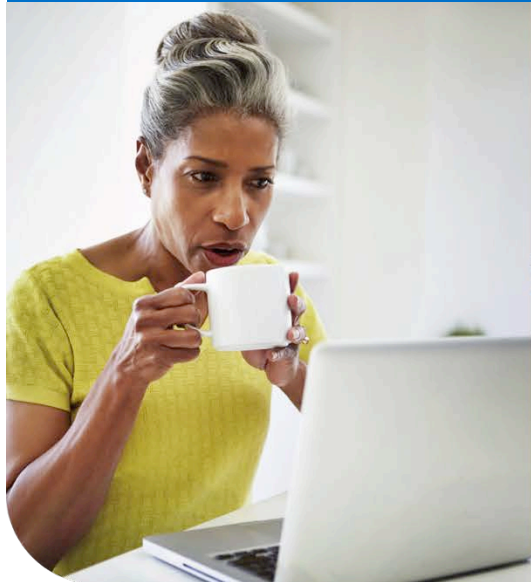


# MetLife



**retirewise<sup>®</sup>**  
Building the Foundation

**PlanSmart<sup>®</sup>**  
a financial education series for employees

# ABC Company

Retirewise Workshop - Sessions 1, 2, 3 & 4

Workshop ID 21929

Page 1

2/9/2016 11:30 AM - 01:00 PM Main Conference Room  
2/16/2016 11:30 AM - 01:00 PM Main Conference Room  
2/23/2016 11:30 AM - 01:00 PM Main Conference Room  
3/1/2016 11:30 AM - 01:00 PM Main Conference Room

Last Name	First Name	Emp/Guest	2/9/2016	2/16/2016	2/23/2016	3/1/2016	Phone	E-mail	Appt. Req
Bright	Sally	Employee	✓				B: 952-368-6393	sally.bright@abc.com	
Burton	Jennifer	Employee	✓				B: 952-368-6393	jennifer.burton@abc.com	
Grant	Mark	Employee	✓				B: 612-269-3148	mngrant@abc.com	
Hoesse	Robert	Employee	✓				B: (612) 590-4916	bob.hoesse@abc.com	
Hoesse	Darren	Employee	✓				B: 612-590-4916	bob.hoesse@abc.com	
Kidd	Teri	Employee	✓				B: (952) 368-6320	teri.kidd@abc.com	
Lazer	Jared	Employee	✓				B: (320) 224-4878	jared.lazer@abc.com	
Liestman	Zachary	Employee	✓				B: (952) 368-6282	zachary.liestman@abc.com	
Moser	Bill	Employee	✓				B: (952) 368-6364	bill.moser@abc.com	
Sainju	Sonika	Employee	✓				B: 952-368-6448	sonika.sainju@abc.com	
Spencer	Grant	Guest	✓				(800) 123-4567	sgrant@WXY.com	
Quinn	Matthew	Guest	✓				(800) 123-4567	mattquinn@WXY.com	
Mercola	Sophia	Guest	✓				(800) 123-4567	smercola@WXY.com	

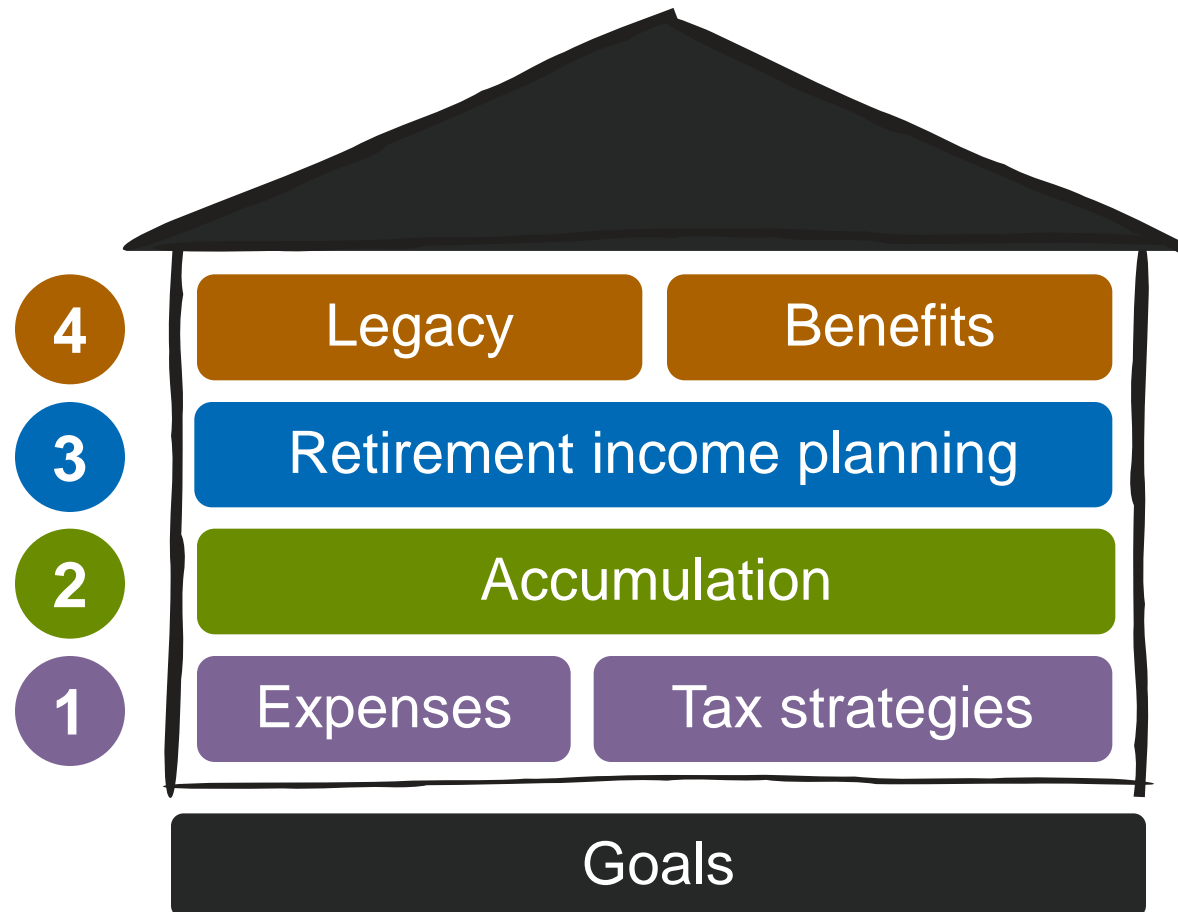
MetLife is not permitted to give legal, ERISA or tax advice. Any discussion of taxes included in or related to this material is for general informational purposes only, and is based on our understanding of the ERISA, tax and other applicable law as of January 2015. Such discussion does not purport to be complete or to cover every situation. Tax, ERISA and other applicable laws are subject to change and to different interpretation. Customers and other interested parties should consult with their own tax, ERISA and other legal advisors to determine how these laws impact them.

