CANDORPATH
FINANCIAL

Retire Ready

Publix® Edition

Practical Knowledge For The Start Of Your Second Act

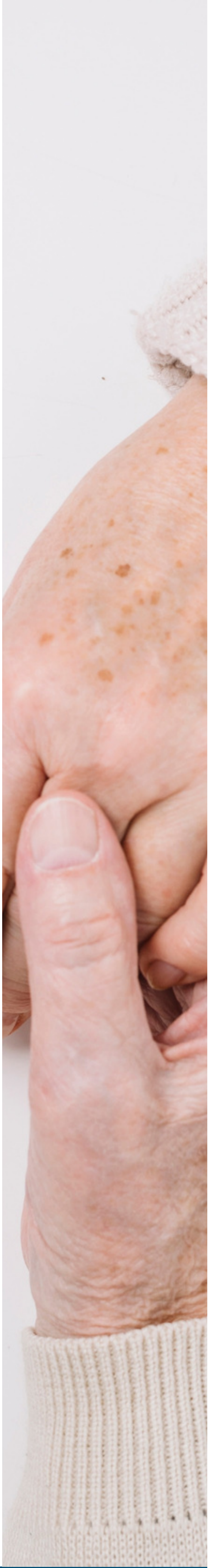
With your retirement from Publix® not so much "on the horizon" as "here and now," it's time for action.

More than a goal or an objective to plan for, it is now an event on your calendar, a transition in your life you are about to experience.

What financial steps should you consider taking in the year or two before you retire?

What financial moves should you contemplate in the year or two following your retirement?

At What Age Will You Be Retiring?



Will you be retiring before age 60? If you are fully retiring or ending your employment, you are eligible to take a withdrawal from your **Publix®** 401(k) , without an early withdrawal penalty, as early as age 50. However, the withdrawal amount will generally still be subject to income taxes. Most pre-retirees see the wisdom of keeping the money invested after age 55, as some of the greatest compounding of the invested assets may occur in the years preceding retirement.

