

# MetLife



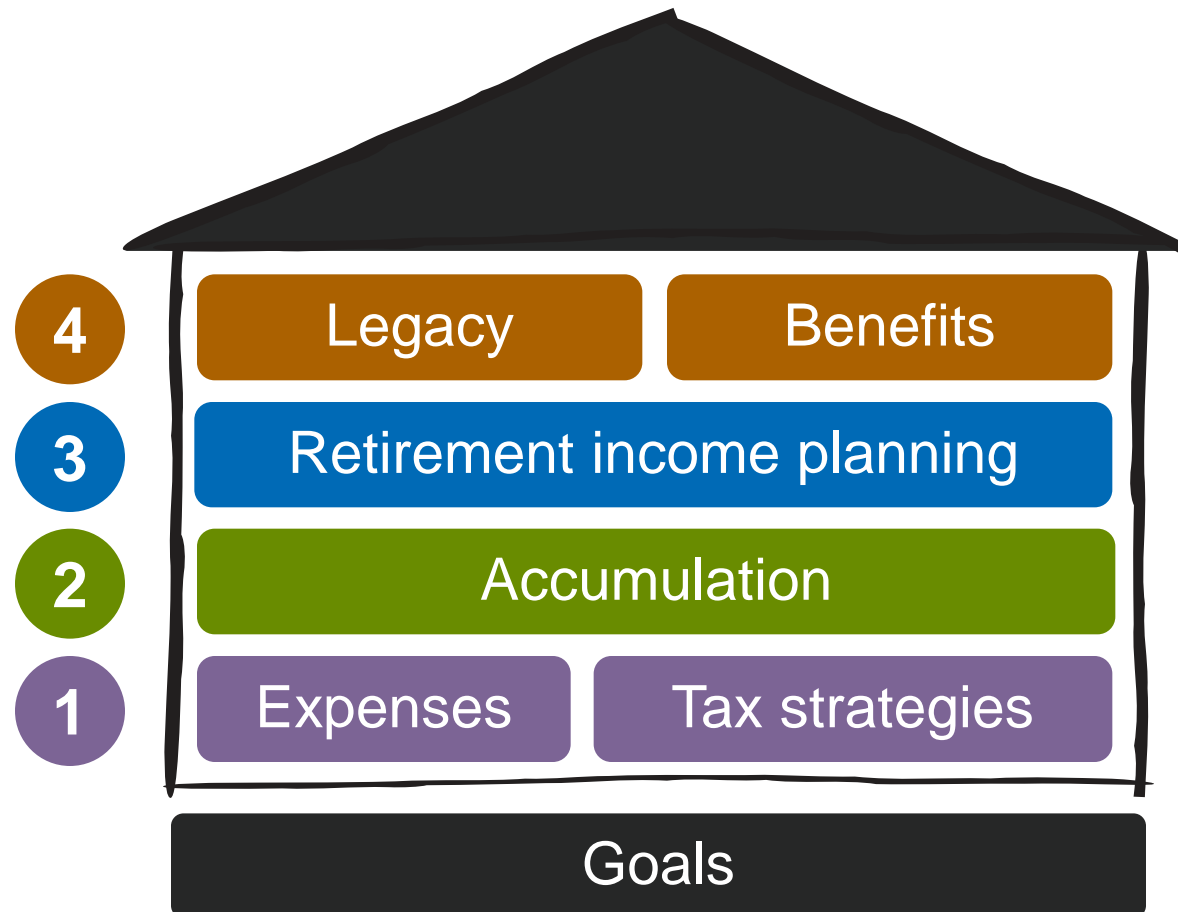
## retirewise®

Making the Most of What You Have

**PlanSmart®**  
a financial education series for employees

What is important about  
retirement planning  
to you?





