

RETIREMENT CHECKLIST

We care about your well being and want to ensure you are prepared for this next stage in life. Here are a number of things you will want to do heading into retirement

Things To Do Now That You're Retired:

- ✓ Create Retirement Plan
- ✓ Consolidate Investment Accounts
- ✓ Tax Efficient Withdrawal Strategy
- ✓ Align Investments According to Retirement Plan
- ✓ Project Budget
- ✓ Estate Plan – Wills and Trusts
- ✓ Social Security – Understand Your Benefit Options
- ✓ Medicare Enrollment



Questions on how to get started? I'm here to help.

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SOCIAL SECURITY

When anticipating retirement, you may think of the first work-free years of pursuing hobbies or traveling. However, your years in retirement may be longer than you think. Knowing when to claim benefits can give you a better chance of making your retirement money last.

Full Retirement Age doesn't mean 65

Your Full Retirement Age (FRA) depends on when you were born.¹



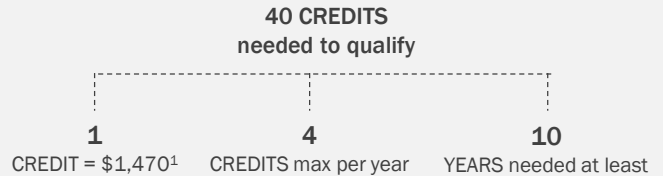
1943 - 1954 ➤ Age 66

1955 - 1959 ➤ Age 66 + 2 months for every year after 1954

1960 and after ➤ Age 67

Social Security is not a given

You have to work (enough) to earn it. Once you earn it, your family can also receive benefits based on your earnings.



1. 2021 wages / self-employment income; Source: How You Earn Credits - ssa.gov

Drawing Social Security early may not be the best

You can start before your Full Retirement Age, but doing so will mean a reduction in your amount. Delaying your benefits lets you collect more.²

If you start at age...

62 70%

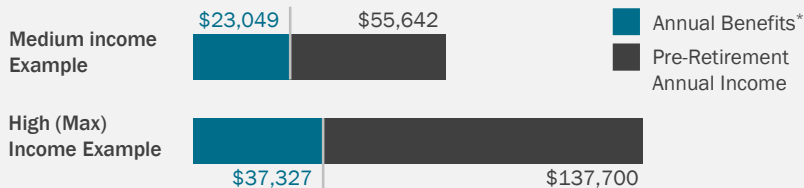
67 100%

70 124%

2. Assumes FRA is 67. Increased benefits for delaying Social Security max out at age 70.

Everyone doesn't earn the same

What you made won't be what you earn



Social Security will not replace your current wages, However, it should be part of your overall retirement strategy.

Your benefit:

- ~ is based on a three-part calculation and an average of the best 35 years of your earnings.
- + Can be increased to reflect cost of living adjustments, 2.15% average since 2000
- May be decreased if you are still working or if you are entitled to a government pension
- You may be eligible for benefits based upon earnings history of your spouse, ex-spouse or deceased spouse
- Up to 85% of your benefit may be subject to income tax

Online access and application

Create an online "my Social Security" account to access your Social Security Statement to check earnings and receive benefit estimates. Check your statement at least annually to verify your information is correct.

Applying for benefits

Apply for benefits four months before the date you want your benefits to start in one of the following ways:

- » Online at www.ssa.gov
- » Call the Social Security Office at 1-800-772-1213
- » Make an appointment to visit a Social Security office to apply in person

Choosing when to receive benefits

Base your decision on when to receive benefits by analyzing cash flow needs, current health, and anticipated life expectancy.

*Annual replacement rates in 2020 for retired worker, age 66 and 2 months. Source: 2020 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, 2020 Table V.C7.

Source: SSA.gov

SAGE
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wealth management

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MEDICARE

Eligibility and Enrollment

You become eligible for Medicare at age 65. Your initial enrollment period begins 3 months before you turn 65.