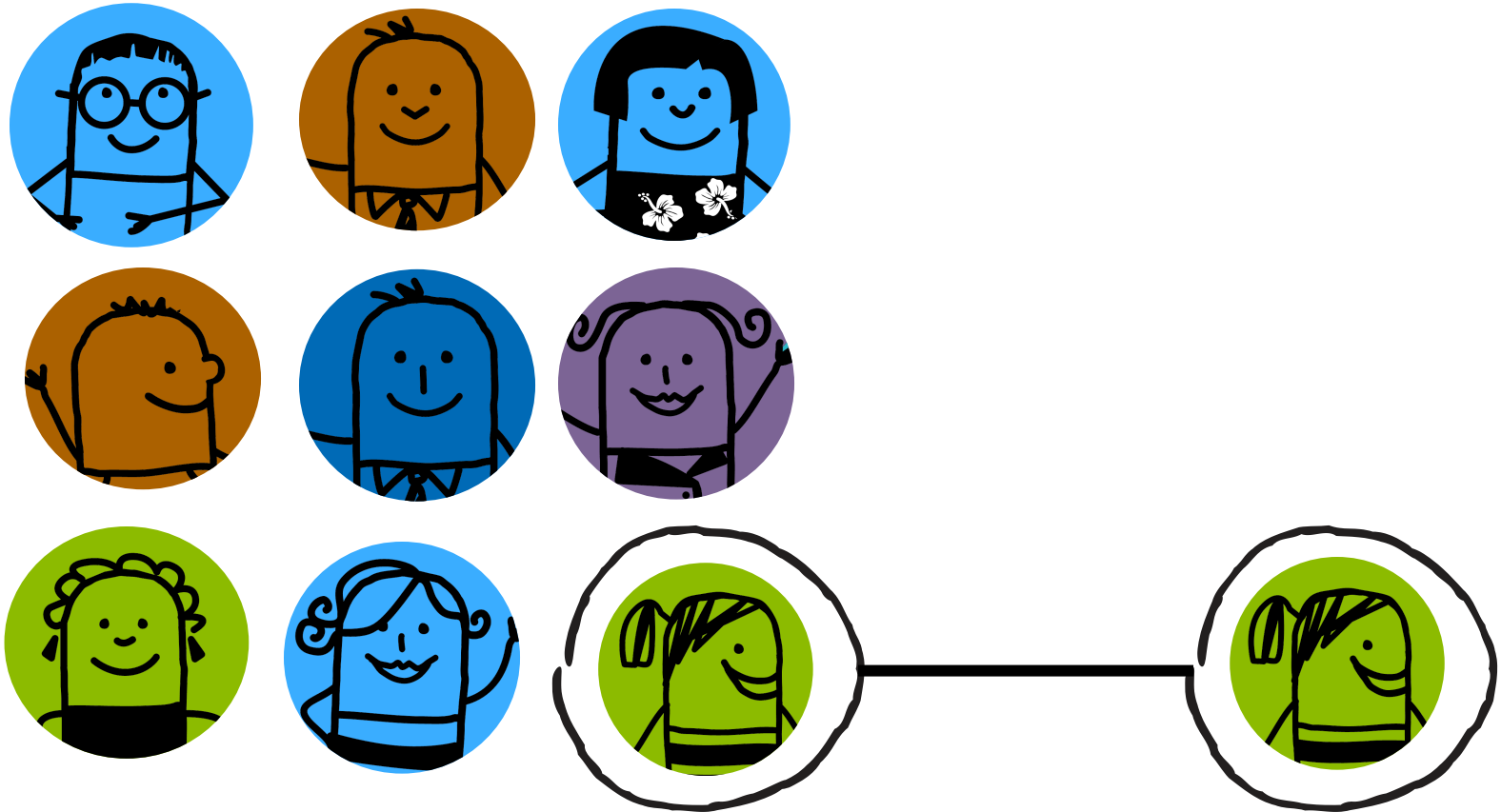
Securities and investment advisory services are offered through qualified registered representatives of MSI Financial Services, Inc. Member SIPC. MSI Financial Services, Inc. is not affiliated with MetLife or its affiliated companies.

The MassMutual financial professionals involved in the PlanSmart program were affiliated with MetLife until July 2016, when MMLIC acquired MSI Financial Services, Inc. MetLife continues to administer the PlanSmart program, but has arranged with MassMutual to have these specially-trained financial professionals offer financial education and provide personal guidance to employees and former employees of firms providing PlanSmart through MetLife.

What is important about  
retirement planning  
to you?