**Your employer  
benefits**



Things to  
consider as you **plan**  
**for retirement**

**Income  
Replacement**

Defined Contribution  
and Defined Benefit  
Plans

**Income and asset  
protection**

Life and Disability  
Income Insurance

**Health and  
Welfare**

Medical  
and Dental

## **Defined benefit plans**

- Benefit formulas
- Distribution/payout options
- Surviving spouse considerations
- Waiting to retire

## **Defined contribution plans**

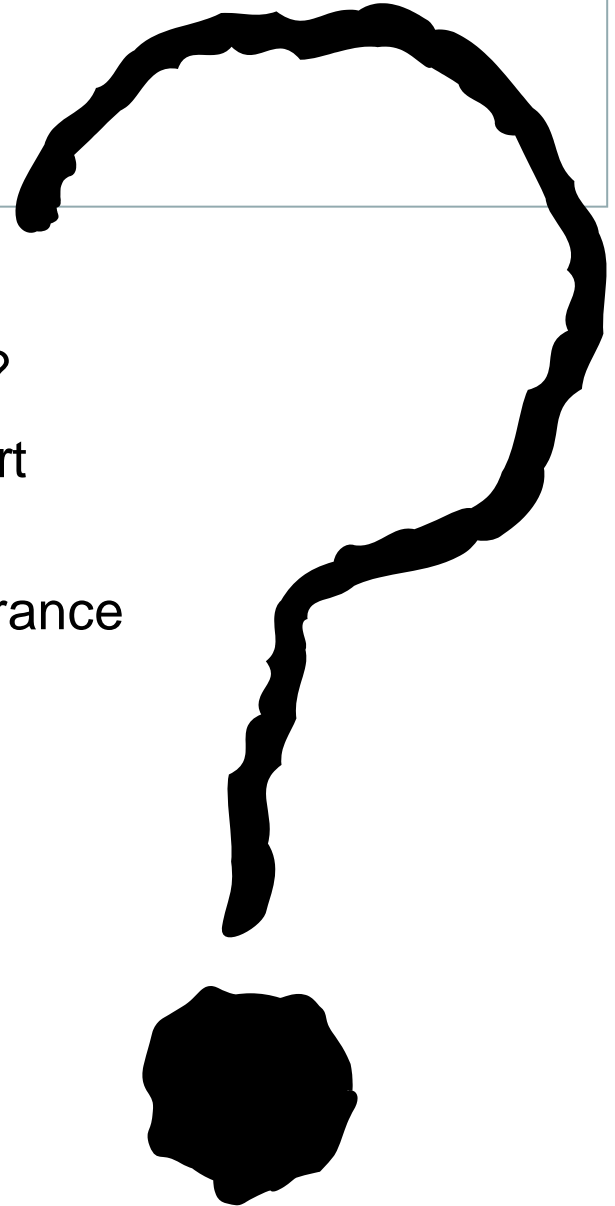
- Tax consequences
- Catch up contributions

## Life Insurance

- How much is right for you?
- Can you continue or convert your employer coverage?
- Why would you need insurance after retirement?

## Disability Income Insurance

- Are you taking advantage of what you have today?



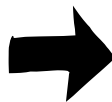
## Reduction and termination of benefits

- Reduces or terminates at retirement
- Is it portable?

## Conversion

- You have 31 days of your group benefits terminating to convert. How much coverage can be converted?
- The convertible amount is the discontinued amount of group coverage

KEY TAKEAWAY



**Find out from your employer the details of your group life insurance**

**Simple steps to  
protect income  
in the event that  
something  
happens to you**

What is  
your monthly  
income?

How much  
of your income  
do you want  
to provide for  
your family?

How long would  
your family need  
this income?

**KEY TAKEAWAY**

**You should have enough  
life insurance to ensure your  
family can meet their obligations  
without you**



	Term	Permanent
<b>Death benefits</b>	Yes	Yes
<b>Flexible payments*</b>	No	Yes, only with universal life and variable universal life
<b>Invested in market</b>	No	Yes, only with variable universal life
<b>Cash value guaranteed</b>	No	Yes, only with whole life and universal life
<b>Tax-advantage</b>	Yes	Yes
<b>Low monthly cost</b>	Yes	No

KEY TAKEAWAY



**Term and permanent  
life insurance offer  
different benefits**

Most insurance policies contain exclusions, limitations, reduction of benefits, surrender charges and terms for keeping them in force. Your representative can provide you with costs and complete details. All guarantees are based upon the financial strength and claims-paying ability of the issuing insurance company.

\*Skipping or postponing premiums can affect your policy's cash value and death benefit, and may cause increased premium requirements later.

