

the Career Crossroads Workbook

A Guide to Planning Your Next Chapter



A Message from Justin



Justin D. Smith
CAP®, CFA®, CFP®

Financial Advisor

jsmith@savantwealth.com

**Savant Wealth
Management**

Phoenix, Arizona

For generations, most of us have had a clear-cut career path that ended with retirement. But the world has changed dramatically in recent years and you may now find yourself with the opportunity to blur the lines between full-time work and full-stop retirement.

When you find yourself at a career crossroads, the path ahead can be unclear if you don't have a map to follow.

This workbook, along with my companion on-demand webinar, can guide you through a planning process designed to help you map out the path ahead towards your ideal future.

[Click here](#) or scan the code below to watch the companion on-demand **Career Crossroads** webinar now.



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Introduction

Work Life is Changing

It's not uncommon to find ourselves at a crossroads several times throughout our lives. Sometimes, a crossroads involves family, which can include taking care of aging parents or your spouse. But what does a career crossroads look like? It could result from one of the following:

FORCE

Through layoffs or downsizing

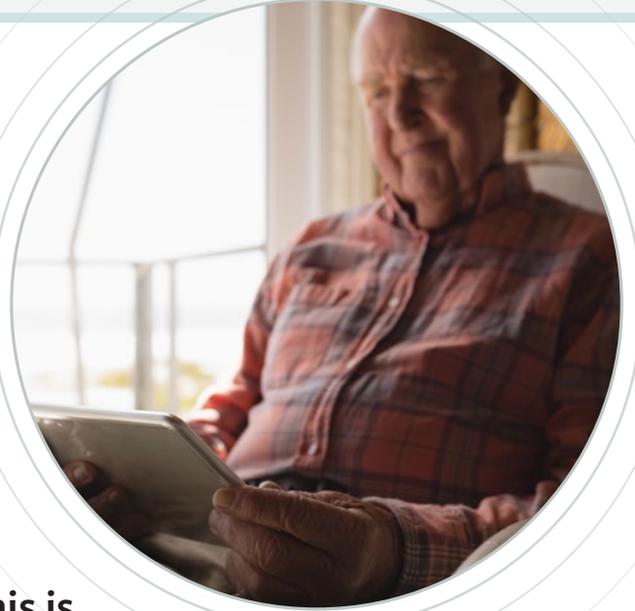
DESIRE TO DOWNSHIFT

Seizing the opportunity to get off the corporate treadmill and run at your own pace

REDEFINE RETIREMENT

You might realize a hard-stop retirement isn't for you

If you are experiencing one of these scenarios, are you confident in how you'll handle it? How will you manage the next chapter of your life? One way to think about it is to shift your focus away from the traditional way of thinking about retirement and instead toward financial independence and autonomy.



This is Not Your Grandfather's Retirement

The word “retirement” fails to describe exactly what life looks like for everyone in their 50s, 60s, 70s, and beyond. The traditional vision for retirement looked something like this – you worked hard for 35 years. And if you were one of the lucky ones to reach the finish line, you finally stopped working and enjoyed a few years of passive leisure, which might have included fishing, reading, or sitting on the porch in your rocking chair. It's easy to see why people link “not working” to retirement, since it has been the natural progression for generations.

Stop Working =



Retirement, it seems, is often defined more by what may be ending than what the next phase could bring. The textbook definition of retirement no longer describes how most people live this phase in life.

What does the word “retirement” mean to you?

If you looked it up in the dictionary, you would likely see one of these definitions:

The action or fact of leaving one’s job and ceasing to work.
“a man nearing retirement”

— *Oxford Languages* —

An act of retiring: the state of being retired. Withdrawal from one’s position or occupation from active working life

— *Merriam Webster* —

The act of leaving your job and stopping working, usually because you are old.

— *Cambridge Dictionary* —

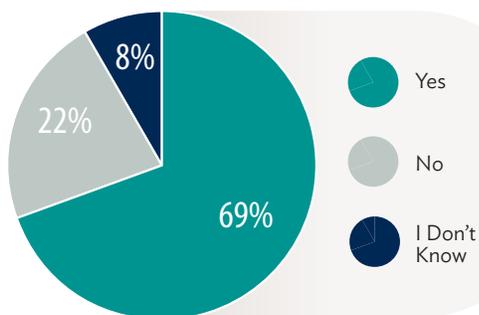
But is that really what retirement means? Not to a growing number of people. Instead of working at the same job for decades and stopping work completely when they reach retirement age, we’re seeing clients, family members, and friends taking a different approach.

Savant recently partnered with Absolute Engagement, a research and consulting firm, to gauge not only how U.S. investors view retirement today, but also how they might re-imagine retirement if given the choice. As it turns out, a significant difference exists between the path that many people are on and the one they would take if they believed they had another option.

The report, entitled [The Death of Retirement: New Thinking on the Next Chapter](#), highlights perceptions of retirement among 750 high-net-worth investors and explores how they might re-imagine retirement if given the choice.

When discussing the type of full-time work respondents said they wanted to pursue until they stopped working, nearly 20 percent said they wanted to take a different path – such as continuing to do the same type of work but on their own terms, or trying a completely different kind of work. The majority of those who said they planned on continuing the same or similar work indicated they would be open to trying work on their terms, or something new.

Q *If you thought it was an option, would you be interested in transitioning to work more on your own terms or trying something completely different?*



Source: Savant/Absolute Engagement

Our Vision of Retirement is Changing

Many people are choosing to work part-time or volunteer before transitioning fully to non-work. At Savant, we're seeing clients, family members, and friends choosing this different approach. They want less stress and more flexibility—to stay engaged with meaningful work of some kind, but in a limited way and on their own terms. They'd like to work three days a week, for example, or maybe six months a year, so they can also accommodate multiple commitments, such as caring for grandchildren and elderly parents, and pursuing other passions and interests.

I like This Idea, but How Does it Work?

The thought of forging ahead and creating your own “next chapter” can feel exciting and empowering. Unfortunately, no one-size-fits-all blueprint exists, and that can leave us feeling uneasy. To make it happen, you need to put pencil to paper and develop a plan.

Savant created this eBook to walk you through the process of designing your plan. These worksheets will help you define your vision and set goals. As you progress through the exercises, you'll watch your action plan start to take shape, culminating in a succinct, one-page plan at the end.

