



CONCORDIA PLANS

Planning for Retirement Today

» What's Inside

This beginner's guide to retirement planning is designed to help individuals who are age 50+ or are within 10 years of retirement explore the retirement planning process. This will allow you to be a good steward of the blessings the Lord has given you, while taking charge of your own retirement to make it all that you want it to be!



"You are never too old to set a new goal or dream a new dream."

– C.S. Lewis

The goal of this workbook is to provide an overview of these essential aspects of retirement planning:

- The social/emotional aspects of retirement.
- Creating a retirement budget.
- Identifying your retirement income stream.
- Health care in retirement.
- Your estate and legal concerns.

» Social and Emotional Aspects of Retirement

At some point in your life, you've thought about retirement:

- Will I have enough – and what is enough – income?
- Where will I live?
- How will I handle health issues?
- What will I do with my time?
- Who will I be in retirement?
- What about when my earthly life ends?

Before you can answer those questions, ask yourself:

- Why do you want to retire?
- When do you want to retire?
- What factors have gone into your decision to retire?
- Retirement means I am free FROM . . .
 . . . but what am I free FOR?



Don't simply retire from something; have something to retire to.

– Harry Emerson Fosdick

On the following pages you will find some exercises that will help you consider the social/emotional aspects of retirement. If you are married, we encourage you and your spouse to first complete these exercises individually and then share and discuss your responses.



A journey of a thousand miles must begin with a single step.

– Lao Tzu

» Retirement Exploration Exercise

The more you know about yourself, the better you can live your life and achieve personal satisfaction. Sometimes responding to simple questions can provide you with insights to see if you discover anything new about yourself!

1. I plan to retire in either _____ years or in _____.
2. As of right now, my retirement planning program could be described as:
 - _____ None.
 - _____ Just being formulated.
 - _____ A good beginning.
 - _____ Completed.
3. My greatest concerns in retirement are:
 - _____ Not having enough assets/income.
 - _____ Inflation.
 - _____ Lengthy illness/other health issues.
 - _____ Difficult family/other relationship.
 - _____ Being bored.
 - _____ Missing my friends/coworkers.
 - _____ Not being productive/useful.
 - _____ Making the wrong choices (home/work/etc.).
 - _____ Other: _____.
4. In retirement, I'm looking forward to:
 - _____ Freedom to do what I want.
 - _____ Time for hobbies and other interests.
 - _____ More time for family and friends.
 - _____ Starting a new career (full-time, part-time, volunteer).
 - _____ Making my own decisions.
 - _____ Rest.
 - _____ Travel.
 - _____ Other: _____.

» Envisioning My Retirement

Financial security is a key component of a happy retirement. How you choose to spend your time in retirement is critical as well. If you don't have any idea what you'd like to do in retirement, you might start by thinking about how you will replace your usual work schedule. For most people, the goal is to get the most from the precious resource – time.

Envision yourself in the future. You are now retired. Think about and write your thoughts to these questions:

Where am I living? (Geographically, housing)

Who are the people around me? (Who is my community?)

What is around me? (Books, gardens, tools, etc.)

What am I doing? (For fun ... growth ... work ...)

What am I worried about? (Health ... finances ... losses ...)

At my current age, what is my life expectancy?

» Discovering Where I Stand Now

Yes No

- I know approximately what my pension income will be in retirement.
- I know approximately what my Social Security income will be in retirement.
- I am out of debt.
- I have a financial savings plan for retirement.
- I have completed a Net Worth Statement and update it annually.
- I annually review my cash flow (Personal Income Statement).
- I have a personal budget.
- My spouse and I discuss our finances on a regular basis.
- I have an up-to-date power of attorney, medical directive and will.
- I have my important papers—including my will and medical directive—where my family members or personal representative can find them.
- I practice good health habits.
- I understand my health care needs and have researched options for health care in retirement.
- I've discussed retirement plans—when to retire, where to live, what to do—with my spouse and family, or those close to me.
- I maintain relationships with friends and am involved in social activities, volunteer work and church activities that I would like to carry over into retirement.
- I am looking for new activities to pursue—or to restart prior activities—in retirement.
- I do not assume that everything will go as planned. I have built additional options into my plans to be prepared financially and emotionally as I experience changes to my retirement lifestyle.

The goal is to have “Yes” checked by each one of the above statements. If you’re not there yet, make your “No” statements your goals.



Often when you think you're at the end of something, you're at the beginning of something else.