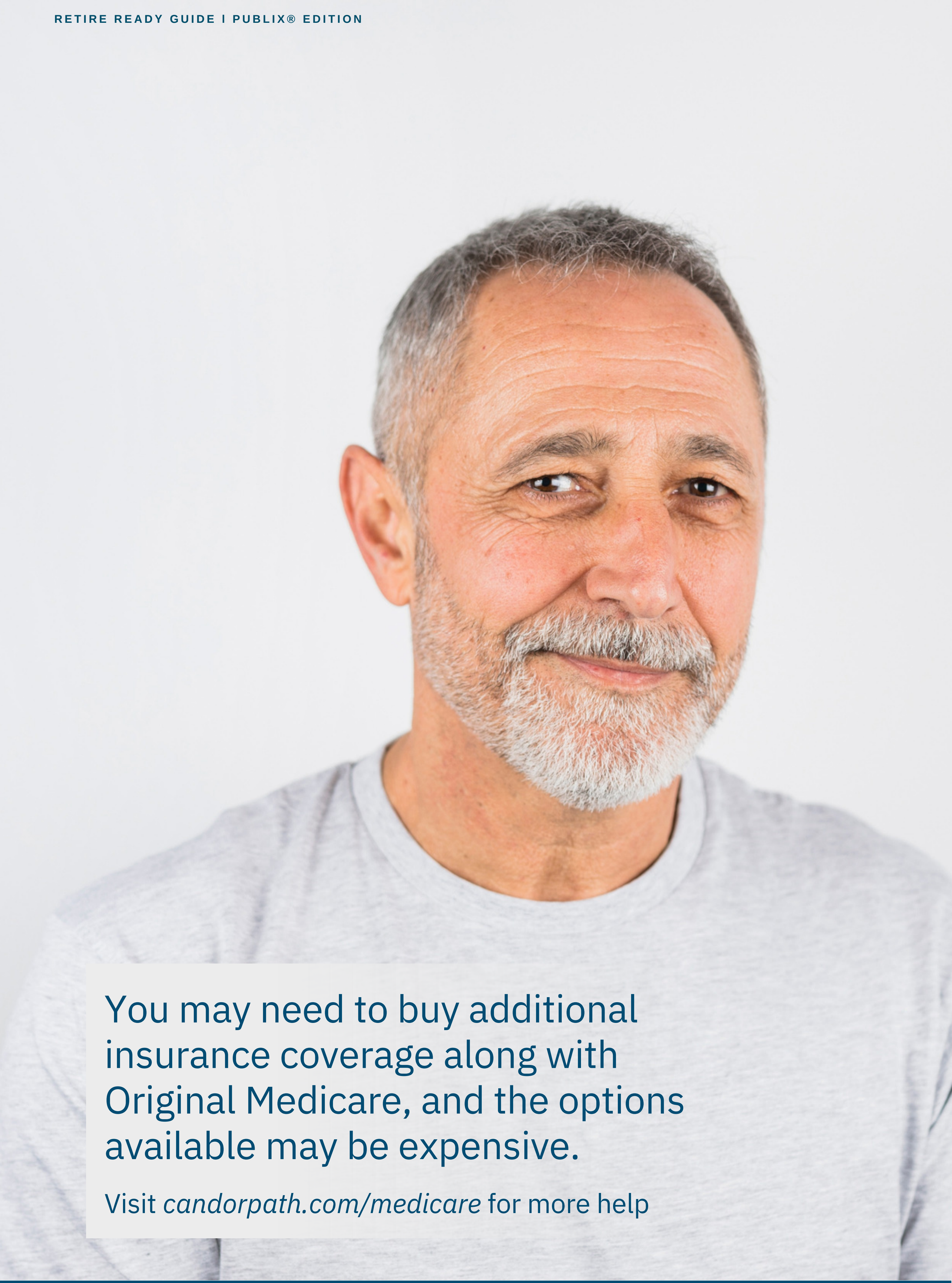
Will you be retiring at age 62? That is the age at which you may first claim Social Security. More than one-third of Americans do just that, but for every year you delay claiming Social Security between age 62 and age 70, your Social Security benefits increase by 8%. From this standpoint, there's merit in working past age 62, but, of course, you have fewer years of life left to collect those larger yearly Social Security benefits. If you're retiring at 62, take heart in the fact that your projected lifetime Social Security income should be about the same as if you retired later. If you have pressing financial needs or health problems, then the income from Social Security may be essential at age 62.

You may need to buy private health insurance until you receive Medicare, and the options available may be expensive. If you can extend your employer's group benefits through COBRA for a few months, you will likely bear the cost yourself.

Will you be retiring at age 65? Visit Medicare.gov: you want to sign up within the appropriate window of time. Original, standard Medicare does not cover everything, so you may want to buy a Medigap policy; sign up for a Part D drug plan; or enroll in a Medicare Advantage plan (a Part C plan) once you have the standard Part A and Part B coverage in place. Medicare's annual Open Enrollment period (in which you may switch out of standard Medicare to a Part C plan or vice versa) occurs from October 15 to December 7 each year. Your chosen health or prescription drug plan coverage begins January 1 of the subsequent year.

Will you be retiring at age 72 or after? Once you turn 72, you're required to take Required Minimum Distributions (RMDs) from the following kinds of retirement accounts: traditional IRAs, rollover IRAs, SEP and SIMPLE IRAs, Keogh Plans, inherited IRAs, 401(k), 403(b), and 457(b) plans (including Roth versions). You have until April 1 of the year after the year you turn 72 to take your initial RMD from these accounts.

