

# Retirement Readiness Worksheet

As you think about this new adventure called retirement, make certain that you are as prepared as possible. Reviewing, completing, and adding to the following worksheets may go a long way toward ensuring a pleasant and confident retirement.

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|--|---|
| <input type="checkbox"/> Estimate your expenses in retirement  | <input type="checkbox"/> Estimate how long your savings will last     |
| <input type="checkbox"/> Estimate income from all sources      | <input type="checkbox"/> Review different options for Social Security |
| <input type="checkbox"/> Social Security                       | <input type="checkbox"/> Work longer?                                 |
| <input type="checkbox"/> Pension plan                          | <input type="checkbox"/> Start benefits before full retirement age?   |
| <input type="checkbox"/> Retirement plan                       | <input type="checkbox"/> Delay benefits?                              |
| <input type="checkbox"/> IRAs                                  | <input type="checkbox"/> Verify healthcare coverage                   |
| <input type="checkbox"/> Savings                               | <input type="checkbox"/> Learn about your Medicare options            |
| <input type="checkbox"/> Other investments                     | <input type="checkbox"/> Consider long-term care insurance            |
| <input type="checkbox"/> Consider distribution options         | <input type="checkbox"/> Monitor retirement account asset allocation  |
| <input type="checkbox"/> Rollover to IRA                       | <input type="checkbox"/> Do an annual portfolio checkup               |
| <input type="checkbox"/> Full or partial withdrawals           | <input type="checkbox"/> Consider estate planning                     |
| <input type="checkbox"/> Leave account balance in plan         | <input type="checkbox"/> List any additional considerations below     |
| <input type="checkbox"/> Consider annuities                    |   |
| <input type="checkbox"/> Prepare a realistic retirement budget |   |
| <input type="checkbox"/> Watch out for income tax implications |   |

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## Retirement Timeline:

### Age 50

Begin making catch-up contributions, an extra amount that those over 50 can add to certain retirement accounts

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### Age 59½

No more tax penalties on early withdrawals from retirement accounts, but leaving money invested means more potential for growth

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### Age 62

The minimum age to receive Social Security benefits, but delaying means a bigger monthly benefit

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### Age 65

Eligible for Medicare

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### Age 66

Eligible for full Social Security benefits if born between 1943 and 1954

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### Age 73

Start taking minimum required distributions from most retirement accounts by this age; otherwise, you may be charged heavy tax penalties in the future

## A: Your Money Today

**Instructions:** Record amounts for yourself and for your spouse in columns 1 and 2. Add up the money across each row for you and your spouse, and write the total in column 3. Then add all the numbers down column 3 and write the total in column 3 at the bottom.

	1. You	2. Spouse	3. Total
Retirement savings			
Net home equity (market value)			
Personal savings and investments			
Other assets (collections, etc.)			
<b>TOTAL ASSETS</b>			

## B: Your Money 10 Years From Now

**Asset Growth Factors for Three Selected Rates of Return\***

**1.344 for 3%    1.629 for 5%    1.967 for 7%**

	1. Current \$ value (from Table A, Column 3)	2. Asset growth factor* (rate of return)	3. Asset value in 10 years (Column 1 x Column 2)
Retirement savings			
Net home equity (market value)			
Personal savings and investments			
Other assets (collections, etc.)			
<b>TOTAL ASSETS</b>			

\*Rates of return are hypothetical and do not reflect the deduction of fees and charges inherent to investing.

## C: New Savings Between Now and Retirement

### Savings Growth Factors for Three Selected Rates of Return\*

139.741 for 3%    155.282 for 5%    173.085 for 7%

	1. Estimated monthly savings amount	2. Savings growth factor*	3. Value of savings in 10 years (Column 1 x Column 2)
Retirement savings			
Net home equity (market value)			
Personal savings and investments			
Other assets (collections, etc.)			
<b>TOTAL ASSETS</b>			

## D: Monthly Income Over a 30-year Retirement

### Income Conversion Factors for Assumed Rates of Interest\*

0.004216 for 3%    0.005368 for 5%    0.006653 for 7%

	1. Accumulated assets (Column 3 from Table B + Column 3 from Table C)	2. Income conversion factor*	3. Monthly income beginning at retirement (Column 1 x Column 2)
Social Security (estimate based on your retirement year)			
Retirement Savings			
Net home equity (market value)			
Personal savings and investments			
Other assets (collections, etc.)			
<b>TOTAL ASSETS</b>			

\*Rates of return are hypothetical and do not reflect the deduction of fees and charges inherent to investing.