If you have health insurance through your employer or spouse's employer, contact your human resources office to find out how your coverage will work with Medicare plans. Make certain that signing up for Medicare plans won't cause you to lose any employer health or prescription drug coverage.

Be certain to sign up if required when you are first eligible to avoid a late enrollment penalty for as long as you have Medicare. Sign up at ssa.gov/benefits/medicare or call Social Security at 1-800-772-1213.

Part A (Hospital Insurance) & B (Medical Insurance)

COSTS AND SERVICES COVERED

Part A coverage usually doesn't have a premium if you or your spouse paid Medicare taxes while working for a certain amount of time, however there is a deductible (\$1,484 per year in 2021) and coinsurance (per day after a 60-day hospital stay).

Part A helps cover inpatient care in a hospital, inpatient care in a skilled nursing facility (Not custodial or long-term care), hospice care, home health care, and inpatient care in a religious nonmedical health care institution.

The standard Part B premium amount in 2021 is \$148.50 per month. If your modified adjusted gross income from 2 years ago is above a certain amount (\$176,000 per year if filing jointly and \$88,000 if filing individually) you will pay the standard premium amount plus an Income Related Monthly Adjustment (IRMAA).

- If you disagree with the extra amount because of a life event that lowers your income, visit socialsecurity.gov to file Form SSA-44.

The Part B deductible is \$203 in 2021. After your deductible is met you typically pay 20% of the Medicare-approved amount for most doctor services, outpatient therapy, and durable medical equipment.

Part B helps cover medically necessary doctors' services, outpatient care, home health services, durable medical equipment, mental health services, and preventative services.

Part C (Medicare Advantage Plans)

A Medicare Advantage Plan is another way to get your Medicare coverage. These plans are offered by Medicare-approved private companies that must follow rules set by Medicare. Most of these plans offer coverage for things that aren't covered by Original Medicare such as vision, hearing, dental, and wellness programs. These plans generally include prescription drug coverage (Part D) as well.

Part D (Prescription Drug)

COSTS

Part D premiums will vary by plan. If your modified adjusted gross income from 2 years is above a certain amount (\$176,000 per year if filing jointly and \$88,000 if filing individually) you will pay your plan premium plus an Income Related Monthly Adjustment Amount (IRMAA).

Deductibles will vary between Medicare drug plans, but no Medicare drug plan may have a deductible higher than \$445 in 2021. Some plans don't have a deductible. After your deductible is met, you will pay either a copayment or coinsurance for your prescription drugs.

After you and your plan have spent a certain amount for covered drugs (\$4,130 in 2021) you will enter the coverage gap. While in the coverage gap, you pay no more than 25% of the cost for your prescription drugs.

Once you've spent \$6,550 out-of-pocket in 2021 for prescription drugs, you're now in "catastrophic coverage". This assures you only pay a small coinsurance or copayment for covered drugs for the remainder of the year.

Medicare Supplement Insurance (Medigap) Policies

Original Medicare pays for much, but not all, of the cost for covered health care services and supplies. Medigap policies, sold by private companies, can help pay some of the remaining health care costs for covered services and supplies (such as copayments, coinsurance, and deductibles). Generally, these policies don't cover long-term care, vision or dental care, hearing aids, eyeglasses, or private-duty nursing.

Additional Resources

Wendy Blackburn*
Integrity Insurance
Associates, LLC.
(865) 368-6185

Brooke Thurman*
Core Insurance Advisors
(877) 404-8060 x3

Questions?

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ESTATE PLANNING

As you transition to retirement, protecting the assets you accumulated and fulfilling your legacy are two priorities. An effective estate plan acts like a roadmap for your heirs by providing directions on how to settle your financial and personal affairs while ensuring your wishes are being honored so you leave the legacy that you envision. Taking the time to educate yourself about the estate planning process now can mean the difference between clarity and confusion later.