- Debt elimination/mortgage or other obligations
- Income replacement
- Children relying on you for financial support
- Aging parents or in-laws needing extended care
- Leaving an inheritance to children and/or charity

KEY TAKEAWAY

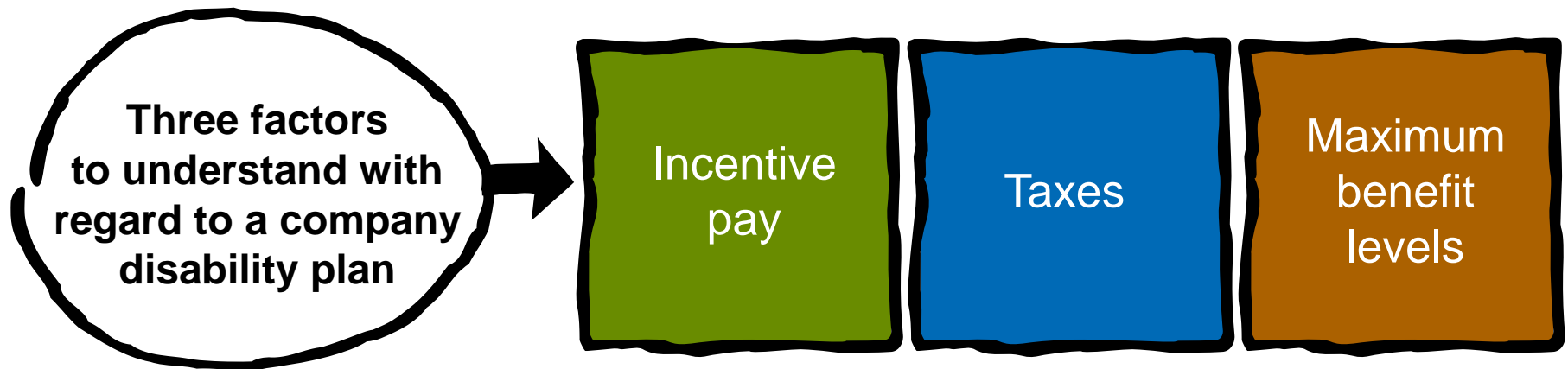


**Life insurance can  
provide added value  
in retirement**

- **Stability and diversification** — the cash value, death benefit and potential income isn't affected by the economy or changes in the stock market
- **Savings accumulation** — money through its cash value can be used for college, paying off the mortgage, emergencies or as a retirement income supplement
- **Tax savings** — income tax-free death benefit and potential for tax-deferred growth guaranteed
- **No funding limits** based on income or government restrictions
- **No 10% penalty tax** on cash value distribution before age 59½
- **Tax equivalent yields may be higher** than comparable investments

Only **permanent** insurance policies should be considered assets, since they are the only policies that have cash value. They may not be suitable for all investors.

- Disability income insurance can replace a portion of your income if you become sick or hurt and are unable to work
- Take advantage of what is available through your employer today





## Medical and Dental

**Is employer-  
provided  
retiree  
healthcare  
available  
to you  
and your  
family?**

- When will benefits begin and how long will they continue?
- How do benefits compare with current coverage?
- How much will benefits cost before and after you become Medicare-eligible?
- What about dental, prescription drug coverage and vision?

**How will this  
affect your  
retirement  
planning?**

- Will you have higher medical coverage costs?
- Will any additional assets be required?



## Explore

### Planning to retire before age 65?

- Working part-time
- Coverage through spouse's employer
- COBRA eligibility and costs
- Health Insurance Marketplace (Healthcare.gov)



- You're automatically enrolled in original Medicare at age 65 if you receive Social Security benefits
- Contact Medicare 3 months before turning 65 to discuss enrollment  
**1-800-MEDICARE (633-4227) or [www.medicare.gov](http://www.medicare.gov)**