## E: Monthly Expenses Today

**Instructions:** Now that you know what your savings and investments are, the next step is to move on to today's expenses. Table E calculates what you spend today.

Some monthly expenses are easy to figure. Others, like a heating bill, may not remain the same from month to month and will require a calculation of your average monthly bill over a year's time. Still other bills may arrive only quarterly. While you may want to estimate some of these bills the first time you fill in the worksheets, you will want to add more accurate figures later.

If you are married, include your spouse's expenses and anyone who is financially dependent on you.

	Monthly amount
<b>Housing:</b> <ul style="list-style-type: none"><li>• Mortgage (including HOA fees)</li><li>• Rent</li><li>• Maintenance</li></ul>	
<b>Food (at home):</b>	
<b>Utilities:</b> <ul style="list-style-type: none"><li>• Electricity</li><li>• Heat</li><li>• Internet/cable</li><li>• Phones</li><li>• Water/sewer</li><li>• Gas</li></ul>	
<b>Clothing:</b>	
<b>Taxes:</b> <ul style="list-style-type: none"><li>• Real estate</li><li>• Income (state and federal)</li><li>• Other property taxes</li></ul>	
<b>Insurance:</b> <ul style="list-style-type: none"><li>• House</li><li>• Life</li><li>• Car</li><li>• Disability</li><li>• Long-term care</li></ul>	
<b>Loans:</b> <ul style="list-style-type: none"><li>• Car</li><li>• Credit card</li><li>• Other</li></ul>	
<b>Retirement Savings:</b>	

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## E: Monthly Expenses Today (continued)

	Monthly amount
<b>Personal Care:</b> <ul style="list-style-type: none"><li>• Haircuts</li><li>• Dry cleaning</li><li>• Gym</li><li>• Other</li></ul>	
<b>Transportation:</b> <ul style="list-style-type: none"><li>• Car repairs and maintenance</li><li>• Gas</li><li>• Parking</li><li>• Public transportation</li></ul>	
<b>Travel/Vacations:</b>	
<b>Entertainment:</b> <ul style="list-style-type: none"><li>• Eating out</li><li>• Hobbies</li><li>• Movies/theatre</li></ul>	
<b>Charitable contributions:</b>	
<b>Other:</b> <ul style="list-style-type: none"><li>• Gifts</li><li>• Membership dues</li><li>• Pet-related costs</li></ul>	
<b>TOTAL ESTIMATED MONTHLY EXPENSES (without health):</b>	
<b>Healthcare:</b> <ul style="list-style-type: none"><li>• Health insurance</li><li>• Doctor visits</li><li>• Hospital</li><li>• Medicine</li><li>• Over-the-counter medicine</li><li>• Dental</li><li>• Vision</li><li>• Non-covered items</li></ul>	
<b>TOTAL ESTIMATED MONTHLY EXPENSES (health):</b>	

## F: Monthly Expenses in 10 Years

### First year of retirement

	1. Total monthly expenses now (monthly expenses column in Table E)	2. 10-year inflation factor of 1.4106 (3.5%)* (except healthcare – see below)	3. Total expenses in 10 years adjusted for inflation (Column 1 x Column 2)
<b>Housing:</b> <ul style="list-style-type: none"> <li>• Mortgage (including HOA fees)</li> <li>• Rent</li> <li>• Maintenance</li> </ul>			
<b>Food (at home):</b>			
<b>Utilities:</b> <ul style="list-style-type: none"> <li>• Electricity</li> <li>• Heat</li> <li>• Internet/cable</li> <li>• Phones</li> <li>• Water/sewer</li> <li>• Gas</li> </ul>			
<b>Clothing:</b>			
<b>Taxes:</b> <ul style="list-style-type: none"> <li>• Real estate</li> <li>• Income (state and federal)</li> <li>• Other property taxes</li> </ul>			
<b>Insurance:</b> <ul style="list-style-type: none"> <li>• House</li> <li>• Life</li> <li>• Car</li> <li>• Disability</li> <li>• Long-term care</li> </ul>			
<b>Loans:</b> <ul style="list-style-type: none"> <li>• Car</li> <li>• Credit card</li> <li>• Other</li> </ul>			
<b>Retirement Savings:</b>			

\* This inflation rate factor is simply the factor equal to a 3.5% inflation rate for 10 years.

