

Planning for Your 21st Century Retirement



Planning for retirement has never been easy, but in recent years, it's become increasingly difficult. For one thing, life expectancies have increased dramatically. Your retirement may be as long as your career and you're going to have to accumulate enough assets to meet expenses for perhaps 20-30 years or more.

At NFP, we understand the challenges faced when planning for retirement, whether you are in the prime of your career, nearing the finish line or even already past it. Our comprehensive planning approach is designed to help you realize your unique vision of retirement at precisely the time you hope to realize it and without compromising other key financial goals.

A goals-based planning process

What do you want retirement to look like? Will you downsize or perhaps purchase a second home? Will you travel extensively or stay close to home? Will you work part-time, start a new business or volunteer at a local non-profit?

These are the questions we will help you answer and quantify the cost of the choices you make. We'll also take complete inventory of your current finances and projected sources of income like Social Security to determine whether your resources are sufficient to meet anticipated costs. Depending on whether you have a gap or surplus, we will develop strategies that may include:

Integrated asset management & financial planning

Too many investors maintain one asset allocation in their 401(k) and another in accounts held at various financial institutions. Often, the discrepancy is unintentional. We will help you develop an allocation for all your assets that reflects your objectives, time-frame and risk tolerance.

Beyond your portfolio, we will work with you to create a comprehensive financial plan that contains tangible recommendations for reaching not only your retirement goals, but other objectives we identify together.

Cash flow modeling

Between our investments and other sources of income, will you have enough cash to meet day-to-day retirement expenses, healthcare and other unforeseen expenses or perhaps loftier goals like a second home, travel or a legacy for your loved ones? Our analysis will help you understand where you are and whether you can get where you want to go without compromise.

6 surprising facts about retirement

- It could last longer than you may think.
- Social Security falls short.
- Americans are way behind on savings.
- Only half of us have a retirement plan.
- Many of us are staying in the workforce.
- Medicare won't cover assisted living.

Source: Kurt, Daniel. (2018). 6 Surprising Facts About Retirement. Retrieved from <https://www.investopedia.com/articles/retirement/110116/6-surprising-facts-about-retirement.asp>

Annuities

Fixed or variable annuities are another idea that might make sense for at least part of your retirement nest egg. Issued by insurance companies, fixed annuities offer a guaranteed rate of return, while variable annuities provide greater return potential through a choice of professionally managed investment options. Like a 401(k) plan or IRA, assets in an annuity are allowed to grow tax-deferred until they are withdrawn. When it comes time to retire, you can elect to receive income distributions that are calculated according to your life expectancy. In other words, you can receive income that is guaranteed to last for as long as you live.



Permanent life insurance

Most people don't think about buying life insurance to help prepare for their retirement, but permanent life insurance, like whole life or variable life policies, can help you accumulate tax-deferred income, while protecting your family. That's because a large portion of the premiums you pay are allowed to accumulate on a tax-deferred basis as cash value. You may access this cash value through loans or withdrawals, if you wish, to meet retirement expenses (you should realize, however that accessing cash value will reduce your policy benefit).

Long-term care insurance

Some retirement expenses may be unforeseen, but that doesn't mean they can't be planned for. Long-term care insurance can provide coverage for nursing home-care, assisted living facilities, home care and community-based care. Policies can be structured to provide a monthly benefit for a specific length of time. Some new types of policies combine the features of long-term care with traditional life insurance to offer your beneficiaries a benefit if you never tap into your policy for long-term care expenses.

Planning doesn't stop once you retire

You will have new concerns that may include:

- Calculating Required Minimum Distributions from your IRA, 401(k) or other qualified plan at age 70½.
- Developing an investment plan that provides for future growth potential, as well as current income.
- Meeting unforeseen healthcare and other expenses.
- Leaving a meaningful legacy without excessive taxation or family conflict.

At NFP, our planning process encompasses your entire life and helps you understand and surmount the challenges facing you as you prepare for each transition and milestone.

About NFP

NFP is a leading insurance broker and consultant that provides employee benefits, specialized property and casualty, retirement, and individual privateclient solutions through our licensed subsidiaries and affiliates. Our expertise is matched by our commitment to each client's goals and is enhanced by our investments in innovative technologies in the insurance brokerage and consulting space.

NFP has more than 5,800 employees and global capabilities. Our expansive reach gives us access to highly rated insurers, vendors and financial institutions in the industry, while our locally based employees tailor each solution to meet our clients' needs. We've become one of the largest insurance brokerage, consulting and wealth management firms by building enduring relationships with our clients and helping them realize their goals.

For more information visit, [NFP.com/private-client-resources](https://www.nfp.com/private-client-resources).

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