**Group**

**Personal**

# Your Retirewise workbook

**MetLife**



retirewise®

A Four-Part  
Workshop Series



**PlanSmart**  
A financial education series for employees



How you **envision**  
your day-to-day  
life after you **retire**





How you **envision**  
your day-to-day  
life after you **retire**



Financial basics  
**you should  
know**

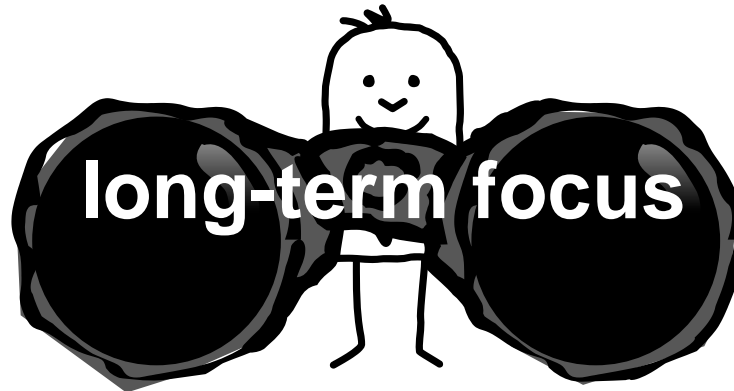


How you **envision**  
your day-to-day  
life after you **retire**

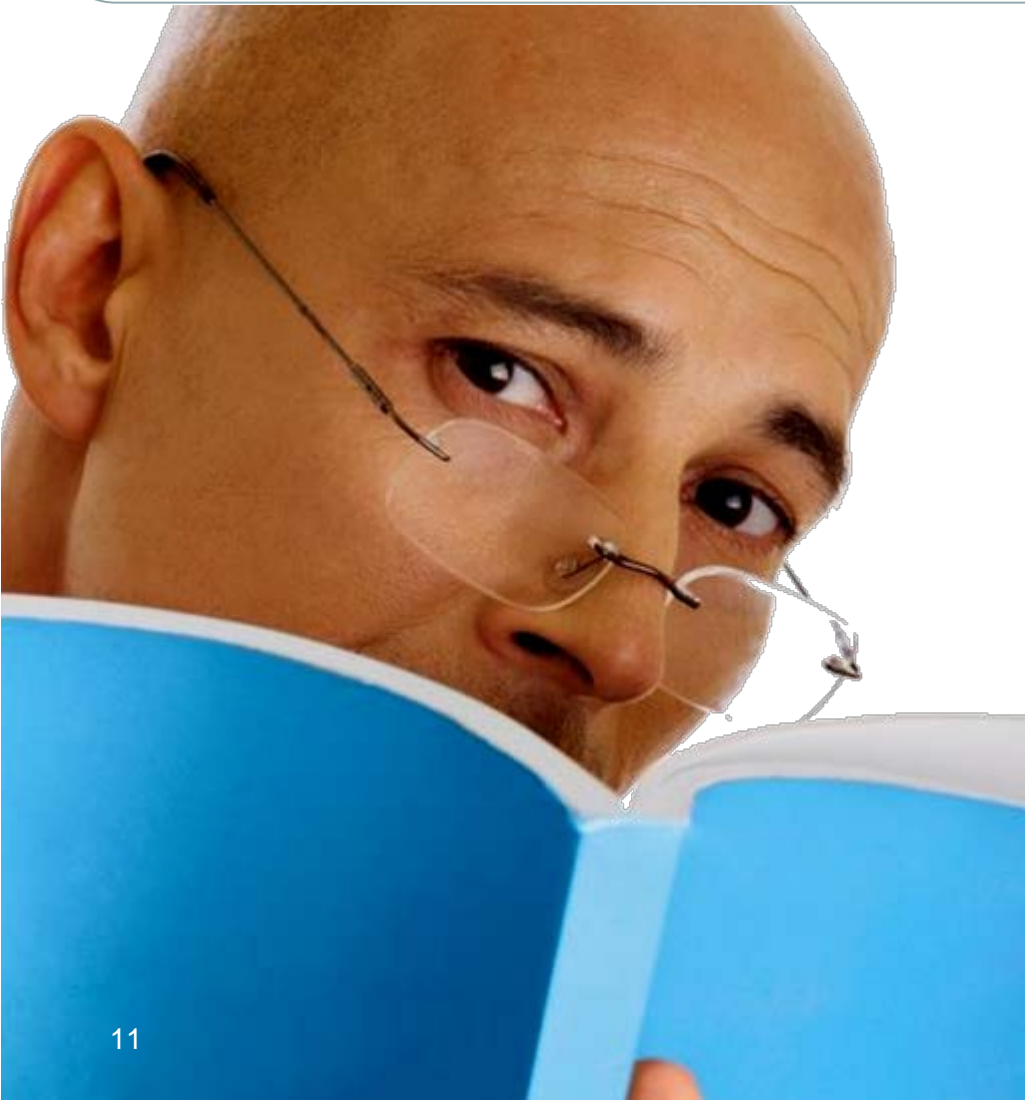


Financial basics  
**you should  
know**

How to  
maintain a

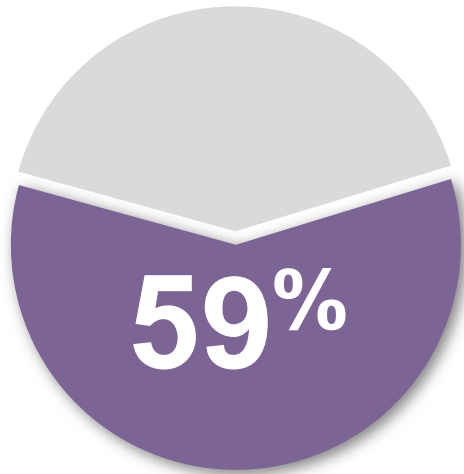


through the  
distractions of  
economic news  
and events

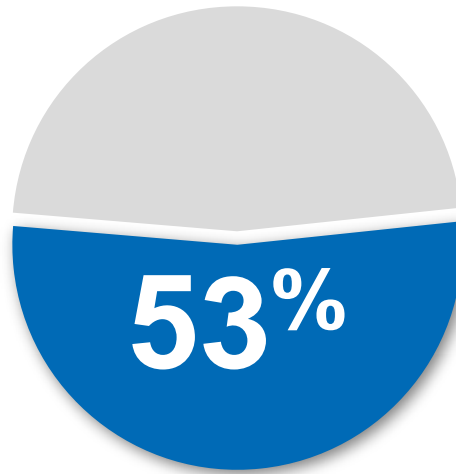


Google™

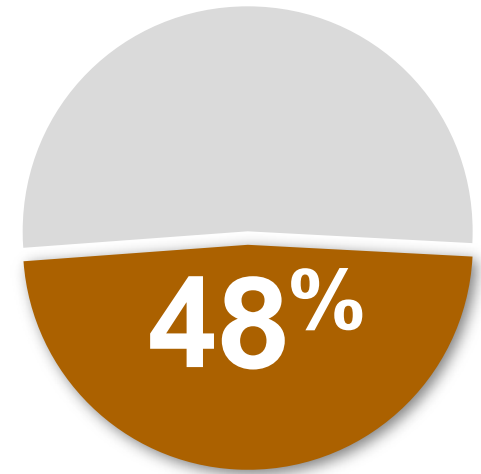
retirement



Not having  
**enough money**  
in retirement



Not being able to  
pay for **medical costs** in event of  
a serious  
illness/accident



Not being able  
to maintain the  
**standard of living** you enjoy

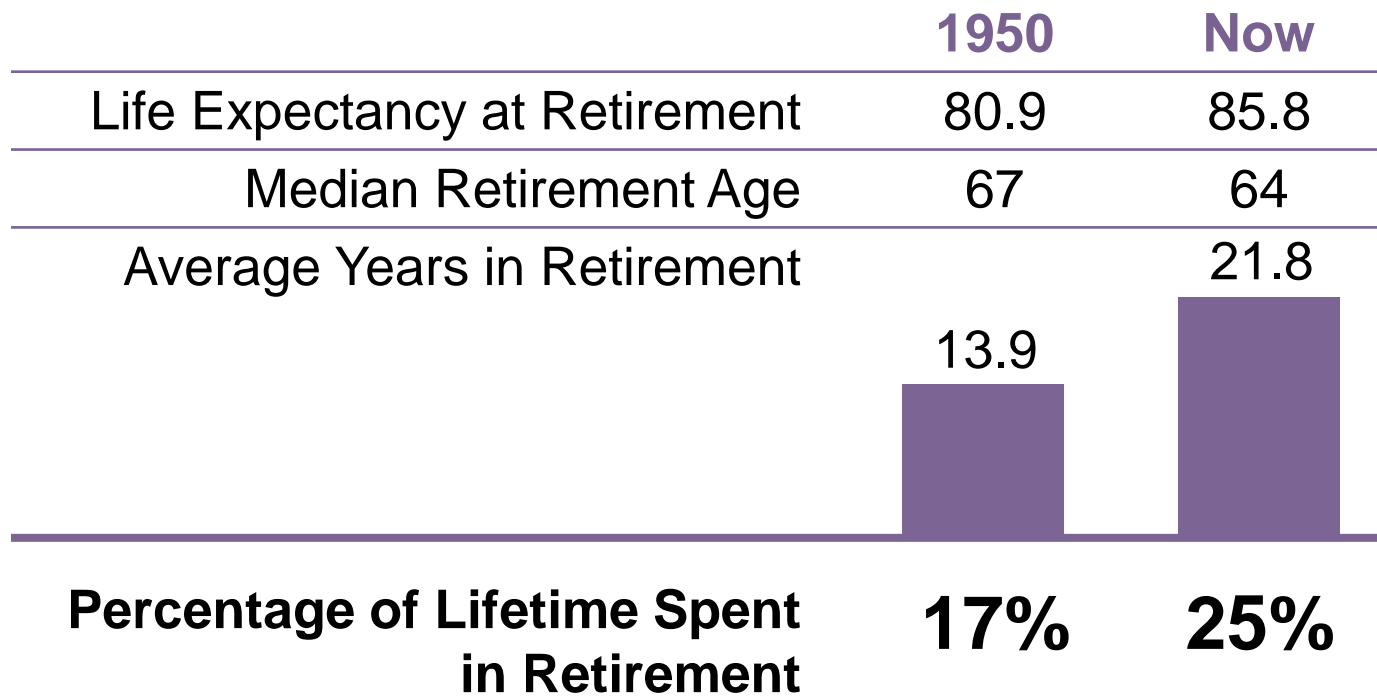


Today's **75**-year-old  
man . . .

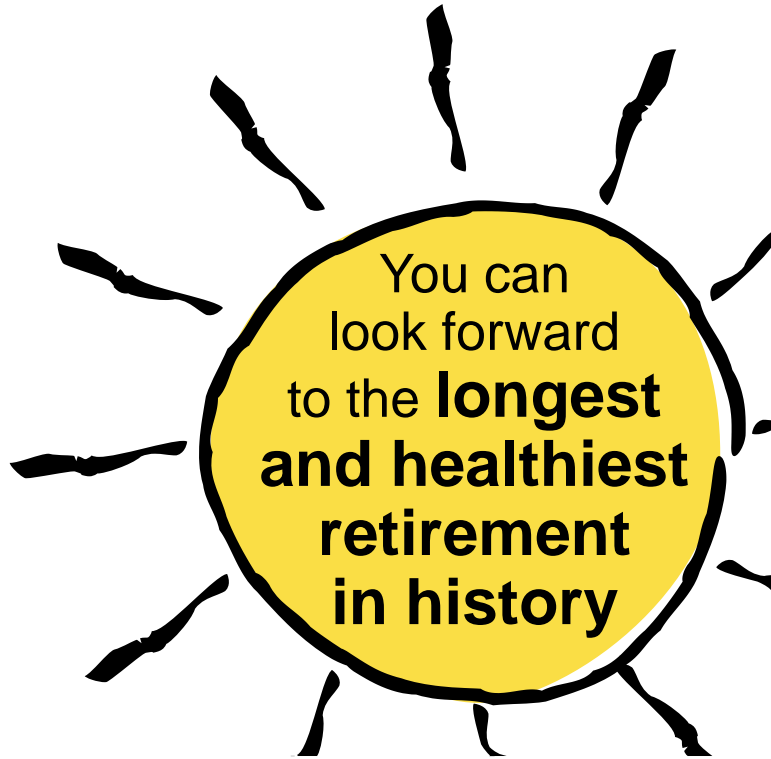
is the same  
“age” . . .

