

# Retirement Planning Checklist

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**Lifestyle Review.** Everything starts with an understanding of how you want to live in retirement and what you need to live that way.

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**Risk Review.** Many things can jeopardize your retirement plans: longevity, litigation, health care and long-term needs. Identifying these risks is the first step in helping you protect against them.

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**Organize Your Family Records.** It is essential that you know where all your critical documents are when you need them — and it's easier if they are all in one place.

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**Pension Election.** Figuring out what pension payout option makes the most sense for you can be especially complex.

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**Review Your Beneficiaries.** Your beneficiary designations may help you minimize estate taxes and ensure your loved ones are taken care of in the way you intended.

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**Social Security Benefits.** Should you start collecting Social Security benefits at age 62? Or 65? How will your decision affect your spouse?

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**Retirement Account Assessment.** Managed properly, your 401(k) and IRA accounts can be powerful tools to help maximize retirement savings.

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**Health Care Cost Evaluation.** We will look at industry trends, and your health insurance, long-term care and Medicare coverage to help determine how health care costs will factor into your retirement plan.

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**Your Retirement Income Plan.** A key step is to figure out where your retirement “paycheck” will come from — how to make sure your investments, pensions and Social Security meet your needs.

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**Retirement Goal Analysis.** Together, we'll create a financial strategy that addresses your specific retirement goals. Periodically scheduled reviews of this strategy will help ensure we stay on track.

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# Your Retirement Vision

## Retirement planning, step by step

Morgan Stanley's approach brings together a unique combination of decades of experience, individualized attention and a deep commitment to delivering personalized retirement strategies.

We will methodically work through this process with you, beginning with getting to know you and how you want to live. Expect to cover a lot more than asset allocation. We'll explore questions about health issues and history, family challenges and the causes you care about the most. Then, we'll create a plan of action that helps put you on the path to the retirement you envision.

As your plan for the future comes into focus, it becomes the basis for a careful analysis of the basic costs, the not-so-basic costs, the unexpected costs and whether you want to have something left over to pass on to the next generation or a favorite cause.

**INTEGRATED AND COMPLETE.** We'll also bring together the disparate pieces of your financial life—taxable and retirement accounts, properties, beneficiaries and insurance policies, for example—and see that those pieces work together to provide and protect the resources you'll need for your retirement. And we support you with

our firm commitment to work with you over time to be sure you stay on track.

## Changing jobs or leaving work

When you leave a job, you'll confront a maze of choices related to your retirement plan. Sound, knowledgeable guidance is essential because the consequences of missing a deadline or making an ill-advised choice can have a lifelong impact. We'll work through these choices together, addressing questions like these:

- Should you roll the money in your 401(k) into an IRA? Or does it make more sense to keep it where it is?\*
- What are the implications for your spouse and other beneficiaries?
- What should you do about health care coverage after you leave the company?

These questions have different answers for different people. We'll help you determine which choices make the most sense for you.

## Your retirement paycheck

Having worked together to understand the retirement you envision—and its expected costs—we'll develop your Retirement Income Plan, with a clear eye toward what your lifestyle may require. Even if your retirement isn't imminent, the analysis can help you make informed decisions about how much you need to save.

## THINK INCOME RATHER THAN ASSETS.

Eventually, your accumulated investments, 401(k)s, pensions and IRAs need to become income. But for decades, many people have invested their retirement savings as though they would need all that money on the day they retired.

It makes more sense to convert your assets into a lifetime of retirement paychecks. We'll help you manage risks and returns according to your time horizons. The money you need in 10 years will be invested differently than five-year or 20-year money. The sooner you need the income, the lower the risk we'll assume.

## Invest in the retirement you deserve

Morgan Stanley has helped many people with retirement decisions. The firm sets high standards for its Financial Advisors and take pride in being on the leading edge of the wealth management field.

You benefit from intensive training that helps us think critically about your financial picture. Couple that with up-to-the-minute knowledge of all facets of your financial life, and we can help ensure that everything works together to help provide the retirement life you pictured.

\* Typically, as a retirement plan participant who may be receiving an eligible rollover distribution from the plan, you have the following four options (and you may be able to engage in a combination of these options depending on your employment status, age and the availability of the particular option):

1. Cash out the account value and take a lump sum distribution from the current plan subject to mandatory 20% withholding, as well as potential taxes and a 10% penalty tax, OR continue tax deferred growth potential by doing one of the following:
2. Leave the assets in your former employer's plan (if permitted),
3. Roll over the retirement savings into your new employer's qualified plan, if one is available and rollovers are permitted, or
4. Roll over the retirement savings into an IRA.

Each option offers advantages and disadvantages, depending on your particular facts and circumstances (including your financial needs and your particular goals and objectives). Some of the factors you should consider when making a rollover decision include (among other things) the differences in: (1) investment options, (2) fees and expenses, (3) services, (4) penalty-free withdrawals, (5) creditor protection in bankruptcy and from legal judgments, (6) Required Minimum Distributions or "RMDs", and (7) the tax treatment of employer stock if you hold such in your current plan.

The decision of which option to select is a complicated one and must take into consideration your total financial picture. To reach an informed decision, you should discuss the matter with your own independent legal and tax advisor and carefully consider and compare the differences in your options.

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Asset Allocation does not assure a profit or protect against loss in declining financial markets.