1 - merrilledge.com/article/ready-set-retire-8-deadlines-you-need-to-know [2/17/16] 2 - cnbc.com/2015/05/20/retirees- wait-longer-to-claim-social-security-benefits.html [5/20/15] 3 - ssa.gov/planners/retire/delayret.html [2/17/16] 4 - cms.gov/ Outreach-and-Education/Reach-Out/Find-tools-to-help-you-help-others/Medicare-Open-Enrollment.html [9/21/15]
5 - forbes.com/sites/nextavenue/2016/02/04/abcs-of-rmds-required-minimum-distribution-rules-for-retirement/ [2/4/16]



You may need to buy additional insurance coverage along with Original Medicare, and the options available may be expensive.

Visit *candorpath.com/medicare* for more help

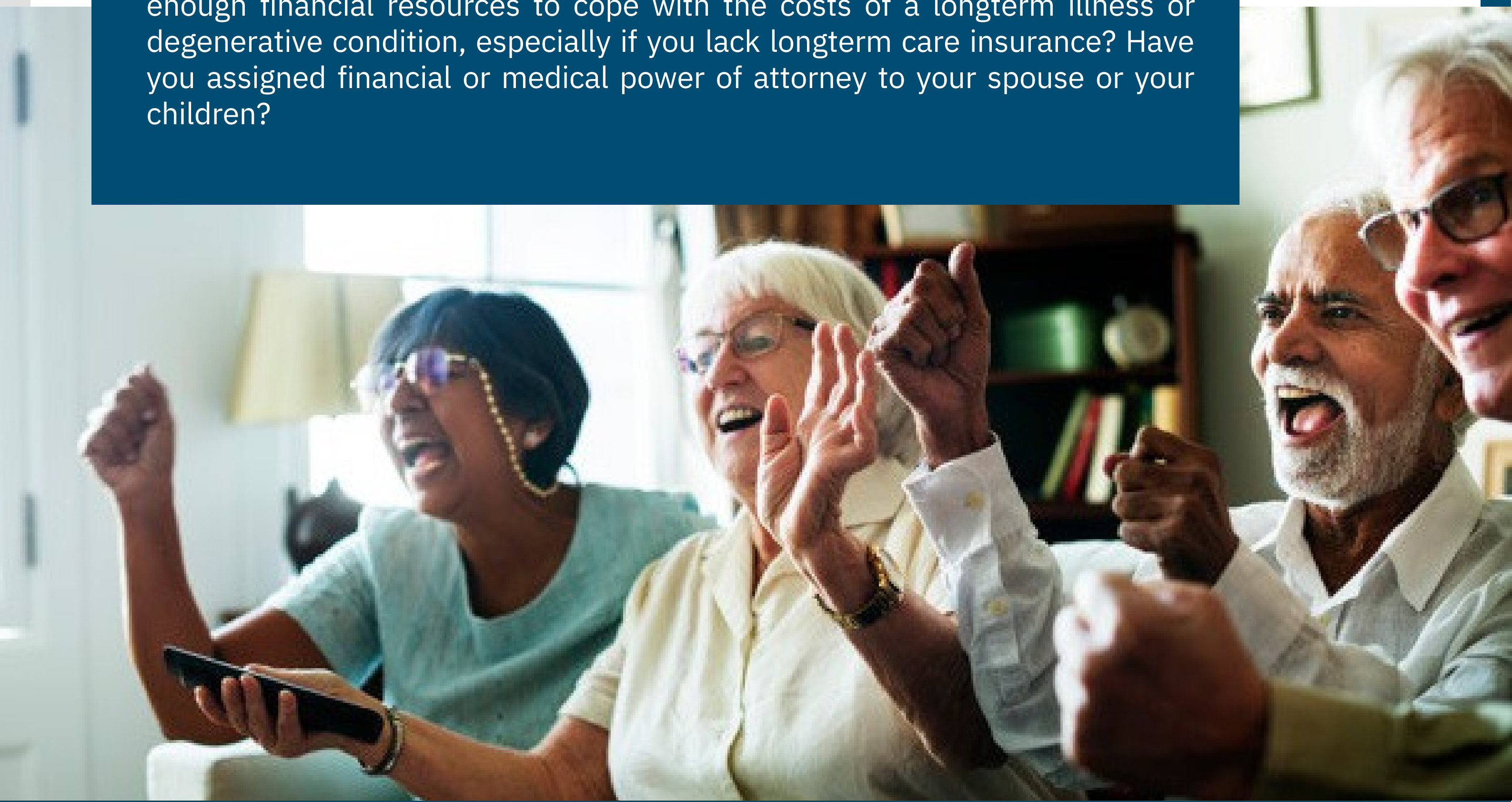
12-24 months out

Set a precise retirement date.
That is the date when you are “on your own” financially, when you need to have income streams in addition to Social Security, an adequate emergency fund, and private health insurance if you are too young to enroll in Medicare.

Strive to reduce your consumer debt as much as you can.
You can’t always “retire” a major debt, such as a home loan; in some circumstances, you may not even want to do so. Consumer and education debt is another matter. You should strive to retire without education loans, consumer loans, and large credit card debts burdening you. Retiring with a great deal of debt invites stress and financial uncertainty.

Determine where you will draw income from.
Besides Social Security, what will your other income sources be? A pension? A retirement account distribution? Dividends? Rents? Will you work part-time, in such a way that your Social Security benefits will not be impacted? Having multiple streams of income is not only a goal before retirement, but after retiring. Even smaller income streams can help you absorb minor costs such as utility bills, grocery expenses, and fuel expenses. Also, speak to a financial or tax professional to determine just how much income you want to withdraw from taxable and non-taxable sources.

Have a conversation (or two) about your estate and long-term care.
Does your estate planning need revisions with retirement? Do you have enough financial resources to cope with the costs of a longterm illness or degenerative condition, especially if you lack longterm care insurance? Have you assigned financial or medical power of attorney to your spouse or your children?