– Fred Roger



» Creating Your Retirement Budget

One of the most frequently asked questions by those planning to retire is: “How much income do I need for retirement?” The answer, of course, is as individual as you are. But finding that answer is a critical part of preparing for retirement.

A key to knowing how much you’ll need in retirement is knowing how much you need now. Do you know where your income comes from and where it goes? Do you know where your income will be coming from after retirement, and what you’ll need for expenses?

The worksheet on the next two pages is a tool you can use to project how your income and spending will change after you retire. Fill in the “Before Retirement” column with your current income and expenses, then use the “After Retirement” column to estimate your income and expenses after you retire. Here’s how you can obtain estimates:

- Concordia Retirement Plan Pension: Use the Retirement Connection tool to see your estimated pension. You can access Retirement Connection by logging in to your Concordia Plans Member Portal or by visiting **retirementconnection.ehr.com**. The first time you access the site you will need to register.
- Social Security: Create an account at **ssa.gov**.

At the bottom of each page, calculate the totals and determine whether the income you plan to have after you retire is sufficient to cover your estimated expenses. If not, you have several options to help you have more income to meet your needs:

1. Reduce your expenses.
2. Increase your income through employment or other sources.
3. Accumulate additional personal savings.

| CATEGORY | | BEFORE RETIREMENT | AFTER RETIREMENT | DIFFERENCE |
|--------------------------------|--------------------------------|-------------------|------------------|------------|
| My Income | Monthly salary | | | |
| | Mileage compensation | | | |
| | Honoraria, stipends | | | |
| | Social Security income | | | |
| | Pension income (CRP) | | | |
| | CRSP 403(b) distributions | | | |
| | Other 403(b) or annuity income | | | |
| | IRA distributions | | | |
| | Investment income | | | |
| | Other income | | | |
| | Spouse's Income | Monthly salary | | |
| Mileage compensation | | | | |
| Honoraria, stipends | | | | |
| Social Security income | | | | |
| Pension income (CRP) | | | | |
| CRSP 403(b) distributions | | | | |
| Other 403(b) or annuity income | | | | |
| IRA distributions | | | | |
| Investment income | | | | |
| Other income | | | | |
| Other income | | | | |
| Totals | | | | |

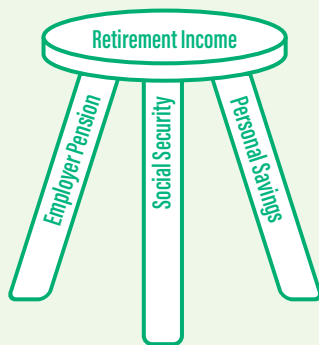
| CATEGORY | | BEFORE RETIREMENT | AFTER RETIREMENT | DIFFERENCE |
|--------------------------------|--|-------------------|------------------|------------|
| Giving | Stewardship | | | |
| | Charitable gifts | | | |
| Residence | Mortgage or rent | | | |
| | Utilities | | | |
| | Home maintenance and furnishings | | | |
| | Phone/internet/cable | | | |
| Transportation | Vehicle payment | | | |
| | Gas | | | |
| | Maintenance | | | |
| Living Expenses | Groceries | | | |
| | Clothing and Personal Care | | | |
| | Children's Education and Activities | | | |
| | Prescription/Medical/Dental Expenses | | | |
| | Gifts | | | |
| | Dining Out and Entertainment | | | |
| | Subscriptions and Streaming Services | | | |
| Insurance | Medical Insurance | | | |
| | Auto Insurance | | | |
| | Life Insurance | | | |
| | Umbrella Policy and other insurance | | | |
| Taxes | Income (State and Federal) | | | |
| | Social Security (FICA or Self-Employment) | | | |
| | Real Estate/Personal Property | | | |
| Savings and Investments | Contributions to CRSP and/or other investments | | | |
| | Savings Accounts and Emergency Fund | | | |
| Loans | Personal/Student Loans | | | |
| Other | Other Expenses | | | |
| | Other Expenses | | | |
| | Other Expenses | | | |
| | Other Expenses | | | |
| Totals | | | | |

» Identifying Your Retirement Income Stream

Retirement is an “expense-driven” event. You’ll have regular, ongoing monthly expenses just like you do now. Your goal for retirement is to be able to generate an income stream that will cover those monthly expenses throughout your retirement. In addition, you’ll want to have money set aside for both emergencies and out-of-the-ordinary expenses.

Your money to spend in retirement will come from three sources of income – sometimes called the Three-Legged Stool:

- Your pensions.
- Social Security.
- Personal savings.



