



Beyond Your Pension: What's Next? - Are You Ready For Retirement?

After a long and rewarding career, many dream of retirement with visions of beachfront properties, early golf tee times, hunting trips, and weekends with the grandkids. However, for many, realizing this well-earned dream is not merely a matter of reaching a certain age. How can you know when and if you are ready to retire? What should you do to prepare? While entering this phase of life can be exhilarating, it has the potential to be overwhelming just like any other new and different experience. This series of articles to follow in the *Journal* will address the topic of retirement-readiness and more—Beyond Your Pension: What's Next?

THE FACTS

- According to the U.S. Department of Labor, the average American will likely spend at least 20 years in retirement, though fewer than half have calculated how much they really need to save. Further, with modern medical and technological advances, people are living longer and more active lives. It is estimated that retirees need revenue of at least 70-90% or more of pre-retirement income in order to maintain their standard of living.
- After age 65, Medicare assists with medical costs, but does not cover all health-related expenses. Serious health problems, which statistically occur with age, come with co-pays and deductibles that add up quickly. Additionally, some expensive medications may not be covered at all.
- While many plan for the financial perspective of retirement, most neglect to plan for the big picture—there are emotional, physical, and social factors to consider. What's more, simply determining how to occupy two to four decades of free time can prove challenging. So then, what is the good news? The good news is that retirement can be both successful and fulfilling! It just requires proper advanced planning, education on the do's and don'ts, and savvy know-how about the tips and tricks of the trade.

WHAT YOU SHOULD BE THINKING ABOUT

Research your options! Remember: this is your money, your life!* Know the laws, know the rules-of-thumb, avoid penalties and beware of scams! Most importantly, take your time—do it right. You should not retire before you understand exactly how to do so successfully nor should you retire just because you have reached a certain age. If you love your job, there's no reason to stop working before you need or want to. In some instances, letting your money grow a little while longer may be the wisest course of action.

Expect the unexpected. Emergencies and unforeseen occurrences can and will arise during any stage of life. Be sure to calculate in the costs of various scenarios: a new

roof or car, living past age 100, nursing home costs, a market downturn or even inflation. And don't forget to review trusts, wills, powers of attorney, and beneficiaries.

Time! Your career may have prospered on the premise that the early bird gets the worm and this adage still rings true in retirement. The chart Dates To Remember outlines a few of the retirement deadlines you need to remember and meet to qualify for tax breaks and avoid penalties.

Investments, insurance and income! IRAs, 401(k) plans, pension/annuity plans and other investment accounts are great sources of post-retirement income, but they should not be the end-all. Consider other sources such as rental properties, insurance, reverse mortgages, and social security (note, too, that social security benefits and

BEFORE YOU RETIRE, ASK YOURSELF...

WHO do I want to spend my retirement with? Is it important to have friends and family nearby?

WHAT financial resources do I need? What will I do with my time?

WHERE do I want to live?

WHY do I want to retire? Is it really time? Am I financially ready? Are my friends and peers retired?

WHEN do I want to retire? What is my goal age and approximately how long will I be retired?

HOW do I want to live my life? Do I plan to maintain my same quality of life?

retirement savings are taxable). Also, if you have plans to continue working after retirement to supplement income or stay active, be sure to determine how this will affect your tax liabilities and retirement plans such as any pensions or annuities. To speak to someone at the International Fund about your pension plan, obtain an estimate of your benefits, submit an application, or ask a question, contact 1-800-554-2479 or pension@iupat.org.

Realistically evaluate your retirement needs. Do not assume that you can live off less or that downsizing will always be the practical option. Consider: are your debts paid off? Are dependent children still a factor? What about elderly parents? Additionally, it may also be a good idea to involve a spouse, partner, and other immediate family members in the decision-making process; they may have insight to share. And while it is true that the ultimate decisions are yours to make, your retirement can be a major change for everyone in your life.

Estimate! One certified financial planner recommends this calculation for hopeful retirees: add up everything in terms of investments and then multiply by .04 (withdrawal percent of the initial amount annually). For example, if you have \$500,000 saved, your annual withdrawal would be \$20,000 over the course of 25 years. Then add in any social security and pension/annuity benefits. Consider any supplementary retirement accounts and forms of income not included in the initial annual amount. Next, calculate in any additional post-retirement expenses including debts, insurance, medical costs, traveling, and hobbies. Determine if this budget is feasible to live on. If not, there is no easy fix, but a trusted financial advisor should be able to guide you in the right direction.