You can either take this plan to a financial advisor or work through the steps on your own. Get creative and invite a group of like-minded professionals to go through the process with you. Just as each plan is unique, so is the planning process. You have many ways to start down the path.



Benefits of a Hybrid Approach

1 Provides the opportunity to start over and design a new life for yourself.

This time you're doing it for you. It's no longer about doing what you have to do; from now on it's about doing what you want to do.

2 Transitions you from being a good corporate soldier to leading a purposeful life.

Your new version of work may not pay the same salary, but it could pay a whole lot more in terms of meaning, personal health, and length and quality of life.

3 Opens the possibility to work part-time and free yourself for eldercare, childcare, working out, charitable causes, travel, or any number of creative pursuits.

You'll enjoy more flexibility even if you're still working, and your schedule will be your own.

4 Gives you the opportunity to do the things you put off while you raised a family and accumulated wealth.

You can pursue long-repressed dreams while you're still young enough to enjoy them, and create a long, successful, and sustainable lifestyle.

5 Combines personal meaning and social purpose into your work.

The next chapter of work aligns "who you are" with "what you do." Helping others can be the easiest way to get a happiness boost. Some may choose to work for pay, while others may choose to volunteer.

6 Makes you happy.

Because you're working on your own terms, you'll feel energized rather than depleted. It's work that doesn't feel like work.



C-Suite Executive to University Professor

“I was in an executive team meeting one day and noticed that I was the only one on the team with gray hair. At that moment, I had an epiphany and realized

that in these corporate boardrooms, everyone is driven away at some point. There aren’t a lot of folks dying with their boots on in Fortune 500-size companies.”

Eric spent his entire career in corporate marketing, mostly for global food companies. He started building his escape tunnel quite early. During his 40s, he was fortunate to be on some senior executive teams. He realized, in those boardrooms, that the corporate world drives everyone away at some point. As a result, he started to dig his escape tunnel.

Always the mentor and coach, Eric felt his calling for his next chapter was teaching. He approached a friend at a prestigious local university for advice on how to break into the college arena as a business professor. Eric’s friend suggested he cut his teeth at the community college level. With approval from his employer, Eric began teaching night classes on the side in his mid-50s. After a few years refining his curriculum and approach, he got a tryout at the university level. After a couple of semesters, his classes were so popular, there was a waiting list. He expanded into running executive programs and corporate engagements for the university, ultimately parlaying that experience into numerous corporate consulting engagements. Eric once said, “I make a fraction

of what I made in corporate America, but I have more professional growth opportunities and more time in my life.”



Executive Turns Entrepreneur

One home-builder executive decided to pull her golden parachute in her early fifties. She saved enough to cover college costs for their

kids, and she and her husband moved out of state to a more rural setting. But a few years into their retirement, they realized they were too young for rocking chairs and wanted to start a business.

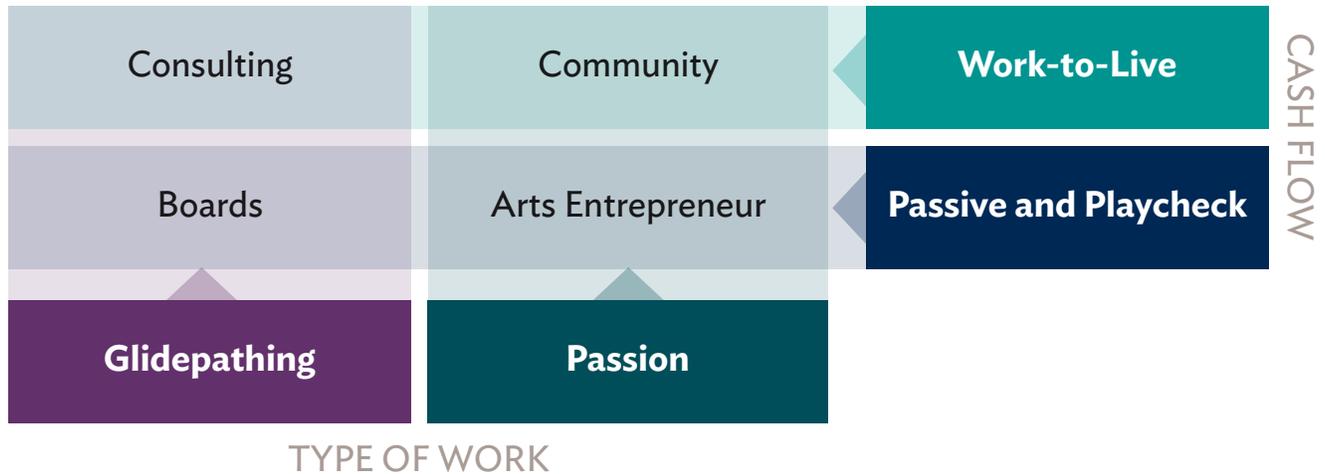
As avid wine drinkers and collectors, they saw a need in their local community for a specialty wine shop. They moved to an area that was growing into a popular summer tourist spot. Like many small towns-turned tourism centers, it lacked specialty retail outlets like wine shops. The couple made the move and opened their own wine business, which they ran for several years.

While they didn’t get into it for the money, the shop was a great business for the community, and allowed the couple to do something they enjoyed while spending time together as empty nesters. Even though they sold the wine store after a few years, it was a fun and fulfilling chapter on the road to full retirement.

This is intended for illustrative purposes only and should not be construed as an endorsement of Savant by any of its clients. These hypothetical examples were inspired by real events. The identities and details have been modified for privacy purposes. There can be no assurance that a client will experience similar results or satisfaction if Savant is engaged.

Victory Lap Retirement Lifestyles

The Four Retirement Lifestyles



If you'd like to consider this hybrid approach to retirement that we call a Victory Lap, review the four retirement lifestyles.

This matrix is designed to help you envision what types of hybrid work might be best for you. Some people may pursue a traditional retirement but keep their hand in the workforce by working just a few days a week. Others will make the leap from a corporate job to self-employment strictly to generate what we call a “playcheck.” It’s a bit of extra fun money that you can spend, guilt-free, on little luxuries or experiences.

The Retirement Lifestyles Matrix above considers two main factors when you start planning—your cash-flow model and your preferred type of work. Part of getting your financial house in order involves figuring out how you will replace your employment income to cover your lifestyle expenses.