as the **68**-year-old  
man in 1970\*

\*New Realities of an Older America, Stanford Center on Longevity, 2010



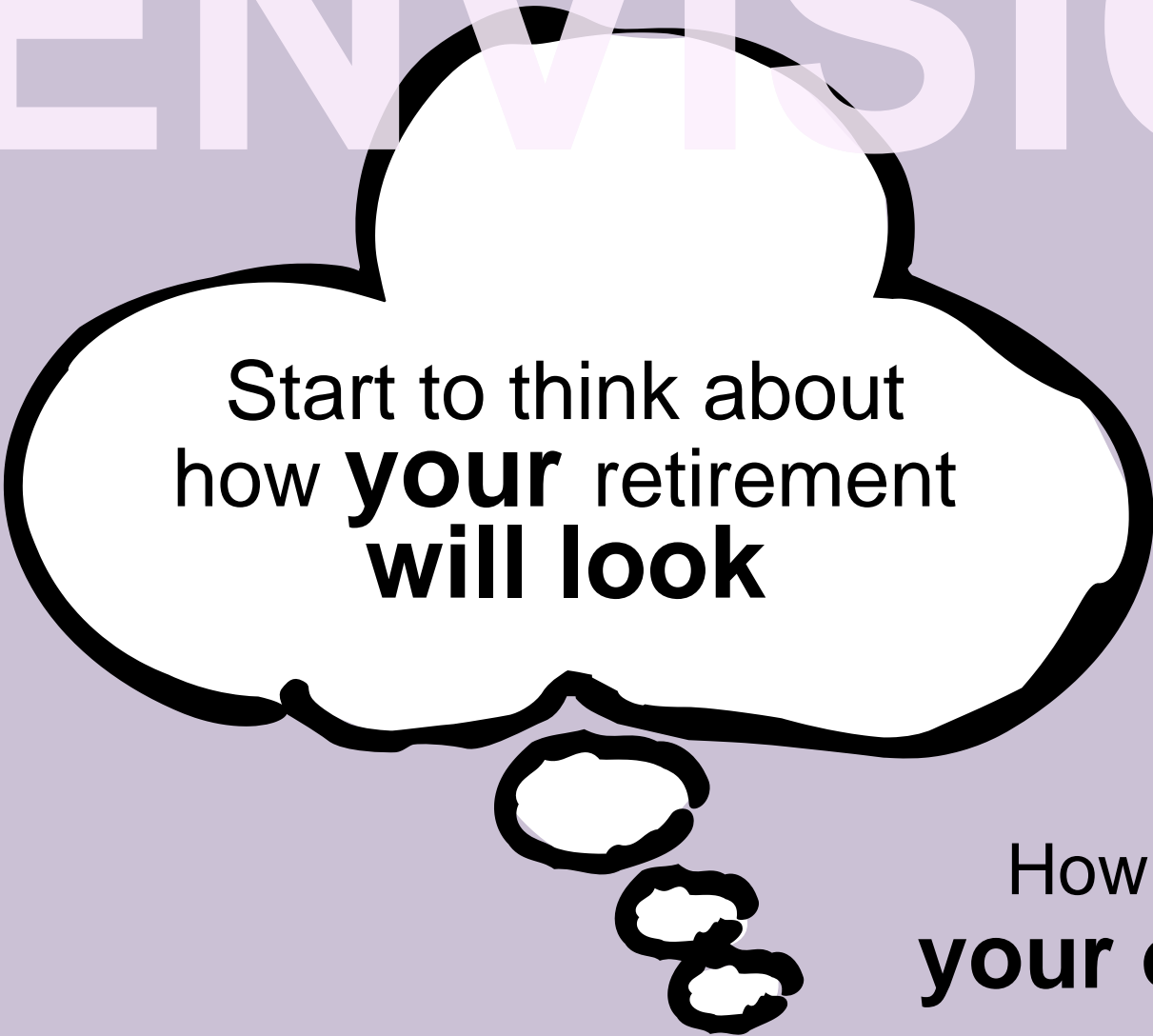
Sources: ChartSource®, S&P Capital IQ Financial Communications. Current median retirement age based on 2010 data published by the Social Security Administration.



... but also  
the **most costly**



# ENVISION



Start to think about  
how **your** retirement  
**will look**

How to live it on  
**your own terms**



# Retirewise

# Envision your retirement

How do you see  
your retirement?

What are some  
of the **thoughts**  
**or concerns**  
you have?



## Envision Your Retirement — Part A

### PLACE

If you were living your vision of the good life, and had enough resources to do what you love doing, where would you live? What would your lifestyle be like?

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### WORK

If you had the resources, would you work or volunteer? If so, what would your ideal work be? Would you go to school? What would you study? What type of avocation, hobbies or creative expression would you like to pursue?

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### PEOPLE

Who would you spend your time with? Who is in your support system? Do you have other resources to build additional supports, should you need them? What would you do?

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### PURPOSE

If you had the resources, would you like to leave a legacy? What type of personal and/or financial legacy would you like to leave? How would you like to make a difference in the world?

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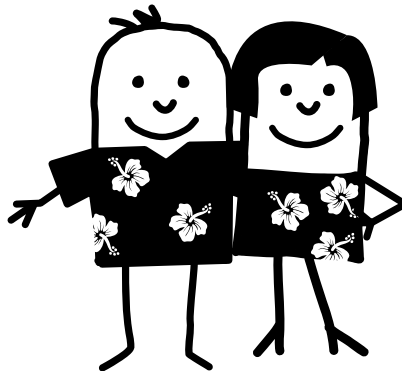
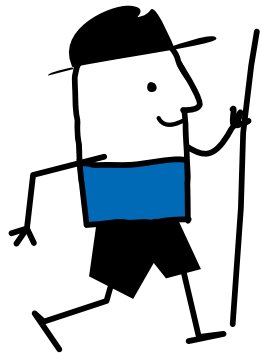
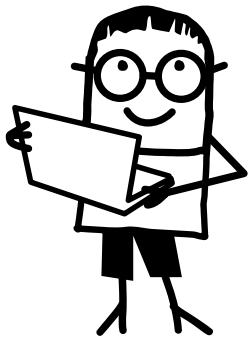
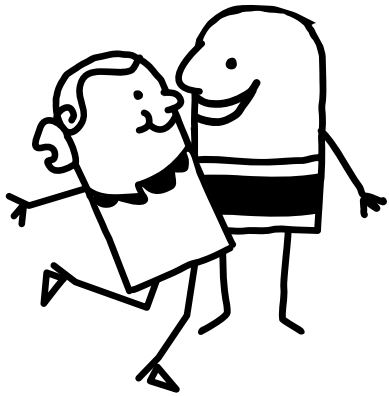
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... but it can  
help you do the things  
**YOU** want to do



**1** Pay yourself first

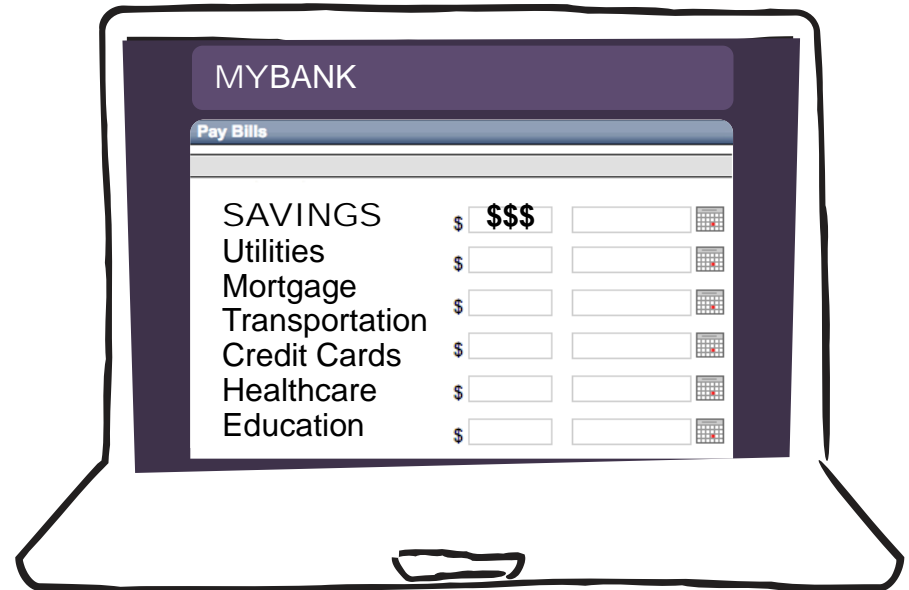
**2** Create and stick to a **budget**

**3** Take advantage of **compounding**

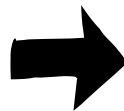
**4** It's not what you earn . . . it's **what you keep**