Original Medicare plan

- Medicare Part A
- Medicare Part B

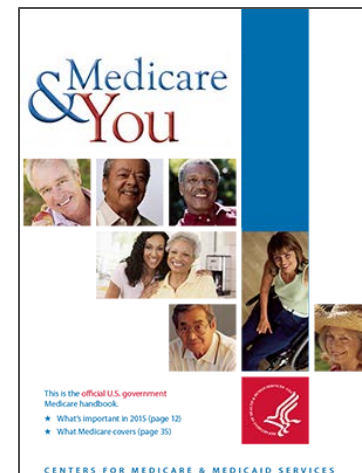
Medicare supplement plans

Medicare Advantage

- Medicare Part C

Medicare prescription drug coverage

- Medicare Part D



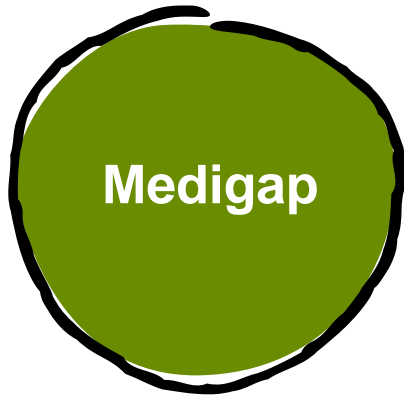


## Original Medicare

### Original Medicare plan

- Medicare Part A (Hospital Insurance)
  - Eligible at age 65
  - Funded through payroll taxes
- Medicare Part B (Medical Insurance)
  - Voluntary but may incur a penalty if enrolling at a later date
  - The monthly premium is based on your income level and when you enroll
  - If you enroll in 2016, the monthly premium is \$104.90 plus an additional surcharge for higher income individuals (over \$85,000 or \$170,000 for married couples\*)
- Includes deductibles, co-payments, and co-insurance





## **Medicare supplement plans**

- Coverage through private insurers
- 12 Standard plans
- Covers deductibles, co-payments and co-insurance depending upon plan selected
- Provides some additional benefits depending upon plan selected



## Medicare Advantage Part C

### MedicareAdvantage plans

- Preferred Provider Organization (PPO) Plans
- Health Maintenance Organization (HMO) Plans
- Private Fee-for-Service (PFFS) Plans
- Special Needs Plans (SNP)
- Medicare Medical Savings (MSA) Plans



## Medicare Part D

### Medicare prescription drug coverage

- First introduced in 2006
- Voluntary benefit offered through private plans
- Standard Plan — requirements set by Medicare
- Plans may offer additional options
- Average \$30 monthly premium
- Penalty for waiting to enroll unless individual has equivalent coverage

- Most dental care
- Eye examinations related to prescribing glasses
- Dentures
- Cosmetic surgery
- Acupuncture
- Hearing aids and exams for fitting them
- Long term care

KEY TAKEAWAY



**Make sure your  
retirement strategy accounts  
for these expenses**

In 2015, the national average rate for a private room in a nursing home was **\$91,250** annually or **\$250** a day

## How will you pay?

- Self-insure with personal savings
- “My family will take care of me.”
- Government programs
- Long term care insurance

## Myth

## Reality

Most long term care is provided in a nursing home



Most long term care is provided at home

Medicare, health insurance and disability insurance pay long term care expenses



Long term care insurance is the only form of private insurance that pays long term care expenses

You can immediately qualify for Medicaid to pay for long term care by transferring assets to family



Upon application, the state will “look-back” over five years to see if assets were transferred for less than fair market value. If so, application may be denied.

Family history, income and age are all primary factors in calculating long term care insurance premiums