If you are enrolled in the PROFIT (ESOP) and the SMART (401(k)) Plans, consider if an NUA (Net Unrealized Appreciation) is right for you.

An NUA (Net Unrealized Appreciation) transaction is a process which allows you to withdraw your **Publix®** stock from the PROFIT or SMART Plans and only pay income tax on the cost basis, which can result in huge tax savings.

Be sure to be aware of when retirement plan contributions from your employer vest and bonuses are paid.

Publix® matches a small amount to the SMART Plan and has an annual contribution to the PROFIT Plan. In addition, if you can receive the annual Incentive Bonus, make sure you're retirement date maximizes these benefits.

“Round up” stray IRAs, retirement plan accounts, and pension plan accounts.

You may have kept a nice, long paper trail regarding the accounts you opened years ago at former workplaces or through credit unions and banks. That paper trail will probably make it a simple matter to reach out to plan administrators so you can start collecting benefits as your retirement begins. Agencies such as the Pension Rights Center and the Pension Action Center can help you “round up” pensions from your work history if documentation proves scant. Depending on your age, get an updated estimate of your Social Security payouts.

Source: 6 - consumerreports.org/cro/2014/03/retirement-planning-schedule-timeline-15-years-5-years-1-year-6- months/index.htm [3/14]

As a Publix Associate, you may benefit from an NUA (Net Unrealized Appreciation) Transaction from your PROFIT and SMART Plans.

Visit *candorpath.com/publix-blog* for more information

6-12 months out

Start talking about your entry into retirement with your spouse or partner.

You are probably not retiring together, and that means that he or she will have to get accustomed to your new schedule. Make sure both of you talk about the new situation, what your role around the house will be, and the adjustments other family members may need to make. Your spouse may even be “inspired” to retire a little earlier in life now that you are retiring.

Contact the Publix® Shareholder Services

Being that **Publix®** is a private company and its stock is not traded publicly, there are a few different things that need to be done to transact its stock. Review your holdings information and request any paperwork to transfer or trade shares so a plan for your holdings can be in place before your retirement.