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## F: Monthly Expenses in 10 Years (continued)

	1. Total monthly expenses now (monthly expenses column in Table E)	2. 10-year inflation factor of 1.4106 (3.5%)* (except healthcare – see below)	3. Total expenses in 10 years adjusted for inflation (Column 1 x Column 2)
<b>Personal Care:</b> <ul style="list-style-type: none"> <li>Haircuts</li> <li>Dry cleaning</li> <li>Gym</li> <li>Other</li> </ul>			
<b>Transportation:</b> <ul style="list-style-type: none"> <li>Car repairs and maintenance</li> <li>Gas</li> <li>Parking</li> <li>Public transportation</li> </ul>			
<b>Travel/Vacations:</b>			
<b>Entertainment:</b> <ul style="list-style-type: none"> <li>Eating out</li> <li>Hobbies</li> <li>Movies/theatre</li> </ul>			
<b>Charitable contributions:</b>			
<b>Other:</b> <ul style="list-style-type: none"> <li>Gifts</li> <li>Membership dues</li> <li>Pet-related costs</li> </ul>			
<b>TOTAL ESTIMATED MONTHLY EXPENSES ADJUSTED FOR 10 YEARS INFLATION (without health):</b>			
<b>Healthcare (for a 7% inflation factor use 1.9672):</b> <ul style="list-style-type: none"> <li>Health insurance</li> <li>Doctor visits</li> <li>Medicare Part B</li> <li>Hospital</li> <li>Medicine</li> <li>Over-the-counter medicine</li> <li>Dental</li> <li>Vision</li> <li>Non-covered items</li> </ul>			
<b>TOTAL MONTHLY EXPENSES ADJUSTED FOR 10 YEARS INFLATION (health)</b>			



## G: Comparing Projected Income and Expenses

**Instructions:** This worksheet compares your anticipated income and expenses over 30 years in retirement and is designed to reflect any shortfall between the two.

Use the total monthly income calculated in Table D and multiply it by a value adjustment factor for 0% (0.5174) at right. Then multiply this result by 360 months and enter that amount in Column 4 of Table G. This is your total projected income.

Next, record the total monthly expenses calculated in Table F. For expenses other than health, choose an inflation adjustment value factor of 4%. For health, use a 7% inflation rate. Multiply this result by 360 months and enter it in Column 4. Now subtract the total value of projected expenses ("other than health" and "health") over 30 years of retirement in Column 4 from the corresponding total value of your projected income (also in Column 4). The result is the projected value of income less expenses.

Value Adjustment Factor	
Inflation rate	5% Assumed rate of return
0%	0.5174
3%	0.7520
4%	0.8640
7%	1.3691

	1. At age of retirement	2. Inflation adjusted value factor (see chart above)	3. Value in \$ at retirement for one month (Column 1 x Column 2)	4. Total value in \$ at retirement (Column 3 x 360 mos.)
<b>A. Total projected income:</b>				
<ul style="list-style-type: none"> <li>Table D, Column 3 total</li> </ul>				
<b>B. Total projected expenses:</b>				
<ul style="list-style-type: none"> <li>Table F, Column 3 total</li> <li>Health</li> <li>Other than health</li> </ul>				
<b>Projected value of income less expenses:</b>				
<ul style="list-style-type: none"> <li>Subtract Line B from Line A in this table</li> </ul>				



## H: Additional Savings Needed for Retirement (in 10 Years)

### Additional Savings Factors\*

0.00716 for 3%

0.00644 for 5%

0.00578 for 7%

A. Gap between projected total value of expenses  
and projected total value of income (from Table G)

B. Additional savings factor\*

Additional monthly savings needed  
(Multiply Line A x Line B)

\*Rates of return are hypothetical and do not reflect the deduction of fees and charges inherent to investing  
Source: U.S Dept. of Labor, Employment Benefits Security Administration; [www.dol.gov/ebsa](http://www.dol.gov/ebsa)

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