While the current estate tax laws don't cause many individuals to pay the estate tax, there are still many important reasons to implement an estate plan. The purpose and goals of estate planning involve avoiding probate, structuring the distribution of your assets, naming fiduciaries (the people who act on your behalf to manage your affairs), and minimizing tax liability. While these are important objectives, making sure your assets are passed to the right people or organizations are critical. Having no estate plan can be costly and time consuming so consulting with a professional is critical to achieving your objectives.

A comprehensive approach to estate planning includes the following:



Living trust – manages assets in times of incapacity and death. Avoids probate.



Power of attorney – appoints fiduciaries to act on your behalf should you be incapacitated.



Advance Health Care Directives – Pre-emptively make medical decisions. Appoints agents to make other decisions.



Pourover Will – acts as a back-up to the trust. Also appoints guardians over minor children.



Corollary Documents – supports and provides additional protection for the rest of the plan. Examples include Assignment of Property, Marital Property Agreement, Certificate of Trust, etc.

Checklist for Implementing an Estate Plan



Determine your estate planning objectives and goals:

Review who you want to receive your assets upon your passing. Many people simply leave their money to children or other relatives, while others have charitable wishes that need to be satisfied. This is an opportunity to consider what you want your legacy to look like.



Make a List of Your Current Assets and Debts:

Provide an easy reference for your surviving family members with a list that shows all banking, retirement, and investment accounts with their numbers, locations, and values. Include debt from credit cards or loans.



Review Account Ownership:

Review who is listed on your property deeds and vehicle ownership forms.



Review Beneficiary Designations:

Many accounts, such as those for retirement and insurance policies, transfer to the named beneficiaries immediately upon your death. It's critical that you review these beneficiaries *annually* to ensure the proper person is inheriting your wealth.



Make a Copy of Important Documents:

Make copies of your important documents to share with the attorney.

This checklist will give you a head start on your estate plan prior to meeting with an attorney. An estate planning attorney will help you create documents and will take you through the estate planning process. As your goals may change over time, your documents should be reviewed to make sure that the individuals designated to receive assets and assist with administering the estate are still current. SageView can assist with answering questions and finding the right people to be involved with developing a plan that makes sense for you.

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For a comprehensive review of your personal situation, always consult with a tax or legal advisor. Neither Cetera Advisor Networks nor any of its representatives may give legal or tax advice.

TAXES

2021 Reference Guide and Key Numbers

Important Dates & Deadlines

Deadlines for Traditional IRAs, Roth IRAs, and SEP IRAs

2020 Contributions	April 15, 2021
2021 Contributions	April 15, 2022
2021 Roth IRA Conversions	December 31, 2021

Required Minimum Distributions (RMDs)

RMD starting age changed from 70 ½ to 72 if born after July 1, 1949

Age of IRA holder:	First RMD Deadline*
Turn 70 in 2019 before July 1	April 1, 2021
Turn 70 in 2019 on or after July 1	April 1, 2022
Turn 70 in 2020 (turn 72 in 2022)	April 1, 2023

*Subsequent RMDs must be taken by December 31 of each year. Revised IRS life expectancy tables will be used starting with 2022 RMDs and the amount that is required for distribution will be lower for each age.

2020 Tax Form Mailing Deadlines for Custodians

Form 1099-R (Retirement Account Distributions)	February 1, 2021
Consolidated Form 1099s (Taxable Accounts)	February 16, 2021
*Extended deadline for accounts holding certain securities (REITs, WHFITs, CMOs)	March 15, 2021
Form 5498 (Retirement Account Contributions)	May 31, 2021

Tax Loss Harvesting

Taxable investment accounts should be constructed in accordance with your overall financial picture. While these accounts do not benefit from the advantages of many tax-deferred retirement accounts, the SageView Investment Committee incorporates year-end tax loss harvesting when opportunities for tax efficiency arise.