Age is a primary factor in calculating long term care insurance premiums

# Are you **prepared** for the transition?

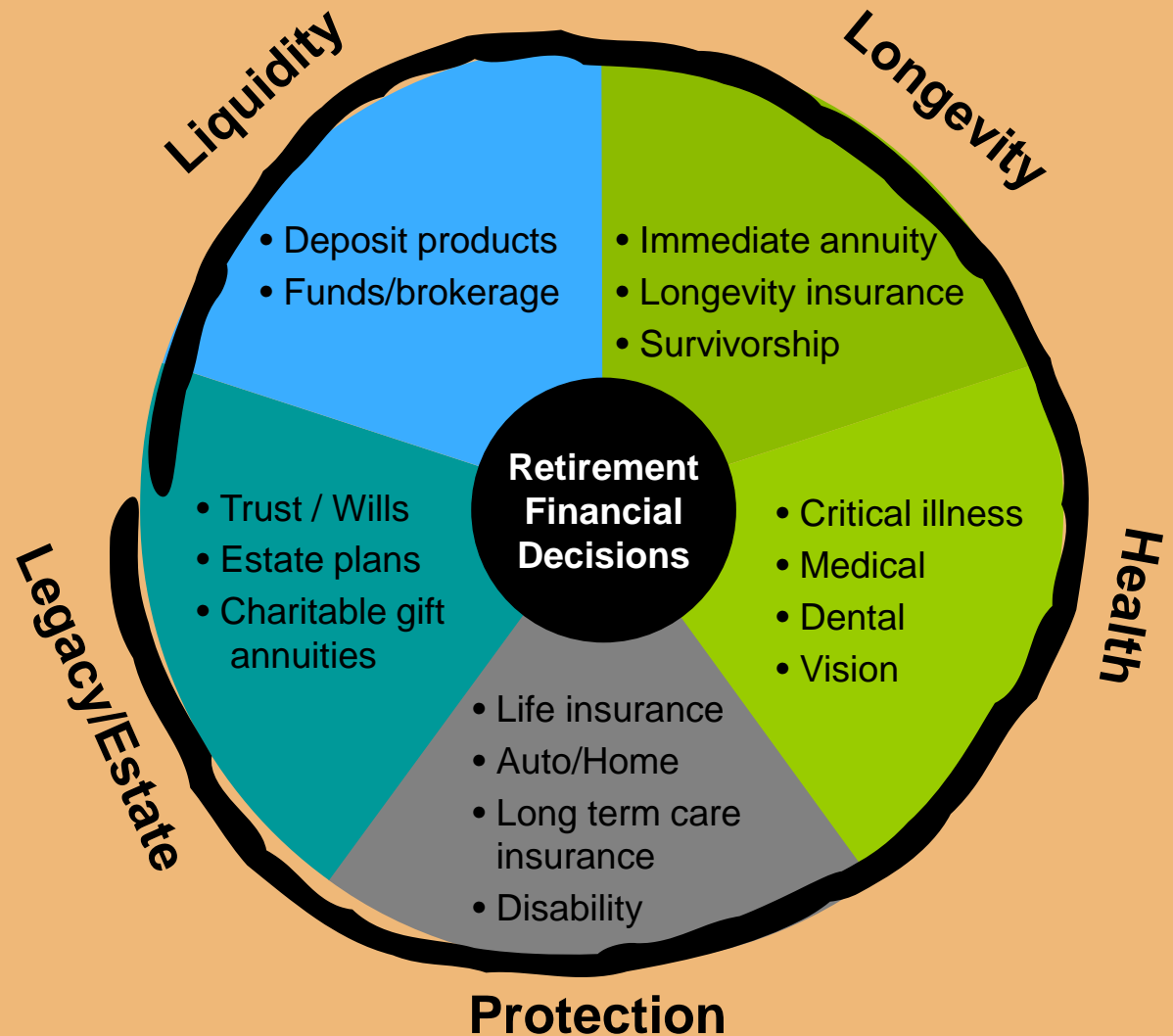
- 15 tasks toward a successful transition into retirement
- Assessing your retirement readiness
- Taking action



Category	Task	1	2	3	4
Work	Decided whether to fully retire, or to work part-time in retirement				✓
	Determined which of my skills could be easily transferred to a new part-time job				✓
	Looked into alternate career or part-time work opportunities for myself in retirement		✓		
	Formulated ideas about how much I'd like to work in retirement			✓	
	Explored what employment possibilities are available to me if I want to keep working full- or part-time in retirement	✓			
Leisure & Activity	Determined the proper balance between work and leisure time if forced to choose		✓		
	Identified my personal goals in retirement			✓	
Relationships	Considered the importance of relationships with co-workers when making a decision to retire	✓			
	Considered how the various aspects of my retirement might positively or negatively affect the relationships I have with my family and friends	✓			
Income & Benefits	Assessed whether full-time retirement would be financially feasible for me at this point in my life		✓		
	Evaluated how changes in the economy will affect my pension, investments, and retirement benefits		✓		
	Determined the steps that are necessary maintaining a personally satisfying retirement		✓		
Planning	Determined the factors which are critical to maintaining a personally satisfying retirement	✓			
	Developed an alternative plan that could get me through a considerable and unexpected setback in my retirement	✓			
	Evaluated whether my retirement plans meet the demands of personal, social, and financial changes		✓		
Totals		5	6	2	2

# BEYOND INVESTMENTS

The elements of a retirement plan





Estate planning is  
often **overlooked**

KEY TAKEAWAY



Who needs  
estate planning?