RETIREMENT: THE GOOD LIFE

Once you have all of your financial plans in order, you can put some effort into what you are really looking

forward to—actually being retired!

While a more relaxed lifestyle is just what you may have been looking forward to for years, many discover that the 'vacation effect' wears off after just a few months of retirement. When reality sinks in that you are not returning to work, there may be a learning curve to adjust to life without a career. Once again, by planning well in advance—what will I do with my time and how do I want to live my life?—such concerns can be put to rest almost entirely.

Imagine you had nothing scheduled on your calendar for a full week or more. What would you do with your time? Now think of that in terms of 25-plus years of retirement.

This aspect of planning is the fun part! Consider your values and what you enjoy doing. What brings you personal fulfillment? This may include pursuing a long-term dream, trying different and exciting activities, or taking up new hobbies and interests. Realistically estimate how much of your time (and money) these pursuits will require. Then set goals. These goals should be self-sustaining just as your career was. While it is important to build a good support system and network, remember: socialization with friends, peers, and family may not always be an option depending on their retirement status or physical location.

Have you always wanted to learn a new language or travel to a foreign country? Do you want to improve your golf handicap? Perhaps you love gardening but never had the time to devote to it? This is your chance! Setting realistic and attainable goals will create purpose and structure, curbing any tendencies towards boredom and restlessness that can often result from retirement.

After you have your list of goals and before you book your plane ticket to Brazil, take some time to speak with your spouse, partner, or close family members to candidly discuss what your retirement means to both you and them. Ensure that you are

on the same page about what the future holds. As previously mentioned, retirement is a major life event for the entire family. Frustrations can arise if there is a failure to work together in advance to establish a game plan

DATES TO REMEMBER

APRIL

- **IRA contributions must be made by April 15 each year.**
- **For retirement funds, the first required minimum distribution must be taken by April 1 of the year after you turn 70 ½.**

DECEMBER

- **401(k) plans and minimum distributions from traditional retirement accounts are due at the end of each calendar year on December 31.**
- **Medicare beneficiaries can make changes to their prescription drug coverage each year between October 15 and December 7.**

OTHER

- **The IUPAT Pension Fund recommends submitting your pension application approximately 90 days prior to your anticipated retirement date.**
- **You can sign up for certain Medicare plans during a seven-month time period before you turn 65. However, Medigap has a different six-month initial enrollment period that begins when you're 65 or older and only after you've enrolled in Medicare Part B.**
- **You can sign up for Social Security beginning at age 62. However, payments are reduced if you sign up before you reach full retirement age.**



everyone agrees with. Avoiding this can safeguard your peace of mind.

ONLY THE BEGINNING

Granted, in today's world, retirement is no longer the guaranteed rite of passage that it used to be. But it is still a beautiful part of life. For a novice retiree, it is a new phase with its own rewards and challenges. Organizations like the IUPAT and the International Pension Fund work hard to make a successful retirement for its participants a reality. By keeping the themes of this article in mind, a positive transition into retirement is not just possible, it is realistic. You can make retirement work for you!

But what if you aren't ready to retire? What if you have just begun your career or retirement is still a few years or even a few decades off? Where should you start and how can you plan now for the future? An article in our next edition will answer these questions.

**The U.S. Department of Labor provides a Retirement Toolkit with information from various government agencies on planning for retirement the right way including helpful worksheets and calculators. Visit <https://www.dol.gov/> and type, "Retirement Toolkit" in the search bar.*

1099-R STATEMENTS

The 1099-R forms from 2016 will be mailed out to all pensioners and annuity recipients no later than **January 31, 2017**. Please allow **10 days** from our mailing date to receive this information. This form is needed to file your 2016 tax returns. If you know your address is not correct with the Fund office, it is imperative that you correct it prior to the 1099-R mailing, as this may significantly delay your receipt of this important tax document. Change of address forms can be found at www.iupatpension.org.

OUR RETIREES

Listed below are the pensioners awarded a pension benefit through the International Painters and Allied Trades Industry Pension Fund from August 2, 2016 through November 1, 2016. On behalf of the Board of Trustees, please join us in wishing them the best of luck, and a long and fruitful retirement.