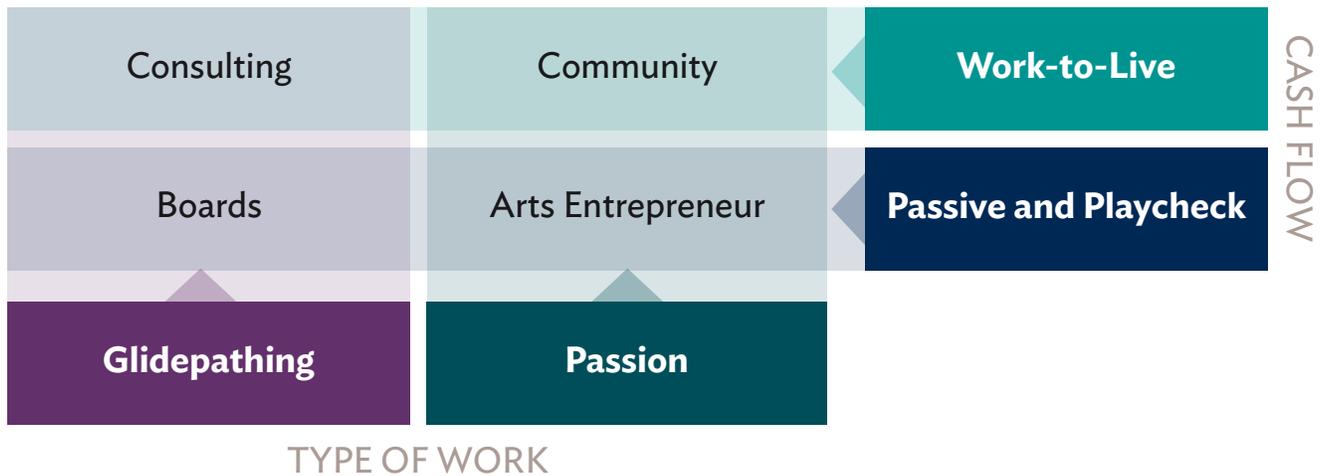
When designing your plan, consider one of two broad approaches to ensure you have sufficient,

sustainable cash flow: working to live, or having passive income and a “playcheck.”

Work to Live

This option applies to individuals who, after doing the math, determine they will be able to generate enough active income from the type of work they choose to cover their fixed and discretionary expenses. They can defer drawing on their investments and pensions if they are still earning enough income, allowing these assets to continue growing in value, resulting in greater long-term security. This may open up the ability to explore consulting, teaching, or project work.

The Four Retirement Lifestyles



Passive/Playcheck

People who use this approach have already achieved a comfortable level of financial independence by the time they leave the corporate world, whether by choice or because they were pushed out. For our purposes, this is the point where your “fixed” expenses (non-discretionary) are covered by your passive (non-work) income. Examples of passive income sources include:

- Dividend and interest income from your investments
- Company pensions and Social Security
- Rental income from real estate investments
- Royalties from intellectual properties such as books, music, and apps

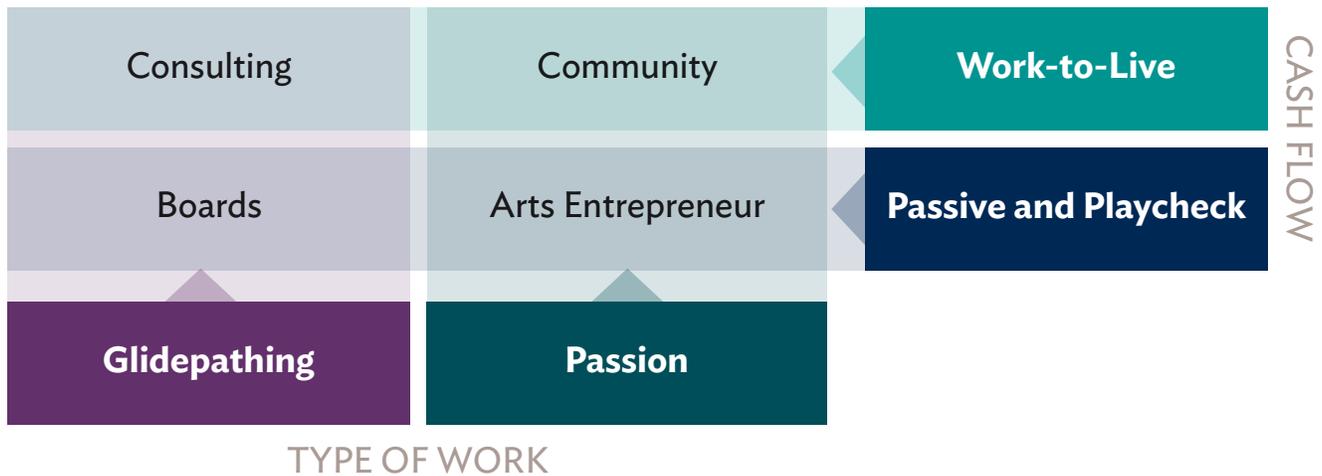
In this scenario, you no longer need to work to cover your core expenses, like keeping a roof over your head, putting food on the table,

and paying for the basic necessities (heat, electricity, property taxes, income taxes, etc.). The annual cash flow from your passive income will pay for these expenses.

Beyond that, any extra money you earn (part-time work, business income, etc.) can cover your discretionary spending, allowing you to live beyond a “survival” lifestyle. This is the money you spend on entertainment, vacations and travel, hobbies, eating out, club memberships, and other luxuries that fill your life with color, richness, and fun.

This approach works particularly well for people who have low fixed-lifestyle costs. These people often live simply, have no mortgage or rent, own cash-positive cashflow assets (like rental property) or have accrued significant pension benefits from a long career in larger organizations.

The Four Retirement Lifestyles



Glidepathing

This is a common strategy for those who want to work on their own terms. They like what they do, they just want to do less of it and, depending upon the type of work, they may continue well into their 70s, 80s, or beyond.

In a glidepath approach, the individual applies the skills, relationships, and experience they have in new, more manageable packaging. You can implement this strategy in several different ways. The simplest way to follow a glidepath into retirement is to continue working with your current employer, or with another organization in the same industry, but on a part-time basis. The classic example of glidepathing is a businessperson or professional who transitions from an employee to a consultant.

