

Write your next chapter

5 steps to setting your
retirement date



Know when the time is right for you

Retirement today means different things to different people. You may be excited, or you may be apprehensive. Whatever the case, now's the time to imagine what your life could look like and make sure your finances will be ready when you are.

Imagine your retirement life

Planning for a smooth transition to retirement starts with asking yourself a lot of questions to help you think through what you want and what's possible. Go through the questions on page 3 and write down your thoughts and answers.

Follow the 5 steps for setting your retirement date

Next, focus on your finances to make sure you're prepared to cover your expenses in retirement.

STEP 1 – Estimate what you'll need

STEP 2 – Estimate what you'll have

STEP 3 – Adjust as needed

STEP 4 – Consider key milestones

STEP 5 – Protect your savings

Talk to us for help

Retirement finances can be complicated. And there's a lot to know. Don't hesitate to talk with a TIAA financial consultant for help with your planning. There's no extra cost for TIAA account holders.

Take advantage of webinars

How you manage your finances now and throughout retirement can have a big impact on how long your money lasts. So be sure to know all you can. Visit **[TIAA.org/webinars](https://www.tiaa.org/webinars)** to attend others on topics like:

- Creating your income plan for retirement
- Understanding Social Security
- What to know about estate planning

Thanks for taking the time to review this guide. We hope it will make a difference for you!



Schedule a call with a TIAA financial consultant.

Visit **[TIAA.org/schedulenow](https://www.tiaa.org/schedulenow)**.

Or call **800-732-8353**, weekdays, 8 a.m. to 8 p.m. (ET)

Picture yourself in retirement

Will you spend retirement with anyone else?

- Do you have the same vision for the future? How can you meet the needs of both people?
- How will your roles and responsibilities change? Will your spouse or partner be retired too or still working for a while?
- How much “togetherness” does each of you want and need—and how might that impact the amount of physical space needed in a home?
- What responsibilities and obligations do or will you have for adult children, aging parents or grandchildren?

Will you work in retirement?

- Do you want to stop working entirely or just work less?
- Do you want to work part time? Or start a business?
- Will you need extra income to make ends meet?

Where will you live?

- Do you want to stay where you are or move somewhere else?
- Are you already living with family or will you move in with family?
- Will you downsize or move somewhere with a lower cost of living and lower taxes?
- Do you want to split your time between two locations? Or build your dream house on a lake?
- What about moving to a retirement community where you'll have access to increasing levels of care as you get older?
- Will you have a mortgage? If yes, when will it be paid off? Will you rent?



How will you spend your free time?

- Spend time with your grandchildren, other family or friends?
- Volunteer in your community?
- Pursue hobbies?
- Travel?

Do you want to leave money to family or charity?

- Do you need to save for a child or family member that will need financial support when you're gone?
- Do you want to leave money to children or other people you care about?
- Do you have a favorite cause or charity that you want to support with your money?

Notes:

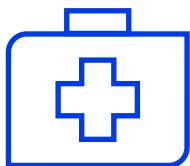
STEP 1

Estimate what you'll need

While living expenses generally go down overall in retirement, how much you spend over the course of your retirement probably won't change. What will change is what you spend your money on.

Housing costs, for example, often go down as people pay off mortgages, downsize, move to cheaper areas or move in with family.¹ On the other hand, healthcare costs generally go up. Expenses for an active lifestyle tend to be higher in the earlier years of retirement, but then go down later. So it's best not to bank on a meaningful drop in spending in the latter decades of retirement.

Here are some key factors to consider when thinking about retirement costs.



Healthcare costs

Medicare doesn't cover everything and doesn't start until age 65.

Be sure to account for:

- Medicare premiums
- Supplemental insurance for what's not covered
- Co-pays and deductibles
- Over-the-counter and prescription drugs
- Medical devices
- Dental/vision/hearing costs
- Long-term care



Length of retirement

- Retirement could be 20 or 30 years or more.
- Average life expectancy for a 65-year-old in the United States is 84 for men, 87 for women.²
- For a 65-year-old couple, there's a 46% chance that one partner will live to age 95.³
- More than 35,000 retirees over age 90 receive checks from TIAA every month.
- It's common to plan for 30 years from age 65.
- Consider your health and family history.