Income Tax Deductions and Credits

Single	\$12,550
Married filing jointly	\$25,100
Head of household	\$18,800
Married filing separately	\$12,550

Child Tax Credit

Qualifying Child (Children under age 17)	\$2,000
Dependents not eligible for Qualifying Child	\$500
Single phase out begins at	\$200,000
Married filing jointly phase out begins at	\$400,000

Elderly (over age 65) or blind additional deduction

Single	\$1,700
Married	\$1,350

Estate & Gift Tax

Individual estate tax exclusion (Federal (Any unused amount can transfer to a surviving spouse))	\$11,700,000
Maximum estate tax rate	40%
Gift tax exclusion	\$11,700,000
Generation-skipping exclusion	\$11,700,000
Annual gift tax exclusion (per recipient)	\$15,000
Lump sum accelerated gift to a 529 plan (5-year rule)	\$75,000

States with an estate tax and/or inheritance tax: CT, DC, HI, IL, IA, KY, ME, MD, MA, MN, NE, NJ, NY, OR, PA, RI, VT, and WA

TAXES

2021 Reference Guide and Key Numbers

Alternative Minimum Tax (AMT)

Status	Exemption	Phaseout
Single	\$73,600	\$523,600
Married filing jointly	\$114,600	\$1,047,200

Alternative Minimum Tax Rates

26% up to \$199,900 of AMT base
28% over \$199,900 of AMT base

Capital Gains & Qualified Dividends

For 2021, rates are applied to taxable income levels:

Tax Rate	Single	Married Filing Jointly	Trusts & Estates
0%	\$0 - \$40,400	\$0 - \$80,800	\$0 - \$2,700
15%	\$40,400 - \$445,850	\$80,800 - \$501,600	\$2,700 - \$13,250
20%	Over \$445,850	Over \$501,600	Over \$13,250

(Short-term capital gains are taxed at income tax rates)

Medicare contribution tax on investment income*: 3.8%

*Tax is applied to the lower of net investment income or modified adjusted gross income over certain thresholds (\$250,000 joint filers/\$200,000 single/\$13,250 Trusts & Estates)

Income Tax Rate Schedules

If Taxable Income is:		Then the Gross Tax Payable is:		
Over	But not over	Amount	Plus (%)	Of the amount over

Single Taxpayers

\$0	\$9,950	10% of taxable income		
\$9,950	\$40,525	\$995.00	12%	\$9,900
\$40,525	\$86,375	\$4,664.00	22%	\$40,525
\$86,375	\$164,925	\$14,751.00	24%	\$86,375
\$164,925	\$209,425	\$33,603.00	32%	\$164,925
\$209,425	\$523,600	\$47,843.00	35%	\$209,425
\$523,600	-	\$157,804.25	37%	\$523,600

Income Tax Rate Schedules (cont'd)

If Taxable Income is:		Then the Gross Tax Payable is:		
Over	But not over	Amount	Plus (%)	Of the amount over

Married Filing Jointly

\$0	\$19,900	10% of taxable income		
\$19,900	\$81,050	\$1,990	12%	\$19,900
\$81,050	\$172,750	\$9,328.00	22%	\$81,050
\$172,750	\$329,850	\$29,502.00	24%	\$172,750
\$329,850	\$418,850	\$67,206.00	32%	\$329,850
\$418,850	\$628,300	\$95,686.00	35%	\$418,850
\$628,300	-	\$168,993.50	37%	\$628,300

The income tax brackets for Married Filing Separately are half of the amounts for Married Filing Jointly. The brackets for Heads of Households generally fall between the brackets for single or joint filers.

Trusts & Estates

\$0	\$2,650	10% of taxable income		
\$2,650	\$9,550	\$265.00	24%	\$2,650
\$9,550	\$13,050	\$1,921.00	35%	\$9,550
\$13,050	-	\$3,146.00	37%	\$13,050

Kiddie tax: In 2021, the parent's marginal tax rate is used for a dependent child's unearned income over their deduction amount.