The Three-Legged Stool Concept Explained

- A balance can only be achieved by using each leg of the stool.
- An individual’s responsibility in using his/her own resources is essential in making the stool balance.
- For even more stability, consider adding a fourth leg: post-retirement employment.

Leg One: Retirement Pension(s)

Consider all of your pension options:

- Your benefits as a member of the Concordia Retirement Plan (CRP) pension.
- Pension benefits accrued by your spouse.
- Pension benefits from previous employer(s).

Pension Considerations

- Obtain estimates of your pension benefits. For your CRP pension use the Retirement Connection tool in the Member Portal.
- Understand when you can begin receiving benefits.
- Explore payment options and survivor benefits.
- Realize that working in retirement may impact your pension benefits.
- Consider tax implications of receiving pension benefits. Benefits from the CRP are taxable, although ministers of religion may be able to designate up to 100% of their pension benefits as housing allowance.

Leg Two: Social Security

How Does Social Security Work?

- You are eligible to receive retirement benefits through Social Security if you have worked and earned enough Social Security credits. If you haven't worked and earned enough credits, you may be eligible for a monthly benefit based on a current or former spouse's work record.
- The benefit you are entitled to receive at full retirement age is based on an average of your highest 35 years of indexed Social Security wages.

Social Security Considerations

- If you begin receiving benefits before your full retirement age, your benefit will be permanently reduced.
- Your benefits are increased by a certain percentage for each month you delay starting your benefits beyond full retirement age (up to age 70).
- If you begin receiving benefits earlier than your full retirement age but continue to work, your benefit may be reduced if you earn more than the annual earnings limit. After you reach full retirement age, there is no annual earnings limit.
- Your benefits may be subject to federal and state income tax.

For more information about Social Security, visit ssa.gov where you'll find your earnings history and estimate of benefits, apply for various benefits, and more. There are many helpful tools available on this site to use in your retirement and financial planning!

Call the Social Security Administration at 800-772-1213 to request information about your benefits.

Leg Three: Personal Savings

You will need income in addition to your pension and Social Security when you retire, so creating a plan to build your personal savings is essential.

Basic Principles of Saving:

- After your commitment to the Lord, pay yourself a percentage of your income first and invest it wisely.
- Investigate the tax advantages of investing pre-tax vs post-tax dollars. Your status as a minister of religion can impact this. Please remember: tax laws do change from year to year!
- Even if you've gotten a late start, saving for 5-10 years will allow you to build valuable savings for retirement.

Retirement Savings Options

Learn about the various types of savings plans and which ones work best for you. Also, take advantage of what is already available to you through your employer. You will need to consider your short-term and long-term goals and how long you have to accomplish your goal(s).



Retirement is not the end of the road. It is the beginning of the open highway.

– Unknown

Concordia Retirement Savings Plan (CRSP) 403(b)

This is a 403(b) tax-advantaged savings plan available to Concordia Plan members whose employer has adopted the Plan. You can elect to defer a portion of your salary on either a pre-tax or after-tax Roth basis to save for retirement. Your employer may also make an optional matching contribution. Understanding the tax advantages of both options will help you determine which is most advantageous for you. Your status as a minister of religion will potentially impact this decision.

Keep in mind:

- Generally, worker and employer-match contributions are immediately 100% vested.
- IRS regulations govern the total amount a worker can defer each calendar year. The CRSP follows IRS guidelines.
- The CRSP provides an automatic investment service, ProManage PROgram™, to help workers who do not feel comfortable choosing investment options or re-balancing their funds on their own.

Visit ConcordiaPlans.org/CRSP for more information.

Other retirement savings accounts include:

Individual Retirement Accounts (IRAs)

Traditional Pre-Tax IRA:

- Contributions you make may be fully or partially deductible, depending on your filing status and income.
- Generally, amounts in your traditional IRA (including earnings and gains) are not taxed until you take a distribution.
- The IRS sets annual contribution limits.
- Penalties for early withdrawal.

Roth IRA

- Contributions are made on a post-tax basis, but investments grow tax free.
- Qualified distributions are generally tax exempt.
- Generally subject to the same contribution limits as traditional IRAs, but your contributions may be withdrawn at any time.
- Cannot participate if your adjusted gross income exceeds the annual IRS limit.
- Penalties for early withdrawal.

Consider Seeking the Advice of a Financial Advisor

Questions to ask when choosing a financial advisor:

- What is the advisor's experience?
- What are the advisor's qualifications?
- What services does the advisor's firm offer?
- What is the advisor's approach to financial planning (e.g., attitude toward risk)?
- Will the advisor be the only person working with you?
- How will you pay for the service? (Hourly fee, commissions, percentage of assets)?
- How much does the advisor typically charge (estimate of possible costs)?
- Are there any conflicts of interest?