**Everyone.**

## 1 Creation

Creating an estate to protect heirs in the event of an early death

## 2 Distribution

Creating an appropriate plan for the distribution of estate assets to heirs

## 3 Preservation

Paying the costs associated with passing on an estate to heirs

By Law

*Examples:*

Joint Tenancy with Rights of Survivorship  
Community Property  
Tenants by the Entireties

By Contract

By the terms of a Living Trust  
By the terms of a Buy-Sell Agreement  
By Beneficiary Designation (i.e. Pension,  
IRA , Insurance )

By Last Will  
and Testament

Jewelry, cars and bank and brokerage accounts

By State Laws  
of Intestacy

In absence of direction

## Legal process that carries out a will under court supervision

Public record

May be lengthy and costly

Can be avoided: joint tenancy, transfer on death



Takes control of estate assets

Notifies creditors of probate

Files property tax returns

Petitions Court

## ESTATE PLANNING CHECKLIST

- ☐ Last will and testament
- ☐ Durable power of attorney
- ☐ Living will and health care proxy
- ☐ Beneficiary designations
- ☐ HIPPA (Health Insurance Portability and Accountability Act) release form
- ☐ Designate a “digital fiduciary”
- ☐ Special needs plan, if required

## Current Federal Estate Tax Landscape

Year	Exempt Amount Per Person	Top Rate
2010	Estate Tax Is Repealed	
2011	\$5,000,000	35%
2012	\$5,120,000	35%
2013	\$5,250,000	40%
2014	\$5,340,000	40%
2015	\$5,430,000	40%
2016	\$5,450,000	40%

- For the affluent, the federal estate tax is the most significant cost associated with dying
- Federal estate tax must be paid in cash within 9 months of death
- State estate taxes are imposed for estate values at \$1 million or less in several states

Source: [www.irs.gov](http://www.irs.gov), 2016

Not only can you **NOT** “take it all with you,” but **Income in Respect of a Decedent (IRD)** may also prevent your beneficiaries from “taking it all with them” too.

**IRD** is income that the deceased was entitled to, but has not yet received, at the time of death

The IRD is included in the deceased's estate for estate tax purposes, but not reported in the final income tax return, which includes only income received before death

**Some common sources of IRD include:**

- Remaining employee compensation
- Interest and dividends earned, but not received, before death
- Qualified retirement plan (401k) distributions
- Traditional IRA distributions
- Non-qualified Roth IRA distributions
- The taxable portion of annuities