Be aware that a glidepath strategy typically involves a reduction in income and benefits, including health insurance, disability, and life insurance, so it's important to understand how these cutbacks may affect your overall financial plan.

Passion

While glidepathing is the most common and lowest-risk strategy of the two main options, many retirees choose to pursue a life-long passion or calling.

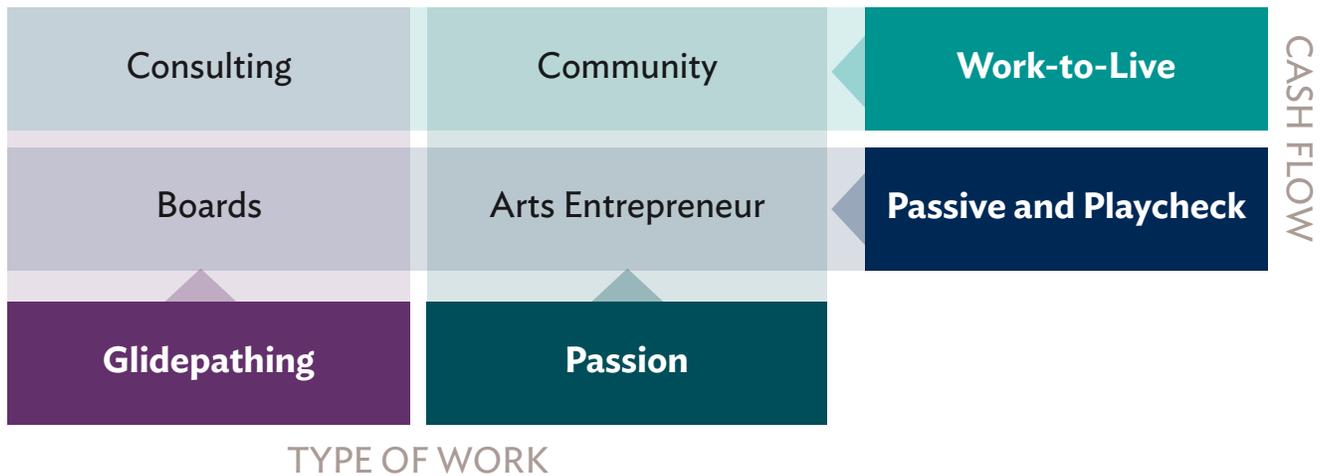
We have seen:

- A data analytics professional who started making custom furniture
- A teacher who became a fishing charter captain
- A CFO who opened a retail wine shop

These are all examples of people who left their primary career to pursue “bucket list” jobs that more directly satisfy their hobbies, personal interests, and passions. Dramatically shifting course may require some additional education, licensing, and other preparation.

Next, we'll look at how the different areas work together to create the four retirement lifestyles.

The Four Retirement Lifestyles



Work-to-Live + Glidepath

Based on our experience with clients, the most common version of the work-to-live approach is glidepathing and most people achieve this lifestyle by starting their own consulting business. They simply repackage what they’ve always done—perhaps even working in the same industry, for the same employer.

Examples:

- Fortune 500 marketing executive who switched careers to become an instructor at a local university
- A chief technology officer who left her position to become a technology consultant

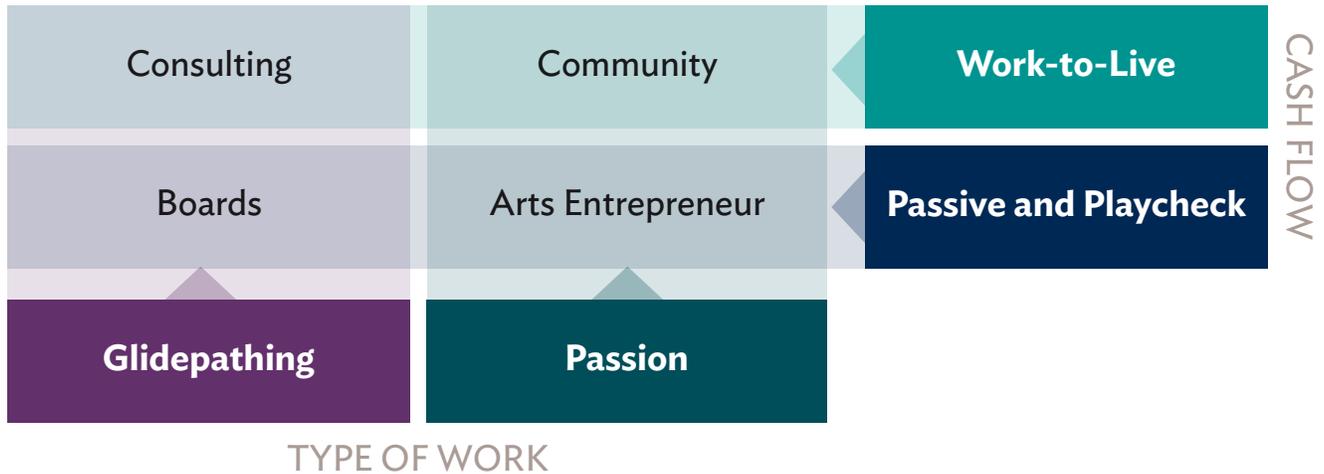
Work-to-Live + Passion

The people who can afford to be “underemployed” appear in the top right corner of the matrix. They are financially able to take a community job for the fun of it.

Examples:

- Work three mornings a week at the art museum
- Work for the local symphony orchestra

The Four Retirement Lifestyles



Passive/Playcheck + Glidepath

On the bottom left of the quadrant, you'll see the "passive income/playcheck" glidepathers. They are usually people with deep experience and expertise in a particular industry and prefer to be mostly retired while earning some fun money.

They enjoy remaining engaged and may continue this work for two or three years, or possibly indefinitely.

Examples:

- Someone who receives compensation for working as a director on a board
- A professional who becomes "of counsel" within their law, accounting, or other service firm

Passive/Playcheck + Passion

The bottom-right quadrant represents the true "passion project" people, the entrepreneurs. This group is truly a mixed bag.