Remember, your choice of a financial advisor will affect your financial future. Don't be afraid to ask questions and to do your own investigating! Remember, you'll be building a lasting relationship and the advisor you choose will probably also be asking you a lot of questions. This will ensure a good "fit" between you and the advisor you choose.

Possible Leg Four: Earned Income

Your retirement stool may need a fourth leg to stand firm.

Depending on when you retire from your current role, continuing to have earned income may be the right choice for you. This income can help:

- Cover some current expenses so you don't need to tap into savings until you need them.
- Allow for "extras" outside of your normal expenses, such as travel.
- Make it possible for you to retire earlier than normal.

Do I still need to have an emergency fund in retirement? *Yes!* An emergency fund prevents you from having to withdraw more than you planned from your personal savings, so that your retirement savings will be around to support you for many years to come. Experts recommend having 9-12 months of expenses in an emergency fund when you retire.

» Health Care in Retirement

The availability and cost of health care is a critical aspect of planning for retirement. There are several key factors you'll need to consider when researching healthcare coverage for retirement:

- What sort of health care will be available to you when you retire?
- What are the deductibles, out-of-pocket expenses and monthly premiums? (Costs can be significantly higher if you retire prior to becoming eligible for Medicare.)
- Will your health/age impact your coverage?
- What sort of cost increases might you expect over the years?

You will need to investigate all of your options and be realistic when estimating the cost and impact it will have on your total retirement finances.

Retiring Before Age 65: You're not eligible for Medicare until age 65. You may be able to extend your current Concordia Health Plan (CHP) coverage until age 65 at your cost if eligible. If you are not covered by the CHP, check with your provider for extension options. Other sources of healthcare coverage before age 65 include spouse, part-time work that offers health insurance or private insurance.

Working Full-Time After Age 65: You're not required to enroll in Medicare if covered by a qualified group health plan like the CHP and aren't receiving Social Security benefits. Before making decisions about Medicare, contact Concordia Plans or your health care provider to make sure you are fully informed about your options.

Retiring at Age 65 or After: Medicare becomes your primary insurance, but most people also purchase coverage to supplement their Medicare coverage. Concordia Plans offers both Medicare Supplement and Advantage plans that include medical benefits, prescription drug coverage, access to wellness benefits like Silver Sneakers, TruHearing discounts and more. Retirees enrolled in the Concordia Retirement Plan pension can take advantage of this comprehensive coverage at specially negotiated costs. Visit ConcordiaPlans.org/Medicare for more information.

An Additional Consideration – Long-Term Care Insurance

Long-term care insurance might be your best protection against increasing healthcare costs in your later years. Of course, family history and your own personal medical history will have a big impact on your decision, but it is always good to discuss this option with your financial professional before making a decision. Concordia Plans does not offer long-term care products.

» Your Estate and Legal Concerns

Successful estate planning transfers your assets to your beneficiaries quickly and with minimal tax consequences. It can also help ensure that your family members know how you'd like your financial and medical affairs to be handled if you become incapable of making your own decisions.

Even if you don't think your estate is very large, you probably have possessions with significant value to you and to those you care about, and you want to make sure they are passed on to the person(s) you choose. You should consult an estate attorney and possibly your CPA or tax advisor for guidance and help with your specific needs.

Must-haves for estate and legacy planning:

- 1. Living Will or Advance Directive.** Tells medical professionals and your family which medical treatments you want to receive or refuse, and under what conditions.
- 2. Healthcare Power of Attorney.** Allows you to appoint someone to make healthcare decisions for you any time you're unable to do so.
- 3. Financial Power of Attorney.** Identifies the person you want to be responsible for handling your financial matters if you are unable to do so.
- 4. Will.** Describes how you want your property and other assets to be distributed after your death.
- 5. Updated Beneficiaries.** Review and update! In most case, beneficiary designations will override a will.
- 6. Your Digital Estate.** Make a list of usernames and passwords for emails, social media and online financial accounts. Keep the list updated and in a secure location, and tell a trusted family member or financial power of attorney where to find the list.

Estate Planning Services

Active workers enrolled in the Concordia Disability and Survivor Plan have the opportunity to use the legacy planning resources available through Securian Financial. Visit [LifeBenefits.com/lfg](https://www.lifebenefits.com/lfg) (username: LFG, password: resources) to download templates for common estate planning documents.