# 1 Pay yourself first

Retirement savings



KEY TAKEAWAY



**YOU are your MAIN  
financial priority**

**VS.**

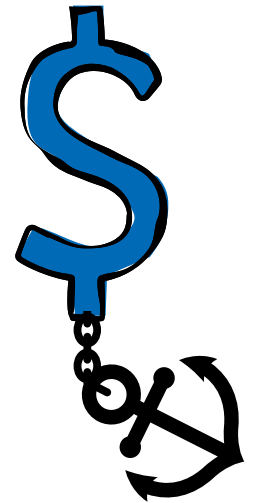


credit card

gratification today

mortgage

financial  
security



KEY TAKEAWAY



**Try to control debt  
and build equity**

## 2 Create and stick to a **budget**

- Categorize “**needs**” vs. “**wants**”
- **Today’s** income
- **Today’s** expenses

**Take control of your money**



KEY TAKEAWAY



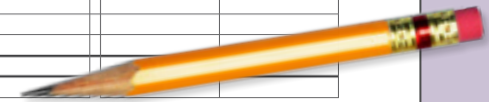
**You have control of where money will go and what it can do for you in retirement**

# Budgeting exercise



## MONTHLY EXPENSES

	Current		Retirement	
	Needs	Wants	Needs	Wants
<b>Housing and Related Expenses</b>				
Rent / mortgage				
Condo / association fees				
Heat / AC / electric				
Phone (home and cell)				
Water / sewer / garbage				
Property taxes				
Homeowners insurance				
Property care (lawn, etc.)				
Home maintenance (repairs, etc.)				
Cable TV / internet				
Other:				
Housing Totals:				
<b>Transportation Expenses</b>				
Car payments / lease				
License / registration / maint.				
Gasoline				
Auto insurance				
Parking / bus / train / air / taxi, etc.				
Other:				
Transportation Totals:				
<b>Personal Expenses</b>				
Groceries / dining out / takeout				
Personal care (e.g., hairdresser)				
Clothing / shoes				
Exercise / hobbies / clubs				
Vacation / leisure / entertainment				
Education (you / spouse / children)				
Debts (other than car / mortgage)				
Charitable donations				
Gifts to children / grandchildren				
Gifts to others				
Savings				
Federal income tax				
State income tax				
Other:				
Personal Totals:				
<b>Medical Expenses / Insurance Premiums</b>				
Out-of-pocket medical				
Out-of-pocket prescriptions				
Out-of-pocket eye care / glasses				
In-home care services				
Health Insurance Premiums (Medicaid / Medicare)				
Long-Term Care Insurance Premiums				
Life Insurance Premiums				
Disability Income Insurance Premiums				
Other:				
Medical / Insurance Totals:				
<b>Total Monthly Expenses:</b>				





Do you have  
**money set aside** in  
an emergency fund?

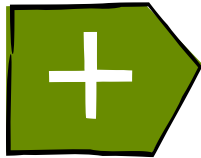
Should you continue  
to **pay off your mortgage**  
**quickly or invest** that money  
for retirement?

What's the **best way** to invest today  
for multiple goals and different  
time frames?

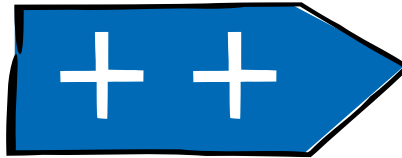
How much **life insurance**  
should you have?

Are you concerned  
about **healthcare** and  
**long term care costs**?

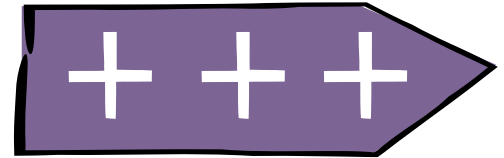
## 3 Take advantage of **compounding**



● Interest is paid on principal **and added on to the original principal**



**New interest** is calculated on original principal and **added interest**



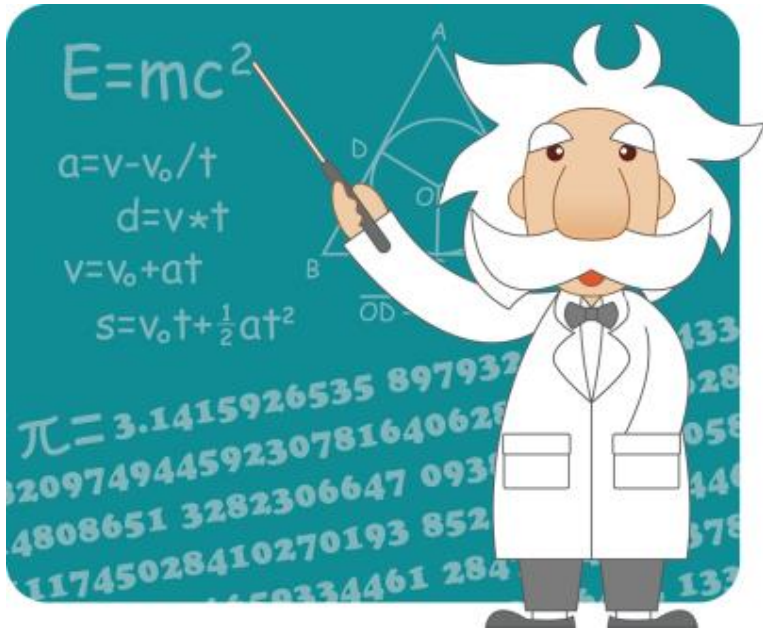
**New interest** is calculated on original principal and **added interest**

KEY TAKEAWAY



**Compounded interest = GROWING principal**

# There's an urban legend that Albert Einstein once said . . .



“Compound interest is the most powerful force in the universe.”

Contribution	Early Bird	Procrastinator
First 10 Years	\$5,000	\$0
Next 20 Years	\$0	\$5,000
Total Contribution	\$50,000	<b>\$100,000</b>
Value at end of 30 Years	<b>\$224,044</b>	<b>\$194,963</b>

**Procrastination  
carries a  
high cost**



Assumes a 6% compounded rate of return.

## Annual Interest Rate

10%  $72 \div 10 \rightarrow 7.2$

9%  $72 \div 9 \rightarrow 8.0$

8%  $72 \div 8 \rightarrow 9.0$

7%  $72 \div 7 \rightarrow 10.3$

6%  $72 \div 6 \rightarrow 12.0$

5%  $72 \div 5 \rightarrow 14.4$

4%  $72 \div 4 \rightarrow 18.0$

3%  $72 \div 3 \rightarrow 24.0$

$$\boxed{72} \div \boxed{\text{Annual Interest Rate \%}} = \boxed{\text{Number of years to double value}}$$

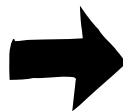
—————→ **Years to Double**

The Rule of 72 is based on a hypothetical illustration and it is not guaranteed. It does not represent performance of any specific product and therefore there is no assurance that investments would double within a specific timeframe.