**For inheritance purposes, how wealth is accumulated matters and proper estate planning can help:**

Identify IRD  
assets

Assess the tax  
implications

Develop a strategy  
to eliminate or  
minimize IRD

Pass belongings to beneficiaries while you are still living

➔ **Lifetime Gifting**

Remove the life insurance death benefit from your taxable estate

➔ **Irrevocable Life Insurance Trust (ILIT)**

Set up a way to pass assets, but remain in control while you are living

➔ **Living Revocable Trust with Credit Shelter Provision**

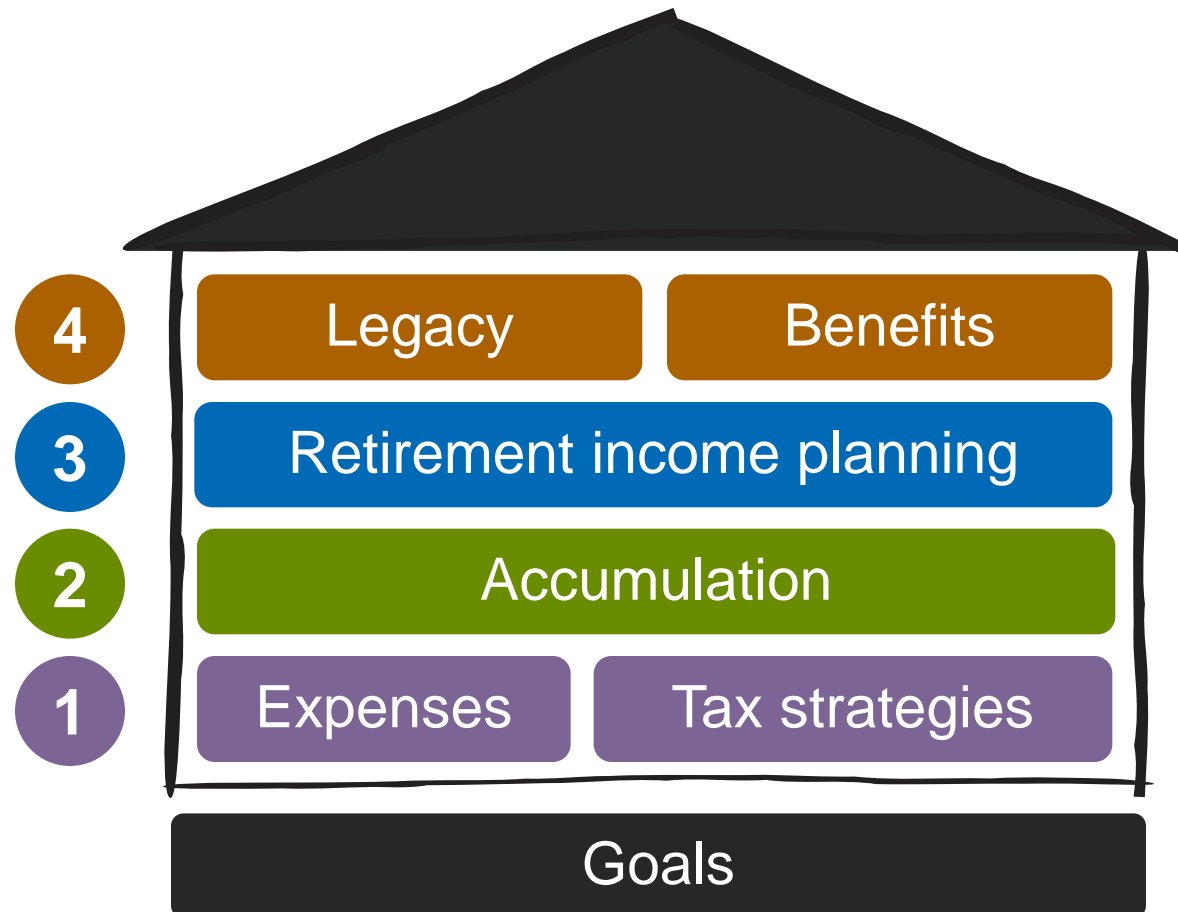
All of these techniques have potential estate, gift and income tax issues that need to be discussed with legal and tax advisors. While revocable trusts alone do not reduce taxes, a properly drafted revocable trust provides a mechanism for properly utilizing the grantor's estate tax exemption.

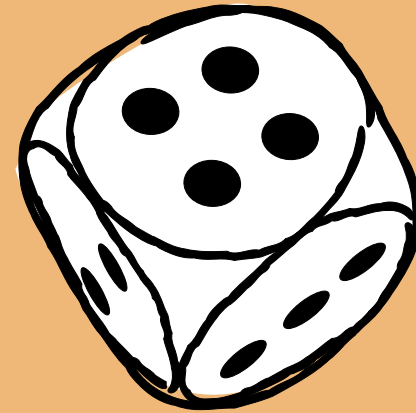
**Your estate plan  
next steps**



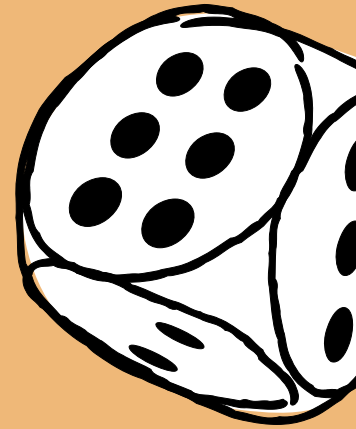
**Consult with  
your financial  
planner, lawyer  
and tax advisor**

**MetLife does not provide tax or legal advice. Please consult your tax advisor or attorney for such guidance. Any discussion of taxes is for general informational purposes only, does not purport to be complete or cover every situation, and should not be construed as legal, tax or accounting advice. Clients should confer with their qualified legal, tax and accounting advisors as appropriate.**





**A successful retirement  
won't just happen by chance**





## What to expect from your complimentary one-on-one consultation

Ask questions from the workshop

Discuss your goals

Gather information for your personalized analysis

Review options for next steps

**It is all about *you*...  
you are in control**

Like most disability income insurance policies, MetLife's policies contain certain exclusions, waiting periods, reductions, limitations and terms for keeping them in force. Ask your representative about costs and complete details.