Taxes⁴

Don't forget to include money for taxes on your income in retirement. Here's what you can expect in general:

Taxed as ordinary income

- Social Security
- Pensions
- Pretax retirement accounts such as 401(k)s, 403(b)s and traditional IRAs

Tax-free

- Income from after-tax accounts such as Roth IRAs

Taxed as capital gains (usually 15%)

- Profits of more than \$250,000 on the sale of a home by a single person (\$500,000 by a married couple)
- Profits on the sale of stock, mutual funds or other investments outside of a retirement account



STEP 1

Estimate what you'll need

Monthly expense worksheet

To estimate your expenses in retirement, start by listing your current expenses. Then adjust the numbers up or down based on your plans for retirement. If you can, list “essential” and “discretionary” (extra) expenses separately. This can help you find ways to modify spending if necessary based on your income and savings. If you’re not sure what you can afford, that’s OK. Start with your ideal scenario. Then, when you see where you are financially, you can adjust if necessary based on your values and priorities. You may be surprised what’s possible.

Enter amounts to the nearest dollar. Totals will automatically be calculated for you on page 7.

	Current expenses		Retirement expenses	
	Essential	Discretionary	Essential	Discretionary
Home				
Mortgage/rent	\$XXX	\$XXX	\$XXX	\$XXX
Homeowners/renters insurance	\$XXX	\$XXX	\$XXX	\$XXX
Utilities (electric/oil/gas/water)	\$XXX	\$XXX	\$XXX	\$XXX
Services (garbage pickup/other)	\$XXX	\$XXX	\$XXX	\$XXX
Maintenance	\$XXX	\$XXX	\$XXX	\$XXX
Home improvement	\$XXX	\$XXX	\$XXX	\$XXX
Internet	\$XXX	\$XXX	\$XXX	\$XXX
Phone (home/mobile)	\$XXX	\$XXX	\$XXX	\$XXX
TV (cable/satellite/streaming)	\$XXX	\$XXX	\$XXX	\$XXX
Other _____	\$XXX	\$XXX	\$XXX	\$XXX
Healthcare and wellness				
Health insurance/Medicare	\$XXX	\$XXX	\$XXX	\$XXX
Supplemental insurance	\$XXX	\$XXX	\$XXX	\$XXX
Co-pays/deductibles/out-of-pocket	\$XXX	\$XXX	\$XXX	\$XXX
Prescription and over-the-counter drugs	\$XXX	\$XXX	\$XXX	\$XXX
Dental/vision/hearing costs	\$XXX	\$XXX	\$XXX	\$XXX
Medical equipment/supplies	\$XXX	\$XXX	\$XXX	\$XXX
Health club (exercise classes/subscriptions)	\$XXX	\$XXX	\$XXX	\$XXX
Wellness services (massage/chiropractic/other)	\$XXX	\$XXX	\$XXX	\$XXX
Long-term care insurance	\$XXX	\$XXX	\$XXX	\$XXX
Other _____	\$XXX	\$XXX	\$XXX	\$XXX

	Current expenses		Retirement expenses	
	Essential	Discretionary	Essential	Discretionary
Transportation				
Car payments	\$XXX	\$XXX	\$XXX	\$XXX
Car/vehicle insurance	\$XXX	\$XXX	\$XXX	\$XXX
Maintenance/fuel	\$XXX	\$XXX	\$XXX	\$XXX
Registration, other expenses	\$XXX	\$XXX	\$XXX	\$XXX
Other (bus/train/taxi/rideshare/bike)	\$XXX	\$XXX	\$XXX	\$XXX
Extra (boat/RV/etc.)	\$XXX	\$XXX	\$XXX	\$XXX
Other _____	\$XXX	\$XXX	\$XXX	\$XXX
Food				
Groceries/meals	\$XXX	\$XXX	\$XXX	\$XXX
Other _____	\$XXX	\$XXX	\$XXX	\$XXX
Personal care				
Clothing/shoes	\$XXX	\$XXX	\$XXX	\$XXX
Hygiene/personal products	\$XXX	\$XXX	\$XXX	\$XXX
Haircuts	\$XXX	\$XXX	\$XXX	\$XXX
Other _____	\$XXX	\$XXX	\$XXX	\$XXX
Leisure/hobbies/entertainment				
Hobbies	\$XXX	\$XXX	\$XXX	\$XXX
Dining out	\$XXX	\$XXX	\$XXX	\$XXX
Outside entertainment/sporting events	\$XXX	\$XXX	\$XXX	\$XXX
Home entertainment	\$XXX	\$XXX	\$XXX	\$XXX
Vacation/travel	\$XXX	\$XXX	\$XXX	\$XXX
Education	\$XXX	\$XXX	\$XXX	\$XXX
Pets (feeding/care/insurance/grooming/etc.)	\$XXX	\$XXX	\$XXX	\$XXX
Other _____				
Other _____				