Examples:

- Someone who loves to fish and becomes a fishing guide
- An artist who is handy with tools starts a business, building and selling sheds and chairs while living in his summer cottage

What Will Your Victory Lap Look Like?

As you probably noticed from the examples, the possibilities of what you can do during your retirement are endless.

Over the past decade, we have seen a growing number of people blurring the lines of what used to be well-defined chapters of work and retirement. The old idea of full-stop retirement – going from full-time employment to no employment – is now neither sustainable (people are living longer and must finance more years of retirement) nor desirable (your sense of purpose may be lost).

A Victory Lap is a complete, all-round lifestyle that that people design for themselves. In your Victory Lap, you can continue to work but have the luxury of choosing opportunities that give you what you want (i.e., purpose, paycheck), when you want it (i.e., flexible schedule). Some examples are consulting, teaching, contract work, starting a new job, working part-time from home, and a passion project.

When you work with Savant, we start by gathering information about your personal values and vision. From there, we'll work on developing your goals and the actions and strategies that will help you pursue your Victory Lap.

Throughout the rest of this workbook, we'll help you through the process of developing your own Victory Lap Plan.

Vision: What Does Your Ideal Future Look Like?

We use a three-part planning framework with our clients. It's fairly simple, and if we do things right, the final plan should fit on a single page. We call it your Victory Lap Plan. It starts with your vision, which summarizes what your ideal future looks like. You will want to be specific and concise. What are you doing, with whom, where, and how are you spending your time?

Your vision could be as simple as a sentence or two. The final vision statement will serve as your North Star to help you navigate the path ahead and make critical decisions. Here's an example of what a retirement vision could look like.

Now that the kids have moved out of the house, we want to consider moving to a warmer climate and pursue jobs where we can work primarily from home.



Answer the following questions to start your own vision statement.

VISION WORKSHEET

Who are the most important people in your life?

What do you want to be when you grow up?

Where would you ultimately like to live?

Is there anything you would like to do for the world-at-large that would make a difference?

In a perfect year, how would you allocate your time across work, leisure, hobbies, community, etc.?

What will your legacy be and how do you want to be remembered?

What would you like to start doing?

What would you like to stop doing?

Take some time to think about the answers to the questions above. Look at the example at the beginning of the section and create your own vision statement here.

Final Vision Statement

Goals: Map Out the Steps to Create Your Vision

Goal setting helps you stay focused on your long-term vision and provides short-term motivation. Goals help us grow, inspiring us to push ourselves harder than we ever imagined. Goal setting helps you evolve into the person you want to become as you pursue them. Achieving your objectives will help you grow more confident and draw on untapped potential and talents you never knew you had.

In this exercise, we'll ask you to write your own goals because the physical act of writing them on paper makes them more real and tangible.

Your goals could include:

- ▶ *Replicate current cash flow*
- ▶ *Spend more time with my family*
- ▶ *Pursue some of my hobbies that have been neglected*
- ▶ *Challenge myself to start a completely new job*
- ▶ *Make a difference in an area that I'm passionate about (i.e. religious organization or local charity)*
- ▶ *Help provide care for family members*

Getting More Specific

The more specific your goals and objectives, the easier it will be to see your vision in your mind, to measure your progress toward each objective, and to accomplish it. The number-one goal-killer is choosing a goal that doesn't match your needs, values, and vision—the things you really want. When you set a goal, make sure it's yours and not someone else's.

It's important to create specific and personalized goals. Exactly how much cash flow do you want, how much time do you want

to spend, what impact do you want to make, and where do you want to go?

Examples of detailed and specific goals include:

MONEY

- ▶ *Create a new budget and detailed plan to meet my cash flow needs, without heavily relying on my investments*

FAMILY

- ▶ *Plan two extended vacations with my family next year*
- ▶ *Attend at least 10 of the grandchildren's sporting events*
- ▶ *Eat healthy, cooking dinner at home 5 nights/wk*

COMMUNITY

- ▶ *Become more involved in the local community center and start networking with other board members*
- ▶ *Become a business mentor for the local high school's entrepreneurship program next month*

HOBBY

- ▶ *Bring in my French horn for service and set up weekly lessons at the local university*
- ▶ *Join pickleball league and play twice a week*

WORK

- ▶ *Generate \$50,000 from consulting work*
- ▶ *Work no more than 20 weeks per year*

HEALTH/WELLNESS

- ▶ *Walk 10,000 steps/day*
- ▶ *Start training for 5K run*

In the following worksheet, write the results you want to achieve. Keep the worksheet prominently displayed in an area you see every day. Reminding yourself of these goals will increase your odds of achieving them. Include at least one goal in each of the following categories: Money, Family/Friends, Community, Hobbies, Work, and Health/Wellness.

GOALS WORKSHEET

MONEY

FAMILY/FRIENDS

COMMUNITY

HOBBIES

WORK

HEALTH/WELLNESS

What Actions do You Need to Take Now to Set Your Plan in Motion?

You may have noticed we haven't talked much about numbers and money, but that's intentional. Your financial resources are merely a tool to help support your vision and goals. We need to clarify your retirement vision and goals before we start making financial decisions. Now that we've done that, we can move onto financial planning action items.

Your Personal Net Worth Statement

Creating a personal net worth statement is the first step in understanding your financial resources. The formula for figuring out your net worth is an easy equation:

Assets - Liabilities = Net Worth

Assets include things like checking and savings accounts, real estate and/or cars you may own, and your retirement and investment accounts. Liabilities include your mortgage, credit card debt, and student, auto, or other loans you may have outstanding. Simply put, net worth is what you own minus what you owe.

Why is this number important? If your net worth is growing, you know you're headed in the right direction. If it isn't, knowing your net worth can serve as a wake-up call, letting you know that you should be paying down debt and saving more.

Your net worth is a benchmark you can use to start thinking about an overall plan to start your next chapter. Once you complete your net worth statement, you may want to update it every year to gauge your progress. The next two pages include our Net Worth Worksheet to get you started.