**4**

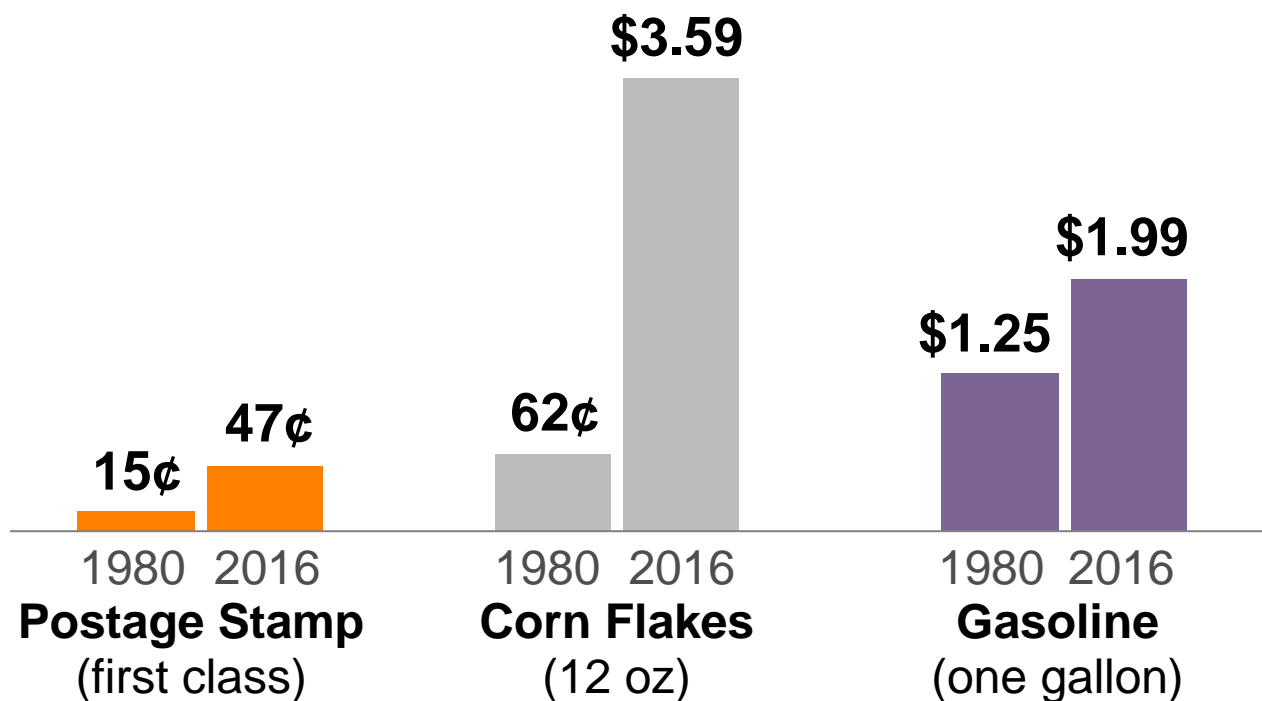
It's not what you earn . . .  
it's what you keep

KEY TAKEAWAY



**Inflation  
and taxes take  
quite a bite out  
of yield**





Source: USPS, Shoptmart.com January, 2016, AAA Fuel Gauge, 1/5/2016

What will today's \$1 be worth  
... in 10 years?

Purchasing power  
diminishes

Two views of the same effect

Prices rise

A \$1 expense today may  
look like this ... in 10 years

**\$0.67**

20 years

**\$0.45**

30 years

**\$0.31**

20 years

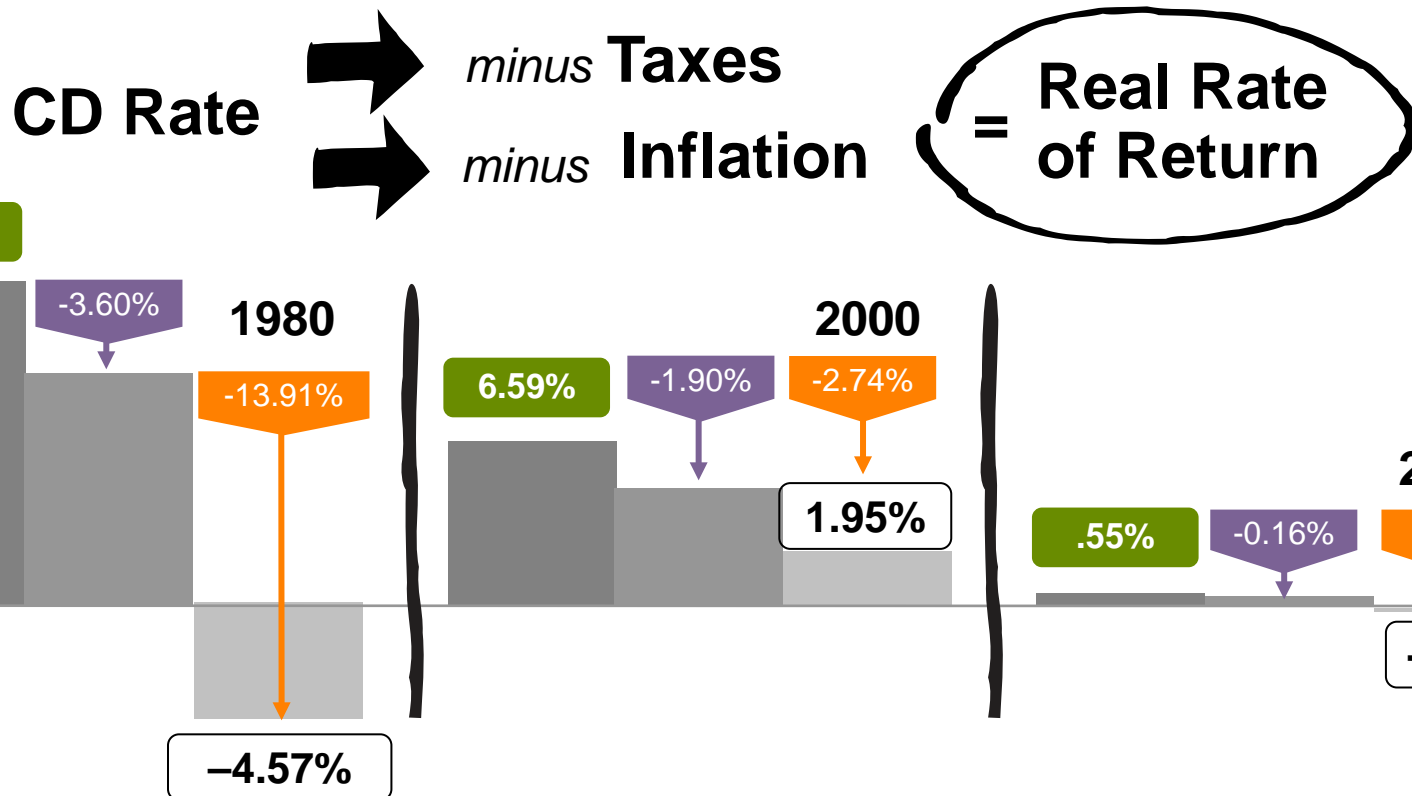
**\$2.22**

30 years

**\$3.31**

Note: These illustrations assume 4% inflation and monthly compounding from beginning of period.





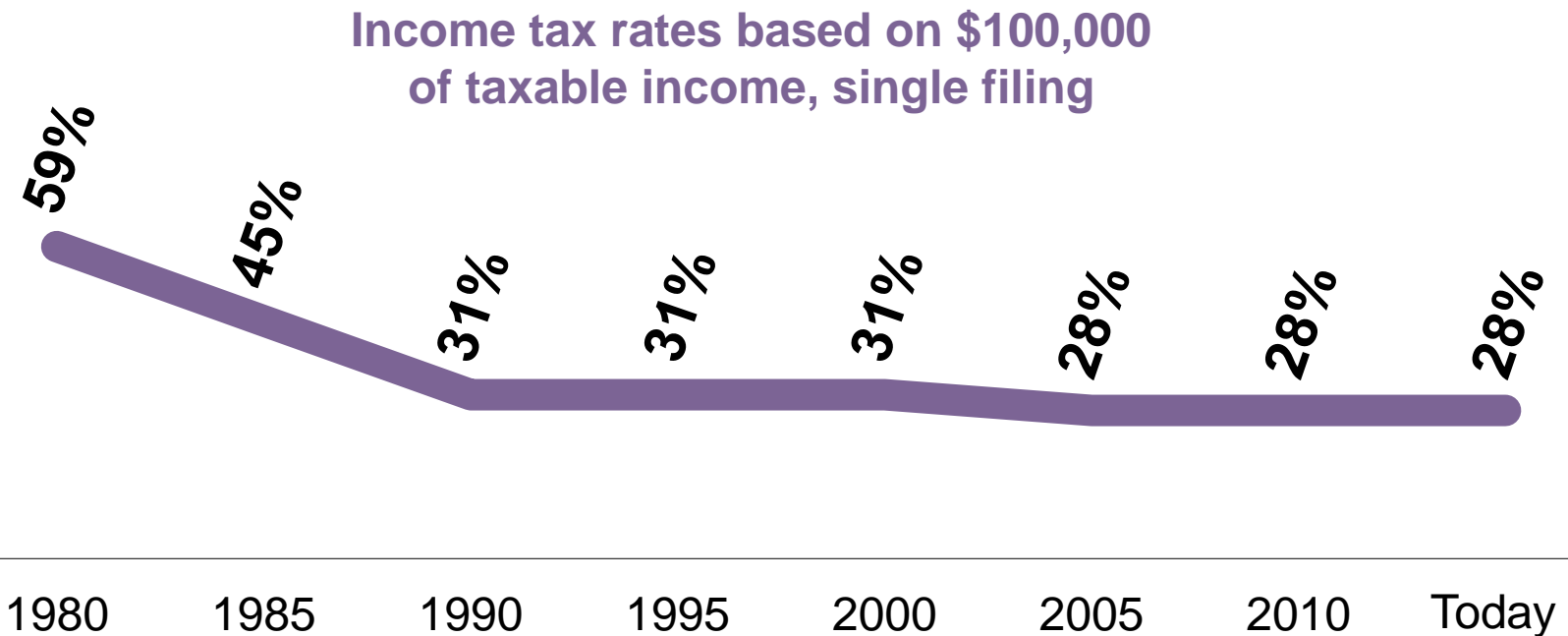
Source: 6-month CD rate, Barclays, 1/5/2016. Tax rates are the median rate for married filing jointly—Tax Foundation.