	Current expenses		Retirement expenses	
	Essential	Discretionary	Essential	Discretionary
Other debt payments				
Credit cards	\$XXX	\$XXX	\$XXX	\$XXX
Home equity loans	\$XXX	\$XXX	\$XXX	\$XXX
Student loans (self/family)	\$XXX	\$XXX	\$XXX	\$XXX
Second mortgage	\$XXX	\$XXX	\$XXX	\$XXX
Other _____	\$XXX	\$XXX	\$XXX	\$XXX
Other insurance				
Life	\$XXX	\$XXX	\$XXX	\$XXX
Disability	\$XXX	\$XXX	\$XXX	\$XXX
Other _____	\$XXX	\$XXX	\$XXX	\$XXX
Saving/gifts/donations				
Retirement contributions	\$XXX	\$XXX	\$XXX	\$XXX
Health savings account (HSA)	\$XXX	\$XXX	\$XXX	\$XXX
529 college savings plan	\$XXX	\$XXX	\$XXX	\$XXX
Other saving _____	\$XXX	\$XXX	\$XXX	\$XXX
Charitable donations	\$XXX	\$XXX	\$XXX	\$XXX
Holidays/gifts				
Other giving _____				
Taxes				
Federal/state/local income tax	\$XXX	\$XXX	\$XXX	\$XXX
Property tax	\$XXX	\$XXX	\$XXX	\$XXX
Capital gains tax	\$XXX	\$XXX	\$XXX	\$XXX
Other _____	\$XXX	\$XXX	\$XXX	\$XXX
Miscellaneous				
Memberships/dues	\$XXX	\$XXX	\$XXX	\$XXX
Other _____	\$XXX	\$XXX	\$XXX	\$XXX
Other _____	\$XXX	\$XXX	\$XXX	\$XXX
TOTAL EXPENSES	\$XXX	\$XXX	\$XXX	\$XXX

STEP 2

Estimate what you'll have

Retirement income worksheet

To see how much income you may have for retirement, fill in your income sources below. The “total monthly income needed” is automatically filled in from your expense worksheet and cannot be filled in manually.*

For lifetime and other monthly income sources, list the monthly amount you expect to receive. For retirement assets, list the full value of your savings. Since many of these items will change over time, be sure to review at least annually. All items in shaded in blue are calculated automatically and cannot be filled in manually.

TOTAL MONTHLY INCOME NEEDED (from expense worksheet)		\$XXX
Lifetime income sources		Monthly Income
Social Security (retirement)		\$XXX
Social Security (disability/survivor)		\$XXX
Pensions		\$XXX
Fixed annuities ²		\$XXX
Variable annuities (CREF or other)		\$XXX
Other _____		\$XXX
LIFETIME INCOME TOTAL		\$XXX
Other monthly income sources		
Gross employment income		\$XXX
Alimony/child support		\$XXX
Rental income		\$XXX
Royalties		\$XXX
Other (e.g., trust income) _____		\$XXX
OTHER MONTHLY INCOME TOTAL		\$XXX
TOTAL MONTHLY INCOME		\$XXX

MONTHLY INCOME NEEDED FROM RETIREMENT ASSETS		\$XXX
Retirement assets		Total Value
RETIREMENT ACCOUNTS		
Employer retirement accounts ³		\$XXX
Traditional IRAs		\$XXX
Roth IRAs		\$XXX
Other _____		\$XXX
INVESTMENTS		
Stocks/bonds/mutual funds/brokerage accounts		\$XXX
Other _____		\$XXX
CASH ASSETS TO BE USED FOR RETIREMENT		
Savings/money market accounts		\$XXX
Other _____		\$XXX
TOTAL VALUE		\$XXX

* If you have not done the expense worksheet and want to fill in your own number, enter the amount in the “other” field under “Miscellaneous” on page 7 and the totals will fill in automatically.

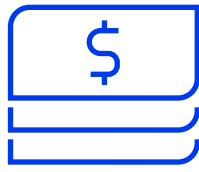
Understand your income sources



Lifetime income

Monthly income you can count on for the rest of your life. This includes:

- Social Security
- Pensions
- Fixed and variable annuities



Other monthly income

Monthly income you may have but that likely won't last indefinitely such as:

- Employment income
- Alimony or child support
- Rental income



Withdrawals from retirement assets

The rest of your income would need to come from your retirement savings and investments. This is money that's not guaranteed and is no longer available once it's used up.

