

ARE YOU READY TO RETIRE?

A Checklist for Federal Civil Service Professionals



RODRIGUEZ FINANCIAL STRATEGIES, LLC
4031 COLONEL GLENN HIGHWAY, SUITE 107 BEAVERCREEK, OH 45431

www.AskRafi.com

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WHO WE ARE



"We are here to serve you"

Jose "Rafi" Rodriguez, Colonel (Retired), USAF
President, Rodriguez Financial Strategies, LLC

Mark Richmond, Navy Veteran
Financial Advisor

Rodríguez Financial Strategies is an *independent* financial services firm focused on our clients' best interest above all else – we are not tied to any specific product or investment.

Our Role as a Fiduciary:

- We always put our clients' best interests **first**
- The advice and recommendations we provide are solely based on our clients' best interest, and appropriate for their personal situation
- We focus on selecting the best products to help our clients pursue *their* goals
- We will always be transparent in the compensation we receive for managing or selecting investments for our clients' accounts
- We will always disclose any conflict of interest

WHO WE SERVE



We serve Department of Defense and Federal Professionals within 10 years of retirement or already in retirement, young professionals (Millennials) with families, and business owners.

WHAT WE DO

We specialize in **Retirement Lifestyle Solutions** by providing professional guidance and simplifying complex financial concepts so you can make informed decisions. We work with you to create a “roadmap” that will guide you through the twists and turns that life sometimes throws your way, and create a custom retirement income plan using the NextPhase™ time-segmented approach.

Your Planning Roadmap

Our four-step process for helping you build a financial plan for life.



Ask Rafi
Retirement Lifestyle Solutions

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ABOUT THIS CHECKLIST

We created this checklist to assist Department of Defense and Federal Professionals in developing their retirement plans. Retirement Planning should start early in your career, with the help of professionals in the field.

The sooner you start, the higher the probability of achieving your retirement goals.

10 Years Out

- Contact OPM to get familiar with how the Federal Retirement System Works, attend retirement seminars for Federal Employees
- Become familiar with your survivor benefits and who the beneficiaries are
- Review your Official Personnel File SF-50, military service as appropriate, break in service, part time service, etc.
- Visualize the location where you want to retire and the lifestyle you want
- Review your Social Security Statement to ensure you have enough credits to qualify
- Review your Federal Employee Health Benefits (FEHB) coverage for you and your family as appropriate
- Review your Federal Employee Group Life Insurance (FEGLI) coverage and determine pros & cons of keeping FEGLI versus purchasing your own life insurance policy
- Become familiar with Long Term Care (LTC) conditions and costs, and identify your LTC strategy in consultation with a LTC specialist
- Consult with a financial advisor to ensure your Thrift Savings Plan (TSP) is on track to meet your accumulation goal for retirement
- Consult with a financial advisor to conduct a net worth analysis to ensure you optimize your debt-to-income ratio going into retirement
- Review your current budget to assess how much you will need in retirement
- Consult with an estate planning attorney to assess and plan for your Legacy
- Get familiar with risks that could impact your retirement lifestyle

5 Years Out

- Contact OPM to get an estimate on your pension, attend retirement seminars for Federal Employees
- Understand when **not** to retire (for example: don't retire on impulse, unless you have given credit for all your years of federal service, you have not assessed your future financial needs, if you have not been covered by FEHB for at least 5 years)
- Determine your retirement eligibility (age and time in service)
- Identify your projected High-3 for retirement calculations
- Identify your survivor benefits and beneficiaries
- Ensure your Official Personnel File is up to date (SF-50, years of military service as appropriate, break in service, part time service, etc.)
- Get familiar with the best date in the year to retire
- Identify the location where you want to retire and the lifestyle you want
- Review your Social Security Statement; consult with the SS Administration and a financial professional to assess how to optimize your SS benefits
- Review your FEHB coverage and identify how it coordinates with Medicare at age 65
- Review your FEGLI coverage and options during retirement
- Review LTC Policy and strategy with your LTC specialist
- Review your TSP balance and performance; consult with a retirement income professional to get projections on retirement income and best withdrawal options for your TSP
- Review your net worth analysis to ensure you optimize your debt-to-income ratio going into retirement
- Start developing a retirement budget
- Update your résumé for potential employment after federal employment
- Consult with your tax professional to identify potential tax rate changes in retirement
- Review your estate plan with your estate planning attorney

1 Year Out

- Contact OPM to get familiar with the retirement application process and to get an estimate on your pension, attend retirement seminars for federal employees
- Identify your best date to retire
- Verify your retirement eligibility (age and time in service)
- Validate your High-3 for retirement calculations
- Confirm your survivor benefits and your beneficiaries
- Confirm your Official Personnel File is up to date (SF-50, years of military service as appropriate, break in service, part time service, etc.)
- Develop your relocation plan to your retirement destination as needed
- Review your Social Security Statement; consult with the SS Administration and a financial professional to assess how to optimize your SS benefits
- Review your FEHB coverage and identify how it coordinates with Medicare at age 65
- Assess your insurability and determine your life insurance coverage and options during retirement
- Review your LTC strategy and policy with your LTC specialist
- Review your TSP balance and performance; consult with a retirement income professional to get projections on retirement income and best withdrawal options for your TSP balance (i.e. Rollover into an IRA, annuitize, or lumpsum/partial withdrawals)
- Review your net worth analysis to ensure you eliminate your debt as much as possible going into retirement
- Fine tune your retirement budget
- Update your résumé for potential employment after Federal Employment
- Consult with your Tax professional to identify tax rate changes in retirement
- Review your estate plan documents with your estate planning attorney

3-1 Months Out

- Contact OPM to get your expected pension amount based on your eligibility, High-3s and current Personal Records and set date to retire
- Become knowledgeable on the Government Pension Offset, as applicable.
- Confirm your use-or-lose leave and determine how much to sell back
- Attend retirement seminars for Federal Employees
- Confirm your survivor benefits and your beneficiaries
- Confirm your plans to move to a new location as required
- Review your Social Security Statement; consult with the SS Administration and a financial professional to assess how to optimize your SS benefits
- Review your FEHB coverage in retirement (health, eye care, dental) and make the appropriate elections
- As necessary, ensure the right amount and type of life insurance going into retirement
- Confirm your LTC policy benefits and arrange for payment during transition to retirement until the premium payments can come out of your pension
- Elect your TSP withdrawal option(s) in consultation with a retirement income professional (Use Form TSP-99 for IRA Rollover and full withdrawal, use Form TSP-77 for partial withdrawal)
- Finalize your retirement budget
- Consult with your Tax professional to identify tax rate changes in retirement
- Review your estate planning documents with your estate planning attorney to ensure these are in place and in good order

After Retirement

- Ensure your pension is the right amount and is deposited in your checking and savings account
- Ensure the allotments you set to come out of your checking and savings account are being processed correctly
- Review your retirement income plan with your financial advisor at least once a year
- Consult with your financial advisor about the Social Security earnings test as applicable
- Review your estate plan every 5 years and when life changes occur
- Consult with your tax advisor to stay current with tax law changes
- Review your financial plan and budget annually

Resources

Social Security: www.ssa.gov/myaccount

TSP: www.tsp.gov

OPM: www.opm.gov

To report retirement to the LTC policy provider, call (800)582-3337



Ask Rafi

Retirement Lifestyle Solutions

Rafi: (937) 427-4292 || Mark: (937) 608-8166

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