



Ready for Decisions

Couples Discussion Guide



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How Well Do You Communicate About Retirement?

72% of couples believe they communicate well about finances. However, only **43%** report making investment decisions for retirement jointly, and **45%** make day-to-day financial decisions jointly.¹

This booklet highlights some financial and retirement planning areas that you may not have thought about as a couple – and poses some important questions for you to ask – to make sure you are on the same page regarding your future together.

¹ 2015 Fidelity Investments Couples Retirement Study.

Have you talked about:

Investment risk

- ☐ Do I have the same risk tolerance as my spouse?
- ☐ Has my or my spouse's risk tolerance changed over time?

Retirement plans

- ☐ What savings plans do my spouse and I have?
- ☐ Are they defined contribution or defined benefit plans?
- ☐ When we compare them, do they work together well?
- ☐ Are we diversified overall? Do we have a consistent investment philosophy?
- ☐ Have we discussed our sources of income in retirement?
- ☐ Have we planned enough flexibility in our retirement plans in case our needs change?

Beneficiary designations

- ☐ When was the last time I updated my beneficiary(ies)?
- ☐ Has anything in my life changed that would affect who I designate?
- ☐ Is my spouse the beneficiary on my retirement plan or other investments? Am I my spouse's beneficiary?
- ☐ In a qualified plan, such as a 401(k) or 403(b), a spouse is typically required to be the primary beneficiary. If I don't want that, has my spouse signed a consent form?

Retirement income

- ☐ What distribution options do my spouse and I have for our retirement plan(s)?
- ☐ Which option is best for us?
- ☐ If I choose a single life payout and my spouse consents (if required), how will my spouse be financially supported if I die first?

Social Security benefits

- ☐ When should my spouse and I begin taking Social Security payments?
- ☐ Should I take my own benefit or my spousal benefit?

47%

of couples disagree on the amount they need to save for retirement to maintain their current lifestyle.²

3 in 10

couples disagree on who should be the primary beneficiary on both their life insurance and retirement accounts.²

52%

of couples have "no idea" how much they expect to receive in monthly retirement income.²

60%

of couples don't know how much their Social Security benefit will be.³

² 2015 Fidelity Investments Couples Retirement Study.

³ 2013 Fidelity Investments Couples Retirement Study.

Have you considered:

Types of retirement plans

- **Defined contribution plans**, such as 401(k) or 403(b) plans, may allow workers to defer a part of their salary up to the lesser of 100% of their salary or \$18,000 (\$12,500 for a SIMPLE 401(k)/IRA) for 2018, generally pre-tax, until retirement. If the employee is age 50 or older, the plan may allow the employee to make an additional \$6,000 (\$3,000 for a SIMPLE 401(k)/IRA) in “catch-up” contributions for 2018. Employers may provide non-elective contributions or matching contributions, up to a certain percentage. At retirement, employees can take the accumulated money as a lump sum or a series of payments (which must generally satisfy the minimum distribution requirement). However, if the employee is younger than age 70½ at retirement and elects not to take any distributions at retirement, the employee will be required to begin taking required minimum distributions by April 1 of the year following the year the employee attains age 70½. With this type of plan, the saving, investment, and distribution burden are on the employee.
- **Defined benefit plans**, such as pension plans, typically provide the worker with income at retirement based on his or her age, years of service, and salary. The employer contributes money and takes the investment risk. Income is generally provided to the employee for as long as he or she lives.

Options that may be available with many retirement plans (or you may be able to roll your account into an annuity that provides these options)

- **Single life** typically provides the highest payout; however, payments terminate when the participant dies.
- **Single life with period certain** payments will continue as long as the participant lives. If the participant dies before the guaranteed time period has passed, payments will go to the beneficiary(ies).
- **Period certain** payments will continue for a guaranteed time period, regardless of whether the participant is alive to collect them. If the participant dies early, his or her beneficiary(ies) receives the remainder of the payments.
- **Joint life** payments, which may be reduced, will continue for the surviving spouse for the rest of their life.
- **Joint life with period certain** payments will continue for the lives of both participants and will go to the beneficiary(ies) if both participants die before the guaranteed period has passed.

The best time for you to take Social Security

The later you begin taking Social Security benefits, the larger the benefits. You can begin taking benefits as early as age 62 and as late as age 70. Typical “retirement age” is age 66-67, depending on the year you were born.

You can visit www.ssa.gov for more information.

 79% of women

want to invest in organizations that invest in social good vs. 62% of men.⁴ Your investment goals may be different. By working with a financial professional, you can design an investment strategy to keep both of you happy and on track for the future.

⁴ Harness the Power of the Purse, Andrea Turner Moffitt, 2015.

Ready for a plan

Couples who have a retirement plan in place are twice as likely to expect to live a “very comfortable” retirement (42% with a plan versus 18% without a plan).⁵

Start coordinating your plans today. Contact your financial professional to see what else the two of you can do to plan for a comfortable and confident retirement together.

⁵ 2015 Fidelity Investments Couples Retirement Study.

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