FRANK R ABELLU 604	DONALD H BARKERLU 6	PAUL D CARSEY, JRLU 1275	ADOLFO L DIAZ, SR..... LU 1175
ANTHONY K ADAMSLU 120	JULIO B BARQUERA LU 636	TOMMY L CARSONLU 91	FRANCIS JOSEPH DIPERSIO ..LU 921
MARY JANE ADDISLU 675	GORDON R BELDINLU 424	FRANK J CAVINSLU 1399	VINCENT A DODECI LU 505
RICHARD DALE ADKINSLU 970	PAUL J BELLIVEAU LU 490	STANLEY J CERECHELU 639	ANNETTE DOUGLASLU 1185
LAURENS ADRIAANSELU 1005	JOHN V BERG..... LU 33	THOMAS ANDREW CHIAPELLA ..LU 1621	DENNIS E DOUVILLELU 106
ABRAHAM ALBALU 1010	RONNIE A BERNHARDYLU 1179	MILADIN CICICLU 1778	ALBERT DUANE DOWNEY ...LU 150
KIM M ALLEN..... LU 41	GERALD J BERTRAMLU 505	JEFFREY S CLANCEY..... LU 106	CHARLES M DUNAGANLU 963
RAYMOND E ALLREDLU 38	ARKADIY BETSIS..... LU 24	PRESCOVA CLARK, JR..... LU 1964	JAIRO DUQUE..... LU 155
PEDRO R ALVARENGALU 1036	STEVEN E BICKFORD LU 1778	WILLIAM R CLARKLU 1	VINCENT ECHEVERRIA , JR LU 1237
WESNER ANJOULU 24	MICHAEL JEROME BILINA , JR ...LU 27	KENNETH D CLINARDLU 1293	JUSTIN H ELLISLU 830
MARK A ATKINS LU 1036	JOSEPH P BIVONALU 1486	JOHN P CONWAY LU 106	NANCY ANN ENGLELU 6
JULIO AVILA JRLU 1136	PATRICK LEO BLAKELU 7	JOHN FRED COOPERLU 677	EDWARD THOMAS EVERT III... LU 1087
NICHOLAS RICHARD BADAME.. LU 1456	REX A BLAKE, SRLU 91	KEVIN COPLEYLU 970	MICHAEL C FASANOLU 1486
GEORGE BALANIKASLU 24	CARROLL L BOONELU 100	RICHARD P CORNISHLU 88	JESSE W FERRELL, JR LU 27
JAMES W BALLLU 820	TIMOTHY M BOOTHLU 1955	LYLE A CRAMERLU 567	FRANCISCO FIGUEROALU 830
TIMOTHY J BARBERLU 467	WILLIAM N BORAK, JRLU 2011	CORY C CRISTLU 106	LAWRENCE L FISHER, JRLU 1773
JAMES E BARCLAY , JRLU 1010	MICHAEL R BOWEN..... LU 277	ROBERT CRIST..... LU 1275	RICHARD L FOSTERLU 246
	WILLIAM G BROADFOOT, III ...LU 1175	DONALD HUGH CURTISLU 300	KURT J FOX, SRLU 788
	DARYL F BRODEURLU 1333	KEVIN L DALTONLU 1176	LUCIO E FRETESLU 25
	DAVID WAYNE BROWN ...LU 1976	JOHN A DAVIS LU 612	WILLIAM RICHARD FRITZLU 159
	RICKEY L BROWNLU 1275	RICKIE A DAWSONLU 157	BILLY P FULLERLU 807
	RONALD LEE BUCKLEYLU 1385	RONALD M DE LA TORRELU 159	DENNIS M FUSCIALU 1171
	WILLIAM BUETTNER..... LU 6	SILVESTRO DE PALMALU 18	RICKY E GALLUPLU 774
	FLOYD LEE BYRD LU 1165	TIMOTHY SCOTT DEGENER .LU 460	STEPHEN J GARCIA LU 1136
	JOSEPH A CAGGIANO LU 1281	DANIEL VINCENT DELORENZO.. LU 1009	STEVEN RAY GARLAND..... LU 820
	CHRISTOPHER W CAMPBELL.... LU 9254	JOSEPH CEASAR DELUISILU 252	MICHAEL ALLEN GEERLU 357
	ROBERT J CANTATORE, JR LU 19	JOSEPH R DI SANTILU 1486	MARTIN L GEHRINGERLU 246