Net Worth Worksheet

Liquid Assets *(Checking Accounts, Savings Accounts, Money Market, Certificates of Deposit)*

Description	Owner	Value	Date
Total			

Investment Assets *(401(k), IRA, Roth IRA, Brokerage, Trust)*

Description	Owner	Value	Date
Total			

Insurance Policies and Annuity Contracts *(Whole Life, Universal Life, Term Life, Variable Annuity, Fixed Annuity)*

Description	Owner	Value	Date
Total			

Net Worth Worksheet (continued)

Personal Use Assets *(Residence, Second Home, Vehicles, Personal Property)*

Description	Owner	Value	Date
Total			

Business Assets

Description	Owner	Value	Date
Total			

Combined Total Assets: _____

Liabilities

Description	Owner	Value	Date
Total			

Assets - Liabilities = Net Worth: _____

Critical Components of Your Victory Lap Plan

Now that you have a broad understanding of your net worth, it's time to look at more detailed information.

If you are at this career crossroads in your 50s or 60s, you need to solve for five critical financial components. Other components may also exist but these are the non-negotiable financial issues you need to consider: A solid retirement plan is critical to providing confidence that you can pursue the lifestyle you desire.



Cash Flow and Sustainability

This financial area is crucial to understand prior to making any major decisions. You need to know how much you spend each month/year on fixed expenses and create a discretionary bucket for spending. Many people simply do not budget, so focusing in this area will help you get an understanding of which expenses are fixed or required and which ones are more flexible and discretionary. Create a list and start with your spending needs, such as housing, transportation, and other living expenses. Once you've completed this section, start listing the items that would be nice to have, or your "wants." You can then begin to see how your "wants" match your financial resources. In addition to any employment earnings, you may have cash flow from pensions, Social Security, rental income, or your investment portfolio. To feel confident, we suggest you use a robust calculator or work with a CERTIFIED FINANCIAL PLANNER™ professional, or CFP® to plot these numbers and test whether they will work. This will tell you if you are financially independent and, if not, what else you need to do to gain financial independence. The following budgeting worksheet will help you get started.

Shortcut option:

If you don't want to do a detailed budget, that's ok. Start with the amount of after-tax cash you receive today. Then adjust for expenses that may increase (travel and hobbies) or decrease (mortgage and education expenses) in your next chapter. This will provide a rough estimate of the cash flow you will need to support yourself in the next chapter.

Budget Worksheet

Personal Expenses	Monthly Cost
Cell Phone	
Charitable Donations	
Clothing	
Club Dues	
Credit Card Payment	
Dining Out	
Entertainment	
Gifts	
Groceries	
Healthcare	
Hobbies	
Household Items	
Laundry/Dry Cleaning	
Miscellaneous	
Personal Care	
Pet Care	
Recreation	
Vacation/Travel	
Other	
Total Personal Expenses	

Vehicle Expenses	Monthly Cost
Car Payment	
Insurance	
Fuel	
Repairs/Maintenance	
Parking/Tolls	
Total Vehicle Expenses	

Home Expenses	Monthly Cost
Mortgage/Rent	
Association Fees	
Cable/Satellite TV	
Electricity	
Equity Line	
Furniture	
Gas/Oil	
Homeowner's Insurance	
Internet	
Lawn Care	
Maintenance	
Real Estate Tax	
Telephone (Land Line)	
Trash Pickup	
Water/Sewer	
Other	
Total Home Expenses	

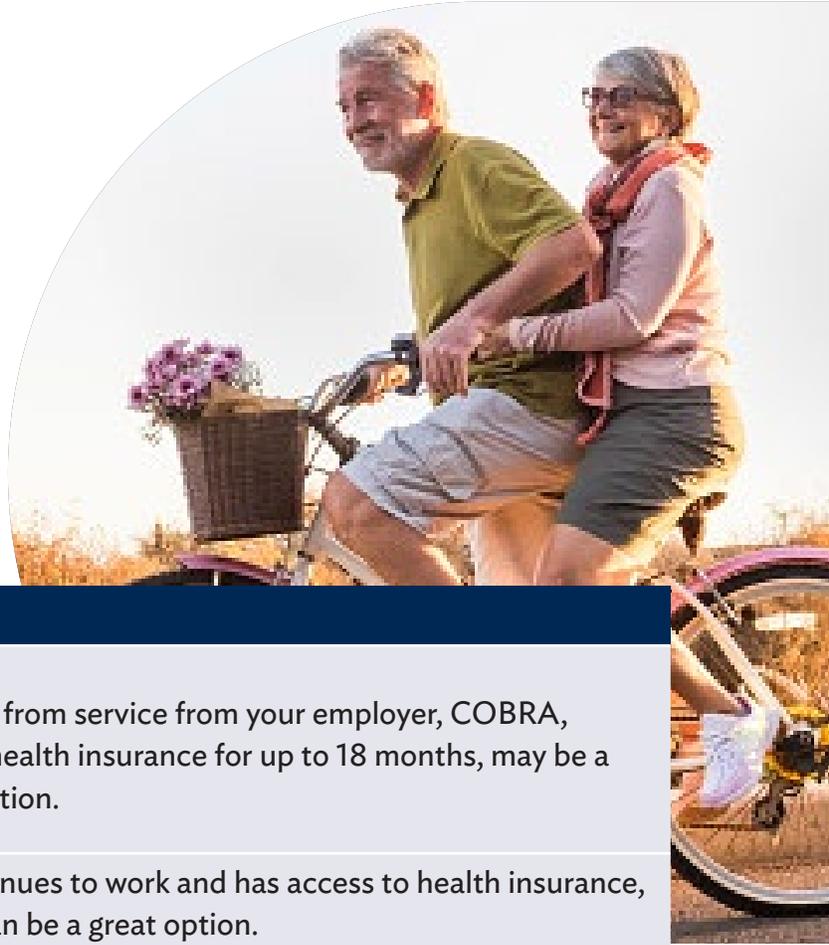
Insurance Expenses	Monthly Cost
Disability	
Life	
Long-Term Care	
Medical	
Umbrella	
Other	
Total Insurance Expenses	

Grand Total	Monthly Cost
Personal Expenses	
Vehicle Expenses	
Home Expenses	
Insurance Expenses	
Grand Total	

2

Healthcare

If you have not reached age 65, you need a plan for healthcare coverage until you're eligible for Medicare. Consider all possible healthcare options for yourself and your family.