To help provide security in retirement, TIAA generally likes to see 2/3 of a person's income needs met with lifetime income. Fixed and variable annuities can help you get there. A fixed annuity provides a guaranteed amount for life, supplementing Social Security to help cover expenses in retirement with money you know will never run out. With variable annuities, you can also receive lifetime income, but the amount of your payments will vary based on investment performance, giving you greater growth potential to cover extra expenses or as a hedge against inflation.

You can talk to a TIAA financial consultant for help with an income plan that works for you. For example, a financial consultant can look at the percentage of income you're getting from different income sources and help you decide if a different mix may help you better meet your income needs.

STEP 3 Adjust as needed

If you find yourself without enough assets to cover the balance of your expenses, here are a few things to consider to help you bring your income and expenses into balance.

Save more if you can

- Save enough to get your employer matching contribution, if available
- Save to the limit in your retirement accounts if you can
- Save even more with an IRA
- Consider saving any bonuses or raises in your retirement account

Adjust your expenses

- Prioritize spending
- Consider ways to reduce housing costs
- Save on travel

Manage debt

- Pay off debt while you're still working if possible
- Avoid taking on more debt by spending within your means

Earn extra income

- Work part time
- Turn a talent, skill or special knowledge into extra income
- Create a rental out of extra space in your home

