

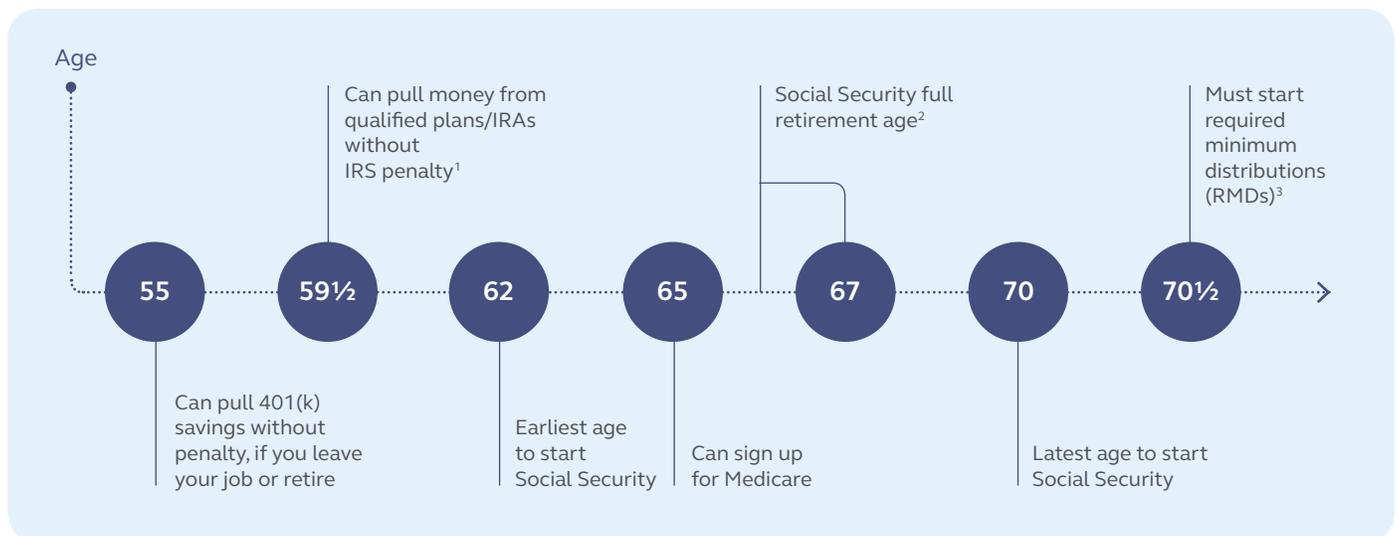
# Thinking about retiring?

## Know when to make your move.

You've worked hard. Now you're looking forward to that next chapter: retirement. But when should that chapter begin?

With a little planning, you can figure out the best time to take that step. Here are a few tips.

### Know the key dates:



## Retirement: Money going out ...

Planning to have your mortgage paid off, or are you a lifelong renter? Want to travel, or while away the hours with a good book? Check out the latest dining hot spots, or enjoy a home-cooked meal? These all have different price tags.

And you'll want to keep healthy. While Medicare covers some (but not all) health care expenses, you can't sign up until you're 65. Visit [medicare.gov](https://www.medicare.gov) to get a feel for different coverage options and costs.

**Bottom line:** Start thinking now about what your needs and wants will be — and how much they're likely to cost.

<sup>1</sup>If the retirement plan allows.

<sup>2</sup>Full retirement age is based on the year you were born. See [ssa.gov](https://www.ssa.gov) for details.

<sup>3</sup>If a participant in a qualified plan is still employed and not a greater than 5 percent owner, they are not required to start minimum distributions from that plan until they retire.

## ... and money coming in.

There's no regular work paycheck in retirement, but you'll still need to pay the bills. Tally up all the sources of income you'll likely have in retirement. Like:

- **Social Security.** You can take Social Security benefits as early as age 62, but if you wait, you may get up to 8 percent more every year until age 70. Visit [ssa.gov](https://ssa.gov) to get a personalized estimate of your Social Security benefits.<sup>4</sup>
- **Your retirement savings account.** You can withdraw savings as early as age 59½. But that means you'll stop putting money into the account earlier, and those savings will have to cover more years without running out. Log on to [principal.com/myscore](https://principal.com/myscore) to check your Retirement Wellness Score, and see if you're on track to replace that paycheck all through retirement. Or use our quick calculator on the [principal.com](https://principal.com) home page.
- **Other sources.** Maybe you've got a company pension coming your way, or rental income, or a part-time job lined up for retirement. That's great! Factor that extra money into your plans.

### Making the decision.

Deciding when to retire isn't always easy. But you don't have to do it alone. A financial professional can help you see the big picture and make a smart plan.

## For how long?

With life expectancies getting longer, you and your spouse could spend 25 or 30 years in retirement. In fact, for a 65-year-old married couple, there's a 66 percent chance one of the two will live to age 92.<sup>5</sup>

Great news, right? You'll just need to make sure your savings last the whole time. Luckily, there are things you can do today to put yourself in a better spot in retirement.

- **Save more now.** Consider maxing your contributions to the retirement plan and any other retirement accounts (like an IRA). If you're 50 or over, you might be able to contribute even more than the standard max — check with your employer.
- **Retire later.** If you wait a little longer, you'll have more time to save and fewer years to save for.
- **Wait to collect Social Security.** Remember, your payments could increase up to 8 percent for every year you wait up to age 70.
- **Spend carefully.** If you get in the habit of controlling your spending now, you can free up more money to enjoy in retirement.
- **Pay off your debts** while you're still earning a paycheck, so you don't have to use your retirement savings.

<sup>4</sup> Doesn't take into account time value of money you could receive up to date you begin collecting Social Security.

<sup>5</sup> The probability was determined using the 2012 Individual Annuity Mortality Period Life Tables (male and female) with mortality projected on a full generation basis using Projection Scale G2.

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## Don't have a financial professional? We can help.

Call [800.547.7754](tel:800.547.7754) or visit [principal.com](https://principal.com) to get started. Or check out [principal.com/retire](https://principal.com/retire) for more resources that can help.

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