Inflation—Consumer price index, Bureau of Labor Statistics, November 2015.

Stocks are represented by the S&P 500 Index; Bonds are represented by Barclays Capital Aggregate Bond Index. Cash is represented by the 30-Day Money Market Index and Inflation is represented by the Consumer Price Index. Indexes are unmanaged and not available for direct investment.

## 2016

Rate	Single filers	Married filing jointly	Head of Household Filers
<b>10%</b>	Up to \$9,275	Up to \$18,550	Up to \$13,250
<b>15%</b>	\$9,275 to \$37,650	\$18,550 to \$75,300	\$13,250 to \$50,400
<b>25%</b>	\$37,650 to \$91,150	\$75,300 to \$151,900	\$50,400 to \$130,150
<b>28%</b>	\$91,150 to \$190,150	\$151,900 to \$231,450	\$130,150 to \$210,800
<b>33%</b>	\$190,150 to \$413,350	\$231,450 to \$413,350	\$210,800 to \$413,350
<b>35%</b>	\$413,350 to \$415,050	\$413,350 to \$466,950	\$413,350 to \$441,000
<b>39.6%</b>	\$415,050 or more	\$466,950 or more	\$441,000 or more



Source: Tax Facts 2016

Top Income Tax rate

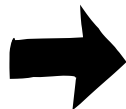


39.6%

on taxable income over  
**\$466,950 married filing jointly**

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Top Capital Gains rate



20%

on long term gains

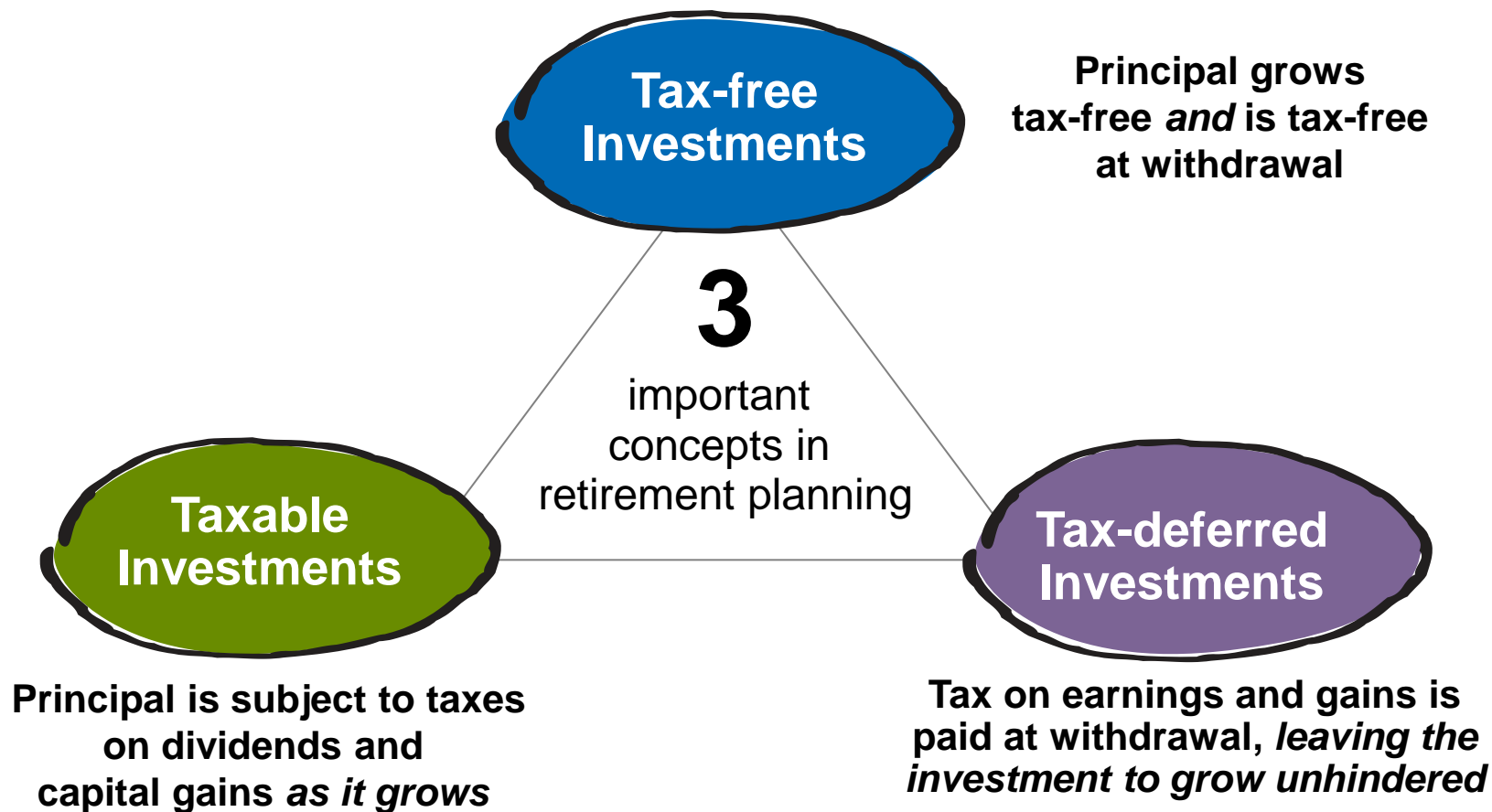
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Medicare surtax\*



3.8%

\*Adjusted gross income (AGI) exceeds:  
\$200,000 if you're unmarried, \$250,000 if  
you're a married joint-filer, or \$125,000 if you  
use married filing separate status



## Taxable

Checking Accounts

Brokerage Accounts

Real Estate

## Tax-free

Roth 401(k)\*

Roth 403 (b)\*

Roth IRA\*

Municipal Bond\*\*  
Interest

Cash Value Life  
Insurance\*\*\*

## Tax-deferred

401(k)  
403(b)  
457 plan

Traditional IRA

Simple/SEP IRA

Annuities  
Savings Bonds

\* If a distribution is nonqualified, the earnings will be subject to income tax. Nonqualified distributions may be subject to a 10% penalty.

\*\* Municipal bond interest is generally income-tax free but exceptions apply.

\*\*\* Distributions from a life insurance policy through withdrawals of certain policy values (up to cost basis) and loans are generally not taxed as income provided certain premium limits are followed which prevent a policy from becoming a modified endowment contract (MEC). Distributions taken during the first fifteen years may be subject to tax. Loans and withdrawals will generally reduce the cash value available and death benefit payable. If policy loans are taken, there may be income tax consequences if the policy lapses, is surrendered or exchanged. If the policy has not performed as expected and to avoid a policy lapse, distributions may need to be reduced, stopped and/or premium payments may need to be resumed.

Question: So, what's **best** for retirement?