Tell Publix® you will be retiring.

Depending on your position within the company, inform them of your intentions to retire. Six months is generally a reasonable window of time, but in some cases more time should be allotted or less time may be sufficient. If you inform your employer of your intentions a year or more away from retiring, you risk walking around the office for a year or more as a “retiring employee,” an employee who doesn’t warrant any more raises or bonuses. This is more of a case by case suggestion, but you will know best about your position.

Print out your wage statements.

How much tax has been withheld from your paycheck? How much have you been paying for group health coverage, if applicable? You should retire knowing these numbers; you may want to share them with the financial professional helping you plan your entry into retirement. Is any deferred compensation owed to you?

Get the most out of a group health plan.

Are you enrolled in a group healthcare program at **Publix®**? Make sure to use any benefits for before retiring. Standard Medicare will not pick up the tab for most dental care, and it will not usually pay for eyeglasses or contacts.

See if Publix® will extend your insurance benefits into retirement.

While this may be a longshot, some employers will extend healthcare benefits into retirement. This could be through COBRA, extra payments, or some other type of benefit that would allow you to obtain coverage.

Review your Life Insurance coverage at Publix®.

While life insurance may be less important for someone in retirement compared to earlier stages in life, it may be beneficial to keep coverage going. Life insurance coverage may be extended by **Publix®** into retirement for employees that meet certain requirements. Check to see if you qualify for this extended coverage or if coverage is needed at all.

Make the most of your vacation time.

There is nothing wrong with taking all of the paid vacation days due to you in the year preceding your retirement. You have earned those days. If you know you will take fewer personal or vacation days than allotted to you, see if your **Publix®** will let you convert the unused days to cash when you exit.

Set a budget for the future.

Estimate what your fixed monthly expenses will be in retirement, then what your discretionary monthly expenses might be. Confer with a financial professional you know and trust to see if that kind of spending is appropriate given your retirement savings and you age as your enter retirement.

Ask your superiors for recommendation letters.

Who knows, you may want to work part-time or even full-time once retired; you may want the income, or you may even decide you are not the retiring type.

Publix® is one of the largest employee owned companies. One of the main benefits to working for Publix® is the access to owning Publix® stock.

Learn more about your Publix® stock by visiting *candorpath.com/publix-blog*

3-6 months out

Decide how you will spend that first 6-12 months of retirement.

Map out what might happen, what you want to see happen, in the first months of your “second act.” What will your days look like? Will you be traveling? Will you be starting a new line of work, part-time or even full-time? Get in touch, or increase touch, with the contacts that might lead to you being referred and hired. If you want to volunteer, research different groups and organizations. Start an exercise routine, or talk to your doctor if you want to begin a fairly intensive one.

Try living on your projected retirement income for a month or two.

Do this about 4-5 months before retirement, to see if it is realistic to live on that kind of money or whether your assumptions (and retirement income strategy) need adjusting.

Sign up for Social Security benefits.

If now is the time to claim them, you want to apply for benefits about four months in advance of when you want to receive your first Social Security monthly payment. Social Security lets you apply over the phone, online, and in person at local Social Security offices.

Sign up for Medicare if you are old enough.

You can do this up to 3 months prior to turning 65. Should you already be receiving some Social Security benefits, the federal government will remind you to enroll in Medicare. If that is not the case, you must be proactive and sign up by calling the Social Security Administration. The standard coverage (often called “original Medicare”) is Part A (hospital coverage) + Part B (doctor visits, outpatient care). You may wish to enroll in a Part C (Medicare Advantage) plan. Medicare Advantage plans are at least as wide-ranging as original Medicare, and many also provide coverage for drug costs (Part D).