For policies issued in New York: These policies provide disability income insurance only. They do NOT provide basic hospital, basic medical or major medical insurance as defined by the New York State Insurance Department. The expected benefit ratio for these policies is at least 50%. This ratio is the portion of future premiums that MetLife expects to return as benefits when averaged over all people with the applicable policy.

MetLife Auto & Home<sup>®</sup> is offered by Metropolitan Property and Casualty Insurance Company, (Met P&C<sup>®</sup>) Warwick, RI 02887. Not available in all states.

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.



MetLife does not provide tax or legal advice. Please consult your tax advisor or attorney for such guidance. Any discussion of taxes is for general informational purposes only, does not purport to be complete or cover every situation, and should not be construed as legal, tax or accounting advice. Clients should confer with their qualified legal, tax and accounting advisors as appropriate.

This material and any estate, gift or generation skipping transfer (GST) tax (together referred to as "transfer tax") calculations reflect the law established under the American Taxpayer Relief Act of 2012 (the "Act"). Among other things, the Act establishes a transfer tax exemption amount of \$5,000,000 (as adjusted for inflation after 2011) per person, establishes a maximum transfer tax rate of 40% and provides for continuing portability of the estate tax exemption between spouses. Customers should understand that tax law is always subject to interpretation and change. MetLife and its affiliates do not provide tax advice and therefore customers should speak with their qualified legal and tax counsel regarding their current estate plan and what planning options are available and appropriate.

# Evaluation



## Please Give Us Your Feedback

After attending the retirewise® workshop sessions, please complete the following form and return to one of the MetLife Representatives.

Please indicate whether or not you attended each of the following retirewise® Workshop Sessions

SESSION	ATTENDED	DID NOT ATTEND
Session 1: Building the Foundation	<input type="checkbox"/>	<input type="checkbox"/>
Session 2: Creating and Managing Wealth	<input type="checkbox"/>	<input type="checkbox"/>
Session 3: Establishing Your Retirement Income Stream	<input type="checkbox"/>	<input type="checkbox"/>
Session 4: Making the Most of What You Have	<input type="checkbox"/>	<input type="checkbox"/>

### 1 Thinking about the entire retirewise® workshop, how would you rate the following?

	EXCELLENT			POOR	
Overall satisfaction with the workshop	5	4	3	2	1
Value of information	5	4	3	2	1

### 2 Was the content in the retirewise® workshop appropriate for you?

☐ Yes ☐ Somewhat ☐ No

### 3 What information in the retirewise® workshop did you find valuable? (Please check all that apply.)

- ☐ Estate planning and trusts ☐ Social Security ☐ Medicare  
☐ Insurance review ☐ Income planning ☐ General investment concepts  
☐ Importance of overall financial planning ☐ Creating a budget ☐ Other \_\_\_\_\_

### 4 What did you like best about the retirewise® workshop?

- ☐ Handouts ☐ Easy to understand ☐ Other \_\_\_\_\_  
☐ Instructor(s) expertise ☐ Opportunity to schedule a personal consultation  
☐ Realistic examples ☐ Getting my questions answered

### 5 What would you like improved in the retirewise® workshop?

---



---



---

### 6 Thinking of the MetLife representative who delivered the majority of the presentations, please rate the following:

	EXCELLENT			POOR	
Provided objective content	5	4	3	2	1
Knowledgeable	5	4	3	2	1
Delivery of information	5	4	3	2	1
Easy to understand	5	4	3	2	1
Professional	5	4	3	2	1
Geared presentation towards my needs rather than self-promoting	5	4	3	2	1

retirewise®

Take advantage of  
a complimentary  
personal consultation  
*Sign Up Now*



Whether you have a few questions or need help with more in-depth planning, you can get the answers you need to achieve your retirement goals. Simply select the date and time that works best for you below and provide your contact information.

ABC Company

Richmond, VA

James Herren

**MONDAY, MAY 2**

	Appointment Times	First and Last Name	Business Phone	Home Phone	Address	E-mail	Method of Contact Preferred
1	10:00 am						
2	10:30 am						
3	11:00 am						
4	11:30 am						
5	12:00 pm						
6	1:00 pm						
7	1:30 pm						
8	2:00 pm						



**MetLife**

1409-2369  
© 2014 METLIFE, INC.

1

Building the Foundation



2

Creating and Managing Wealth



3

Establishing Your Retirement Income Stream



4

Making the Most of What You Have