Taxable



Tax-free



Tax-deferred

Answer: **A bit of each**

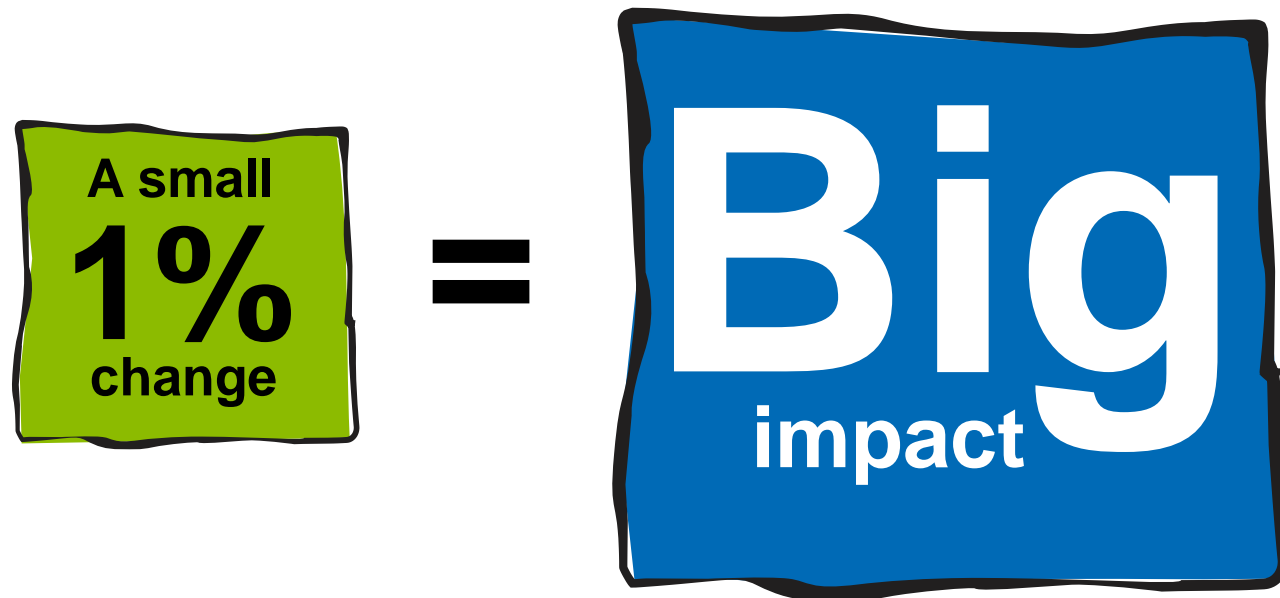
- It's tax-deferred
- Annual contribution limits change each year
- Catch-up contributions begin at age 50
- A 10% tax penalty for withdrawals before age 59½
- Your underlying investments should line up with your risk tolerance, objectives and time horizon

KEY TAKEAWAY

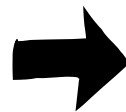


**When it's time to retire,  
your employer's plan  
may be the largest check  
you'll ever see**





KEY TAKEAWAY



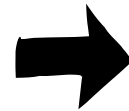
**You can start  
doing this today**

Simpler is better,  
**consolidate**  
where you can

Consider  
**converting**  
to a Roth IRA\*

\*This opportunity may not be right for everyone. The cost of having to pay taxes now may outweigh the benefit of tax-free qualified distributions in the future. For a distribution from a Roth IRA to be a tax-free qualified distribution, the distribution must occur after the 5-tax-year holding period for Roth IRAs and satisfy one of the other requirements (e.g., occur on or after the Roth IRA owner attains age 59 ½).

\$100K total  
invested in **three**  
separate 401(k)s  
from previous jobs



**Roll over two of  
the 401(k)s into  
a traditional IRA**

\$100K total  
invested in **three**  
separate 401(k)s  
from previous jobs

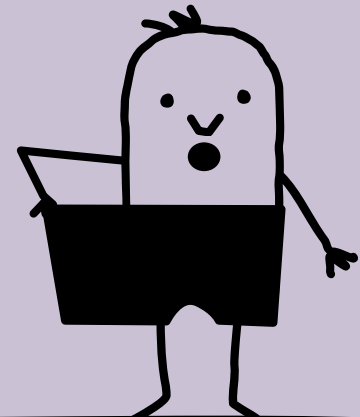
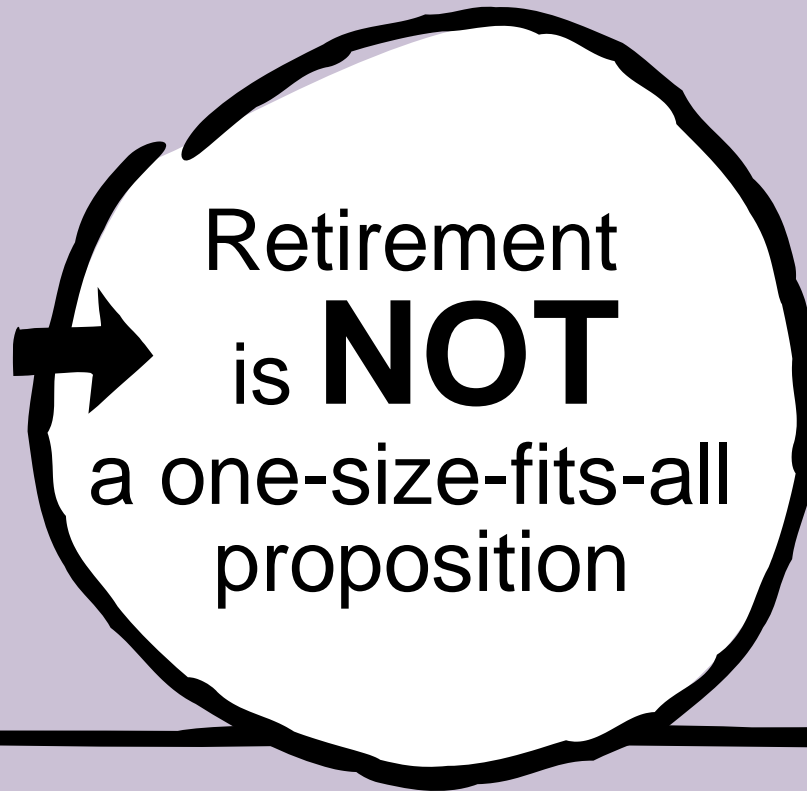


**Roll over two of  
the 401(k)s into  
a traditional IRA**



**And convert  
the third plan  
to a Roth IRA**

Today's  
key learning



**Inflation** and **taxes** can impact  
your investments

**Take action today**

# Homework: budgeting exercise



## MONTHLY EXPENSES

	Current		Retirement	
	Needs	Wants	Needs	Wants
<b>Housing and Related Expenses</b>				
Rent / mortgage				
Condo / association fees				
Heat / AC / electric				
Phone (home and cell)				
Water / sewer / garbage				
Property taxes				
Homeowners insurance				
Property care (lawn, etc.)				
Home maintenance (repairs, etc.)				
Cable TV / internet				
Other:				
Housing Totals:				
<b>Transportation Expenses</b>				
Car payments / lease				
License / registration / maint.				
Gasoline				
Auto insurance				
Parking / bus / train / air / taxi, etc.				
Other:				
Transportation Totals:				
<b>Personal Expenses</b>				
Groceries / dining out / takeout				
Personal care (e.g., hairdresser)				
Clothing / shoes				
Exercise / hobbies / clubs				
Vacation / leisure / entertainment				
Education (you / spouse / children)				
Debts (other than car / mortgage)				
Charitable donations				
Gifts to children / grandchildren				
Gifts to others				
Savings				
Federal income tax				
State income tax				
Other:				
Personal Totals:				
<b>Medical Expenses / Insurance Premiums</b>				
Out-of-pocket medical				
Out-of-pocket prescriptions				
Out-of-pocket eye care / glasses				
In-home care services				
Health Insurance Premiums (Medicaid / Medicare)				
Long-Term Care Insurance Premiums				
Life Insurance Premiums				
Disability Income Insurance Premiums				
Other:				
Medical / Insurance Totals:				
<b>Total Monthly Expenses:</b>				

# Next step

**MetLife**



**retirewise®**

Creating and Managing Wealth

**PlanSmart®**

a financial education series for employees

1

Building the Foundation



2

Creating and Managing Wealth



3

Establishing Your Retirement Income Stream



4

Making the Most of What You Have