Cracking the Retirement Income Code

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2 CECs

AGENDA

I. Introduction to Course

(5 mins.) A. Goals

1. New ways to secure retirement income in retirement

2. Client Education - outline retirement fears and risks

3. Product Allocation to income allocation before asset allocation

4. Discuss three basic retirement income methods

5. Discovery of the Household Balance Sheet

6. Framing comparable solutions

II. Key Elements of the Process

(15 mins.) A. Know Your Client – Getting to the Heart of the Matter

1. Where are you from, and what was it like growing up

2. What did you learn about money growing up

3. What is the hardest lesson you’ve had regarding money?

4. What is the best experience you’ve had regarding money?

5. What would you do with your time if no one paid you?

B. Questions

III. Foundational Realities, Fears and Risks

(10 mins.) A. Math and Science: Nominal vs. Real Returns

1. U.S. expenditures for major entitlements since 1971

2. Baseline projections for 2014-2024

3. Real Real Returns

4. DALBAR Study 2015

IV. Five Fears of Retirees

(5 mins.) A. Outliving your money

B. Control of your money

C. Inflation

D. Legacy

E. Investment mistake

V. Five Financial Risks - Taking

(15 mins.) A. Longevity Risk

B. Health care risks and medical inflation

C. Inflation

D. Sequence of Returns Risk

E. Market Volatility

(10 mins.) Break

IV. Taking Other Key Risks Off the Table

(10 mins.) B. Stages of Life and Risk

1. The retirement red zone – 10 years before and after retirement

2. Traditional investment mix

3. Guaranteed life protection

4. Aligning risks with product allocation

a. Annuities

b. Cash/bonds/alternatives

c. Equities

d. Insurance – life, LTC and liability

V. Guaranteed Lifetime Income Products

(15 mins.) A. Guaranteed Lifetime Withdrawal Benefit Rider (GLWB)

B. Single Premium Immediate Annuity (SPIA)

C. Deferred Income Annuity

D. Comparison GLWB/DIA

E. Income Annuity Benefits

1. Additional security during retirement

2. Dependable and predictable income

3. Protection against inflation

4. Portfolio diversification

VI. Three Retirement Income Strategies

(10 mins.) A. Systematic Withdrawal Income Plan (SWIP)

B. Buckets/Laddered/Progressive Time Segments of Money

C. Retirement Income Floor/Guaranteed Income Solutions

VII. Retirement Strategy

(10 mins.) A. Making the Impossible Possible

B. Buy Income and Invest the Rest

1. Maximize tax efficiency

2. Bracket-bump Roth conversions

3. Social Security optimization

4. Minimize fee-drag

5. Inflation-adjusted lifetime income

C. Divide and Conquer

1. Defensive plus Offensive

a. Promised Based vs Risked Based Income assets

b. Growth assets

c. Legacy assets

IX. Advanced Strategies Case Study:

(15 mins.) A. Goals and Objectives

* + - 1. The 4 L’s of Retirement
      2. Key Core Measurements
      3. Recommendations
      4. Pros and Cons