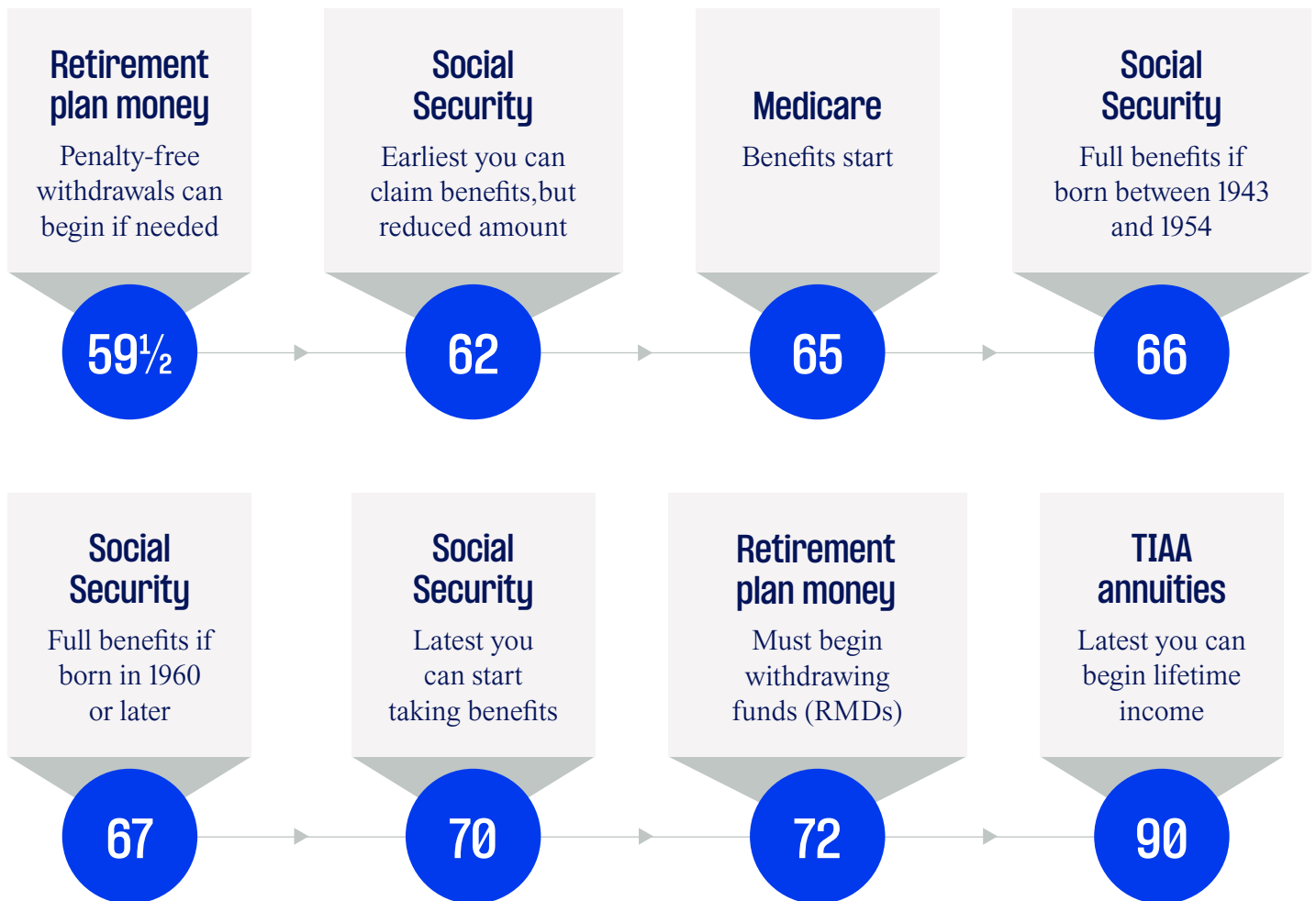
Work longer

- Work longer before you retire to help save more and avoid drawing down your money too soon

STEP 4

Consider key milestones

There are a number of key milestones coming up that can affect your finances and your decision of when to retire. Make sure you know the timeline and the impact on your retirement money.



STEP 5

Protect your savings

Having enough for retirement is not just about how much you save but also how you invest. Choosing the right allocation of assets is one of the most important decisions you can make as an investor. That's because how your investments perform is in large part due to your mix of assets and not by any individual investment.

Move to a more conservative mix of investments as you near retirement

- Consider increasing the amount of guaranteed assets in your portfolio to provide more lifetime income
- Use the Retirement Advisor tool at TIAA.org/setyourgoals or talk to a TIAA financial consultant for help with an asset allocation that's right for you
- Review your mix regularly and adjust as needed

Simplify your finances

Locate and consider consolidating workplace retirement accounts in your current plan or an IRA⁷

Consolidating can:

- Make it easier to track your savings and see how much you have
- Help you manage your investments more easily and maintain the right mix of assets
- Eliminate overlapping account and transaction fees
- Simplify taking your required withdrawals (RMDs) in retirement
- Simplify estate planning and reduce the burden on your beneficiaries

Talk to a TIAA financial consultant for help with your retirement and income planning.

To schedule a call, go to TIAA.org/schedulenow.
Or call 800-732-8353, weekdays, 8 a.m. to 8 p.m. (ET)

Additional resources

TIAA Tools
LEARN MORE >

Retirement Income Illustrator
LEARN MORE >

Retirement Advisor
SET GOALS >

Preparing for Retirement
LEARN MORE >

Lifetime Income Calculator
START CALCULATING >





1. Study by the Bureau of Labor Statistics, <https://www.bls.gov/opub/btn/volume-5/spending-patterns-of-older-americans.htm>.
2. Social Security Administration, "Calculators: Life Expectancy," accessed online May 2021, <https://www.ssa.gov/OACT/population/longevity.html>.
3. Based on January 2021 TIAA dividend mortality tables.
4. The tax information in this guide is not intended to be used, and cannot be used, to avoid possible tax penalties. The TIAA group of companies does not provide legal or tax advice. Please consult with your legal or tax advisor.
5. To see your projected lifetime income from a fixed annuity, go to the Lifetime Income Calculator at TIAA.org/IncomeCalculator.
6. Includes 401(k), 403(b) and 457(b) retirement plans as well as any lump sum retirement benefits.
7. Before rolling over assets, consider your other options. You may be able to leave money in your current plan, withdraw cash or roll over the assets to your new employer's plan if one is available and rollovers are permitted. Compare the differences in investment options, services, fees and expenses, withdrawal options, required minimum distributions, other plan features, and tax treatment. Speak with a TIAA consultant and your tax advisor regarding your situation. Learn more at TIAA.org/reviewyouroptions.

Before consolidating assets, be sure to carefully consider the benefits of both the existing and new product. There will likely be differences in features, costs, surrender charges, services, company strength and other important aspects. There may also be tax consequences or other penalties associated with the transfer of assets. Indirect transfers may be subject to taxation and penalties. This material is for informational or educational purposes only and does not constitute fiduciary investment advice under ERISA, a securities recommendation under all securities laws, or an insurance product recommendation under state insurance laws or regulations. This material does not take into account any specific objectives or circumstances of any particular investor, or suggest any specific course of action. Investment decisions should be made based on the investor's own objectives and circumstances.

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