If your Advantage plan lacks Part D coverage, you can optionally join a Medicare Prescription Drug Plan. Or, you may opt for original Medicare plus Part D coverage, or original Medicare plus a Medigap policy and Part D coverage. If your workplace insurance plan isn't being extended to you as you enter retirement, a Medigap policy may be very useful. The ideal time to shop and sign up for a Medigap policy is in the six months after you sign up for Medicare Part B. This is the open enrollment period, when insurers are forbidden to hike your premiums or refuse coverage to you due to sudden health issues.

Start the rollover process.

If you intend to roll over your SMART and PROFIT plan assets into an IRA, now is the time to proceed. Do this with the help of a financial professional, so that you don't risk tax mistakes trying to do it yourself. Also, think about whether you want to transfer those funds into a Roth IRA for the years ahead; withdrawals from Roth IRAs are tax-free provided you are older than age 59½ and have owned the Roth IRA for at least five tax years. In the later stages of retirement, it could be very nice to have a source of tax-free retirement income, especially since seniors with no dependents relying largely on unearned income have far fewer tax deductions to claim than young families. Consider if an NUA is right for you.

6 - consumerreports.org/cro/2014/03/retirement-planning-schedule-timeline-15-years-5-years-1-year-6-months/ index.htm [3/14]
7 - nerdwallet.com/blog/investing/know-rules-before-you-dip-into-roth-ira/ [1/29/16]

Congratulations! You've made it to retirement! What's next?

1-12 months in

Track your spending.

Online tools can help you do this. As retirement starts, you want a few months of data about how much you are spending and where that money is going each month. You don't want to breed the habit of overspending.

Consider scheduling a regular weekly or monthly adventure.

Go someplace in your community or region you've never been to; try something you've never done before; learn a new language or a new skill.

Be mindful of how continuing to work may affect your Social Security.

If (prior to full retirement age) your yearly income exceeds a certain level, then your yearly Social Security benefits may be taxed. The taxable amount depends on your "combined income," which Social Security measures as follows: *Adjusted gross income + non-taxable interest + 50% of Social Security benefits = combined income.* If your income is between $25,000-34,000 as a single filer and between $32,000-44,000 as joint filers, you may have to pay federal income tax on up to 50% of your benefits. If your income exceeds $34,000 as a single filer and $44,000 if you file jointly, then you may have to pay federal income tax on up to 85% of your benefits. Those who are married and file separately will "probably" have their Social Security benefits taxed, according to the program's website. These figures are subject to change annually.

Source: 8 - ssa.gov/planners/taxes.htm [2/22/16]

If your yearly income exceeds a certain level, then your yearly Social Security benefits may be taxed.

1-2 years in

Review your retirement strategy to see how well it is living up to expectations.

Does your spending need to be adjusted? Does your portfolio need to be tweaked? Are there new opportunities for tax savings? A review is an absolute essential, a year into your retirement and every year to follow. If you have spent copiously in the start of retirement, that won't necessarily always be the case. In fact, the expenses of retirees tend to decline starting around age 75; the federal government's Consumer Expenditure Survey has shown than people 75 and older spend 37% less than those aged 65-74, even given the possibility of greater medical expenses.

If you've retired into a bear market, play defense, but don't forget about offense.

Given that bear markets have historically tended to be shorter than bull markets (the average bear market since 1900 has lasted about 15 months), retiring with a minority of your portfolio in equities when the bears come out can be very wise.

Think about those first RMDs down the line.

Your retirement plan administrator or custodian will almost certainly calculate this amount for you. You may be retiring some years before you turn 72, but you should think about what the infusion of cash (and the resulting taxation of it) will mean for you financially.

Ask yourself whether or not you want to downsize in the future.

Older homes need maintenance, and older homeowners aren't always up for it (or up for footing the bill for remodeling or home improvement projects). Think about whether you want to "age in place" or move to a more affordable, less taxed, smaller residence.

Over the course of a lifetime, the average person will walk more than 216 million steps.

Let us help you find your stride with purpose so you can devote your time to enjoying life's journey.