Options	Explanation
<p>Consolidated Omnibus Budget Reconciliation Act (COBRA)</p>	<p>When you separate from service from your employer, COBRA, which can provide health insurance for up to 18 months, may be a good short-term option.</p>
<p>Spousal/Partner Coverage</p>	<p>If your spouse continues to work and has access to health insurance, spousal coverage can be a great option.</p>
<p>Affordable Care Act (Sometimes called “Obamacare”)</p>	<p>These policies have become popular, especially among those who qualify for the tax subsidies. A nice benefit from taking a non-traditional approach to retirement is that you might have the ability to manage your income to maximize the value of these benefits.</p>
<p>Private Market Policy</p>	<p>If you are shopping the Affordable Care Act or private marketplace, we recommend working with a professional agent to help walk you through that process.</p>
<p>Part-Time Employment</p>	<p>Some people receive affordable health insurance benefits from part-time work. For example, Starbucks allows part-time employees working as little as 30 days in a three-month period access to health insurance benefits. You may find opportunities with small employers to negotiate coverage as part of your compensation.</p>
<p>Medicare</p>	<p>Most Americans age 65 are eligible for Medicare Part A, which provides hospitalization insurance, without cost, if they have been employed and paid Medicare taxes. Medicare Part B provides medical insurance and requires that premium payments be made, based on income.</p>



Retirement Accounts and Benefits

Before you make any big moves, understand how your retirement accounts and employee benefits will work together. You will need to consider the critical milestones, ages, and vesting schedules and coordinate them into your plan.

Company Retirement Plan

Your 401(k) or 403(b) account is likely one of your largest financial assets. If you plan to tap into it, know the rules. Up until age 59½, any distributions from your retirement account will be taxable and subject to an additional 10% early withdrawal penalty. However, a special provision allows you to avoid the penalty if you separate from service after age 55, and those dollars remain in the 401(k). If you roll over those funds, you could lose penalty-free access.

Company Stock

If you hold company stock in your retirement account, you may experience a substantial tax savings opportunity from a somewhat obscure provision called “net unrealized appreciation” (NUA). Essentially, NUA allows some of your company stock to receive lower capital gains tax treatment versus ordinary income tax treatment.

Executive Compensation

Many professionals receive some sort of bonus or incentive plan. Consider maximizing the value and vesting of these bonuses into

your exit plan. The same holds true with equity compensation like restricted stock units (RSUs) and stock options. Proactive tax planning is essential when incorporating these stock options into your plan because the last thing you need is an unfortunate surprise due to bad timing.

Pension

If you have a pension, review the vesting and age milestones. Hitting some of those thresholds, like 55 or 60 years of age or 25 years of service, can have a large impact on your benefits. You’ll also need to elect how you want to receive those benefits, which could be a single-life annuity, joint-life annuity, or perhaps a lump-sum rollover.

Social Security

Even though this is a government benefit, not an employer benefit, it is still a valuable retirement asset. Be sure to integrate it into your plan and optimize your claiming strategy to maximize your lifetime benefits.

Benefits Timeline

We can’t stress the importance of timing and deadlines enough. You’ll need to strategically manage many moving parts, each with its own deadlines and key milestones. We’ve provided a basic timeline at the top of the next page to help you complete this worksheet.

Immediately following is a list of key ages between 50 and 65 and a series of blanks to complete. Take the information about the deadlines of your company benefits, Social Security, and Medicare and fill in the blanks on the list. Then, mark the key ages on the timeline at the top.



Multi-Year Tax Strategy

Until now, you likely have not had much control over your taxable income because you reported it on your W-2 form. But your tax return could look considerably different as you transition into this new chapter, and you might find yourself with more control over the source of your income, the amount, and the timing. This presents a huge opportunity. We call this period between the end of your traditional retirement and age 70 your strategic tax window, because it's likely you will have more control and opportunities for tax savings.

The first thing to do when you enter this strategic tax window is to forecast your income and tax rates over the next 5-10 or more years. A fundamental strategy is to minimize lifetime taxes by looking for high points, low points, and the equilibrium. You can accomplish this in several ways.

Roth Conversion

Converting pre-tax IRA dollars into a Roth IRA is a popular strategy, especially if you have relatively low marginal rates in a given year. You can opt to pay that low tax now and leave the money in the account to grow tax-free over the course of your lifetime. The cash in this account will not be taxed upon withdrawal. Your heirs can even enjoy up to 10 years of tax-free growth and distributions after you pass away.

Capital Gain Recognition

You may also experience opportunities to trade out of concentrated stock positions if you own large amounts of company stock, or other positions that have high unrealized capital gains, at capital gains rates of 15% or even 0%, should your taxable income fall under certain thresholds.

ACA Subsidies

Another great tax-savings opportunity involves managing your income to capture the premium tax credit on an ACA health insurance plan. These subsidies can easily amount to \$10,000 or more for a married couple.

If you are on the other end of the spectrum and anticipate you will be in a relatively high-income tax bracket, you can employ a different set of strategies. Finally, if you are still employed and covered through a deferred compensation program, you can shift income out of high-tax years and stretch the income over multiple lower-tax years.

Tax-Smart Charitable giving

You can fund multiple years of future charitable giving in your highest-tax years, while still maintaining control of when and where those charitable dollars go, through a donor advised fund (DAF). You can also get a second tax advantage with this strategy by using appreciated stocks to fund your DAF and wipe out gains. For instance, if you plan to contribute \$10,000 per year for 10 years, instead donate \$100,000 of appreciated securities in your highest tax year to get the deduction up front, eliminate the embedded gain on the contributed assets, and you'll be able to control

when, where, and how much of those funds are distributed to charity each year.

Your Tax Timeline

In the next step, we'll plot your life from age 55 to 75 and examine the tax brackets and corresponding life stages.

In the illustration below, you'll notice that there are four tax zones — High (red lines); Medium (orange lines); Low (purple lines); and Zero (green line). Along your retirement timeline, there are three typical phases – Peak Earning Years, Victory Lap, and Auto-Pilot. Forecasting your income and assets into the future can help to estimate what tax zones you'll encounter in the various stages of retirement. Determining your long-term Auto-Pilot tax zone will help you make informed decisions about tax strategy in the preceding years.

