- ❑ Ask participants to silently consider whether or not they have saved enough in their retirement plans and whether or not they have determined how much of a gap exists between what has been saved and what is needed. Note that the U.S. Department of Labor has a calculator to help come up with these numbers ([www.dol.gov/ebsa/regs/lifetimeincomecalculator.html](http://www.dol.gov/ebsa/regs/lifetimeincomecalculator.html)). The calculator shows how much income to expect per month based on current retirement plan balances and contributions.

Note: If Internet access is available, demonstrate how to use the calculator. If participants have Internet access, consider having them complete part of the information.



Slide 24 - How Much is Enough?

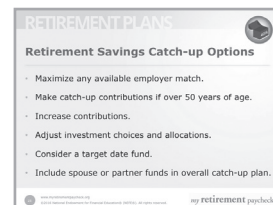
(optional)  
 Internet access



- Share strategies to help grow retirement funds before retiring if participants need more savings
  - Utilize a “myRA”: If a participant doesn’t have any retirement accounts, a good start is to open a myRA account, which is an IRA account option that works like a Roth IRA with a few modifications. Deposits are made with after-tax dollars, meaning that money is taxed going in but not coming out of the account. Once deposited, these funds grow tax-free and are not subject to RMD rules associated with traditional IRAs. Withdrawals can be made without penalty at any time. Funds deposited into myRAs are backed by the U.S. Department of the Treasury, so there is no risk of losing money. However, no risk means lower investment returns. Once a myRA account balance reaches \$15,000 or the account has been open for 30 years, account holders are required to roll it over to a regular Roth IRA.
  - Maximize an employer match, if it is available. In addition to eliminating debt and establishing an emergency fund, it’s important to maximize the match in a tax-deferred retirement savings plan ((401(k), 403(b) and TSP). Not maximizing the company match is like leaving free money on the table.
  - Make catch-up contributions if over 50 years of age (contributions beyond the normal contribution limits). In 2016, catch-up limits are \$6,000 for 401(k) or 403(b) plans and \$1,000 for an IRA.
  - Make adjustments to auto-enrolled contributions: If auto-enrolled in a plan, increase the percentage of pay that is saved for retirement during an open enrollment period if able to do so. Check in with a spouse about their contributions as well.
  - Review investment choices: Many people fail to review how their investments are allocated. Review investments annually to determine if funds are achieving goals for growth and that they match risk tolerance. Make changes directly or through an automatic enrollment plan. Review fees associated with investments and consider moving from high-fee investments into those with lower fees.
  - Consider target date funds: These funds adjust their portfolios over time and will reallocate into safer investments as the retirement date nears. Investors typically select the date in the fund title (e.g., 2050 Fund) that is closest to their anticipated retirement date.




Slide 25 - myRA



Slide 26 - Retirement Savings Catch-Up Options



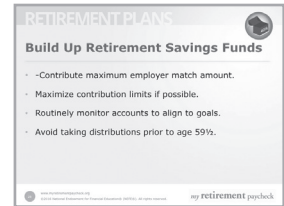
<ul style="list-style-type: none"> <li>❑ Discuss the value of including a spouse or partner’s funds in the overall catch-up plan. Encourage participants to review their retirement plans and those of their spouse or partner</li> </ul>	
<p> <b>ACTIVITY: Preview the Options for Catching Up activity in the Workshop Packet. Arrange for the participants to work in teams of two to determine which scenario matches with each possible catch-up option. As time allows, invite the teams to share their answers.</b></p> <p><b>Review the Action Plan Task #5 and #6, and encourage each participant to take a couple of minutes individually to jot down some options they might consider to catch up on their retirement funds to fill in gaps as they transition into retirement.</b></p>	<p>Activity: Options for Catching Up</p> <p>Action Plan: My Retirement Assets Plan (#5, #6)</p>
<ul style="list-style-type: none"> <li>❑ Begin to wrap up the workshop by asking participants to reflect on what they learned about strategically planning how to build up retirement plan assets preretirement and how to maintain those assets during retirement. Ask if any have changed their mind compared to what they were planning prior to this workshop and why? Revisit the questions that participants wanted answered at beginning of workshop.</li> </ul>	

Continued on page 20

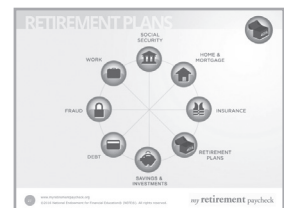


Wrap up: Take Action  
15 minutes

- ❑ Transition into the Wrap Up for this workshop by reviewing what was covered. Reinforce that deciding how to manage retirement plan assets can have long-term impact on retirement income, but it is not the only decision. Remind participants of the following points:
  - Always contribute to employer retirement savings plans up to the matched amount. Also maximize contributions if possible.
  - Review accounts on a regular basis to ensure that they are providing desired growth.
  - Avoid taking distributions from retirement accounts prior to age 59½.
- ❑ Point out that deciding how to grow and use retirement plan assets is only one of eight important retirement decisions (as presented in the slide). Explain that this one decision impacts several other decisions, including how long to work and when to claim Social Security benefits. And vice versa: Other retirement decisions impact decisions about retirement plans.
- ❑ Suggest that participants look at [www.MyRetirementPaycheck.org](http://www.MyRetirementPaycheck.org) or other workshops in this series for more information about the other decision areas.



Slide 27 - Build Up Retirement Savings Funds



Slide 28 - My Retirement Paycheck

- ❑ Provide your contact information (if desired) so participants can follow up later with questions.
- ❑ Point out the list of resources provided in the Workshop Packet. Call attention to the following online resources:
  - [www.myretirementpaycheck.org/retirement-plans.aspx](http://www.myretirementpaycheck.org/retirement-plans.aspx)
  - [www.dol.gov/ebsa/consumer\\_info\\_pension.html](http://www.dol.gov/ebsa/consumer_info_pension.html)
  - [www.myra.gov](http://www.myra.gov)
  - [www.aarp.org/retirement](http://www.aarp.org/retirement)



Slide 29 - Resources



- Encourage the participants to use what they have learned to complete the Action Plan. If feasible, arrange for participants to continue to work on their own or with your guidance after the workshop concludes



Slide 30 - Are You Ready?

Action Plan: My Retirement Plan Assets