Moving Toward the Finish Line

Before Assignment #4 — A Small Request

If you've enjoyed your Money 101 experience, I would love it if you could write a recommendation for the program on my LinkedIn profile or comment on the YouTube video.

Steps to Leave a Recommendation on my LinkedIn Profile:

1. **Create a LinkedIn Account** (if you don't already — it's free): https://www.linkedin.com/

2. **Find My Profile and Send a Connection Request:** https://www.linkedin.com/in/diane-drey/

3. **When I accept your request** through LinkedIn, I will follow up and send you a message asking for a recommendation. So please watch for a message.

4. **Respond to the Message:**
   Write whatever feedback you'd like to share.

Steps to Leave a Recommendation on YouTube:

Watch the YouTube video where I discuss the program:
https://www.youtube.com/watch?v=_QIxTCxkwug

Leave a comment

…and of course, spreading the words to your friends or sending me their email address (with their permission) to get periodic handouts and notices of Money 101 Education events.

Thank you so much for your support!

Diane

ASSIGNMENT #4

It may seem far off to you, but retirement is just around the corner – and it is one of the best stages of life. While we focused in class on retirement plans, you also need to do other things to prepare for your own retirement.

1. **GET YOUR SOCIAL SECURITY STATEMENT** – If you have not already done this, contact the Social Security Administration and request your Social Security statement. Anyone who worked in the United States and was paid via W-2 or earned business income, which they declared on their tax return, should have an account.

   The request should be made online by creating an account. Go to: https://www.ssa.gov/

2. **DETERMINE YOUR RETIREMENT AGE** – read the report and determine when you will reach "full retirement age" per Social Security. (or Google: my birthdate is XXX. What is my full retirement age?)

3. **DETERMINE YOUR BENEFITS AT THREE LEVELS**
   - How much will you get if you start collecting at age 62?
   - How much will you get if you start collecting at full retirement age?
   - How much will you get if you start collecting at age 70?

4. **COMPLETE EXERCISE 8.25a - Should Maria delay collecting her Social Security?**
   (Send me your answer and I will send you the answer sheet)

   Then, if you got the information from the Social Security Administration (#3), can you calculate how long YOU must live to be better off waiting to collect benefits at age 70 rather than collecting them at your "full retirement age"? This exercise aims to determine the "break-even" point.

5. **DO QUIZ - 8.71a – Test your knowledge of Social Security**
   (**Send me your answers and I will send you the answer sheet)**

6. **READ 7.01 – Introduction to Retirement Plans** – We reviewed most of the items in class, but reading about what we learned will reinforce the information

7. **READ handout 1.28, Questions To Ask Your Employer about your retirement plan.** If you can currently enroll in an employer-sponsored retirement plan,

   THEN
   - Verify the percentage of your salary you are currently contributing
   - Verify if the employer is offering a match and what their match formula is.
   - Verify the employer's vesting schedule.
   - Determine if you are fully vested in the plan or if you are partially vested.
   - If not fully vested, determine your current vesting percentage and the date by which you will be fully vested.

- Review your retirement plan statement and learn what funds your money is invested in.
- Review your beneficiary form and make sure it is consistent with your wishes

If the human resource department cannot clearly answer the above questions, insist on speaking with a supervisor or the "Plan Administrator" – that is the official title of the person responsible for ensuring employees understand everything about the Plan.

8. If you have the option to enroll in an employer-sponsored retirement plan but have yet to do so, DO IT NOW!

HANDOUTS related to the above and worth reviewing

1.28	Questions to ask an employer about their 401K retirement plan
7.01	Retirement Saving Plans – an overview (CAUTION – dollar limits are from 2020)
7.02	Comparison of Traditional vs. ROTH retirement plan under three different tax brackets (pdf)
7.03	Withdrawal from a retirement account – fixed amounts
7.04	Withdrawal from a retirement account – variable amounts
8.01	Retirement Planning Steps
8.03	Introduction to Social Security Benefits
8.04	Social Security Statement (sample)
8.05	How to Prepare for Retirement – from the US Dept of Labor
8.25a	EXERCISE – when should Maria start collecting social security?
8.71a	Test Your Knowledge of Social Security