Concordia Health Plan members and members of their households also have legal services available through the Employee Assistance Program (EAP) offered through Evernorth Confide. Visit [well.evernorth.com](https://www.well.evernorth.com) using employer ID CONCORDIA or call 866-726-5267.

These same resources can be used to help you prepare or update your Power of Attorney (POA) and your Advance Medical Directives.

The LCMS Foundation offers many legacy planning services, including charitable giving, to members of the LCMS and those serving the church. View their resources at [LCMSFoundation.org](https://www.lcmsfoundation.org) or call 800-325-7912.

» Sample Pre-Retirement Schedule

At age 50, take stock of your retirement situation, whether your target date is five or 15 years away. That's when you can start making "catch-up" contributions to your 403(b) and your IRAs, if applicable. Begin looking at your debt, especially credit card debts or loans, but also your mortgage and try to eliminate as much as possible before retirement. It's also a good time to review your pension benefits and retirement savings to see where you stand.

So what should you do when?

- 10** **10 Years Before Retirement:** Assess your spending habits and create a retirement budget. Set a tentative date to pay off your high interest debts if you haven't already done so. Ask for benefit estimates for various retirement ages you might be considering.
- 5** **5 Years Before Retirement:** Investigate housing and community options, especially if you're considering relocating. Start giving potential new locations a "trial run" to make sure they meet your needs and wants. Give some of those new ideas for your retirement "leisure time" a trial run, too! Get retirement benefit estimates from Concordia Plans* and Social Security.
- 2** **2 Years Before Retirement:** Get updated retirement benefit estimates from Concordia Plans and Social Security. Contact Concordia Plans* for information about working after retirement, Medicare and Concordia Health Plan coverage, etc.
- 1** **1 Year Before Retirement, or at age 64:** Become familiar with Medicare (Parts A & B) and how your health coverage/claims will change after retirement. (If you intend to work beyond age 65, contact Concordia Plans* to discuss your healthcare options and whether you should consider signing up for Medicare.)
- 3** **3 Months Before Retirement:** Log in to Retirement Connection and initiate your benefits online or contact Concordia Plans to request a Retirement Application Packet. If you have not already done so, notify your employer of your impending retirement date. Also, start or complete your application for Social Security and Medicare benefits, depending on your age.
- 1** **1 Month Before Retirement:** Finalize any last tasks at work. Make sure any plans for your time immediately following your retirement are in place. Prepare yourself for the mixed emotions you will experience!

* To estimate your retirement benefits, sign into your benefits portal, ConcordiaPlans.org/MemberPortal, to access Retirement Connection. This allows you to see your projected retirement program benefits and take steps to begin planning for your retirement.

» Questions to Ask Yourself

Have you decided at what age you would like to retire?

Have you decided when you would like to retire?

Have you decided what level of income you would like to have when you retire?

If you have decided what level of income you would like, how did you make this determination?

Have you discussed these decisions with your spouse (if applicable), and has he/she made similar decisions?

In deciding when you are going to retire, was retiring at a particular age or retiring with a certain income more important? Why?

If retiring at a particular age is more important, would you be willing to live at a lower standard of living to meet that date?

If retiring at a particular age is more important, would you be willing to increase your savings now to meet that date?

If retiring with a certain income is more important, would you be willing to work longer to meet that income need?

If retiring with a certain income is more important, would you be willing to increase your savings now to meet that date?

Have you decided what you will be doing with your time once you have retired from your current position?

Have you evaluated your options for continued work, volunteer service, recreation and family time after retirement?

Have you determined where you intend to live after retirement? Have you discussed this decision with your spouse (if applicable) and is he/she on board?

Have you evaluated your health care needs after retirement?

Would you agree or disagree with the statement, "You are responsible for your own retirement." Why?

Would you agree or disagree with the statement, "Retirement means never having to work again." Why?

***If there's one constant in retirement,
it's that nothing will remain constant in retirement!***

While, ultimately, the success of your retirement plans is up to you, it's equally important to know that Concordia Plans is here to help you. Please feel free to contact our office whenever you have questions about your benefits or other retirement planning issues. Call 888-927-7526, ext. 6865 or email MoneyMatters@ConcordiaPlans.org

Financial Educators

Have questions about your finances, budgeting or retirement?
Contact a Financial Educator to get answers. Let one of our friendly
educators help you on your path to financial wellness.

Call: 888-927-7526, ext. 6865

Email: MoneyMatters@ConcordiaPlans.org

Questions?

CALL 888-927-7526 **EMAIL info@ConcordiaPlans.org**

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