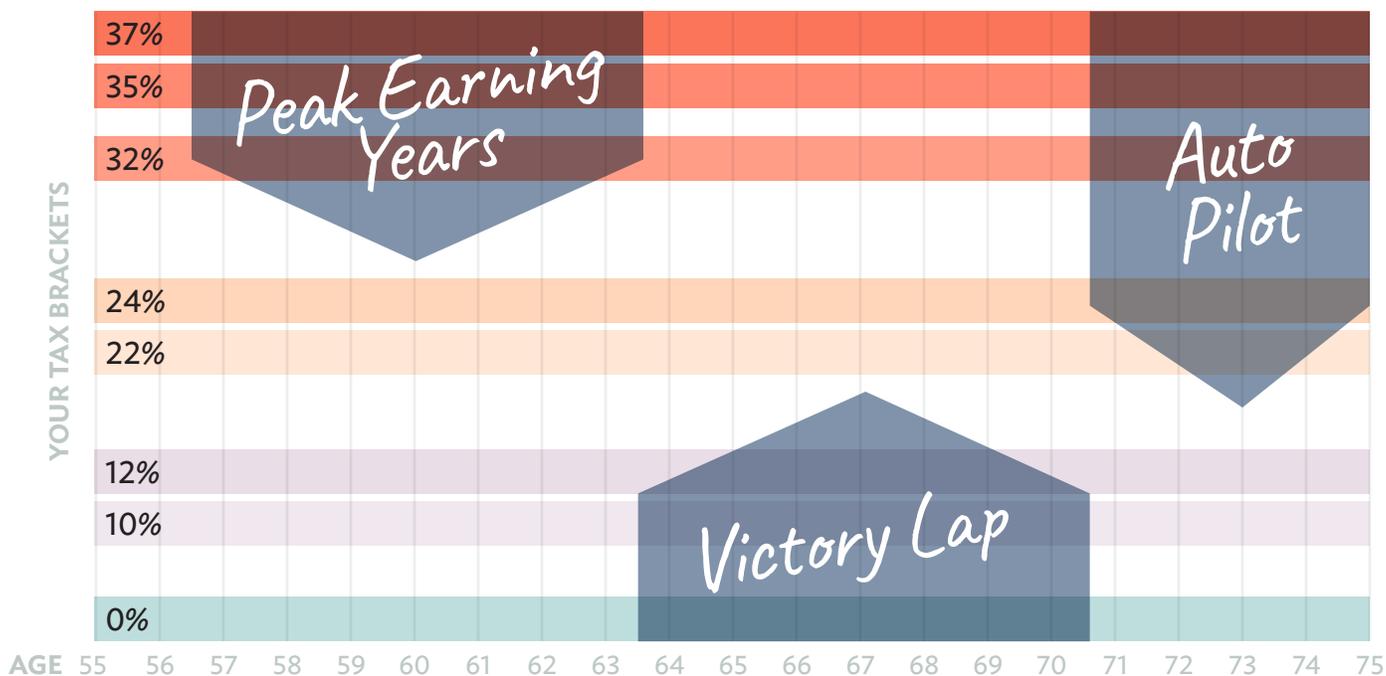
In relatively high tax-bracket years, you'll want to focus on maxing out your deductions

and deferrals to lower your income.

Traditional retirement accounts and deferred compensation are the primary mechanisms for deferring income. Large deductions, like charity, are also most valuable to you in these high-bracket years.

In relatively low tax-bracket years, you can increase your recognition of income through Roth conversions, IRA distributions, and gain harvesting. You'll want to forecast your Auto-Pilot rates and fill up any brackets below that level. Deferring Social Security during the retirement transition can have the added benefit of freeing up even more space for strategic income recognition prior to age 70.

Take a moment to think about your transition into retirement and mark your Peak Earning Years, Victory Lap, and Auto-Pilot Phase on the illustration.





Investment Alignment

Your overall portfolio allocation and investment mix can make or break the entire plan. You need to test your overall risk level, or the mix of stocks and bonds, to make sure your future expected return is high enough to keep up with inflation and supply the growth you need. Your personal comfort level with risk should be in line with the amount of risk you are taking in your investment portfolio. If not, the discrepancy may jeopardize your long-term portfolio sustainability. It's a delicate balance. Dialing in the right mix of cash reserves is very important too, especially if you are moving into a situation with less predictable cash flow, but there is a balance. You need to avoid carrying too much cash as that will likely hurt you down the road given the minimal interest expected on cash.

The tax buckets in which you hold your investment assets also play a role in your long-term tax efficiency. You may have a pre-tax IRA bucket, a Roth IRA bucket, and taxable bucket. The different assets, like stocks, bonds, and real estate, have different tax treatments.



Other Planning Questions to Consider

We've covered the five critical components of your Victory Lap Plan. Even beyond these, there are additional planning questions to consider prior to making your transition:

- Will you need additional education to pursue a new career path, or are you still paying your children's college tuition?
- Are you charitably inclined? If so, how can you maximize your tax deductions while in a high tax bracket and pre-fund some of your future gifting?
- When and how will you pay off your mortgage?
- Should you refinance your mortgage?
- Do you have any potential inheritance to consider?
- Do you want to leave a financial legacy for your kids, family, and/or charity?
- Do you need to consider placing or keeping current life insurance policies to ensure these goals are met and your family can thrive if you die prematurely?



Pulling it All Together: Your Victory Lap Plan

It's time to combine all these elements into one, concise action plan. We'll walk you through the process of taking your final vision, goals, and actions from the previous pages and creating your own plan.

Vision	Goals	Action
<i>Afford a lifestyle that includes travel, more time with family, and inspiring work.</i>	<i>Replicate current cash flow.</i>	<i>Create a new budget and detailed plan to meet my cash flow needs, without heavily relying on my investments.</i>
<i>Spend more time with family and friends.</i>	<i>Proactively plan more time on my calendar to reconnect with family and friends.</i>	<i>Plan two extended vacations with my family next year / Attend at least 10 of the grandchildren's sporting events / Eat healthy, cooking dinner at home 5 nights/wk.</i>
<i>Leave a legacy through giving back to causes that mean the most to me.</i>	<i>Make a difference in an area that I'm passionate about (i.e. religious organization or local charity).</i>	<i>Become more involved in networking with other board members / Become a business mentor for the local high school's entrepreneurship program next month.</i>
<i>Enhance my life by revisiting some of my favorite hobbies.</i>	<i>Pursue some of my hobbies that have been neglected.</i>	<i>Bring in my French horn for service and set up weekly lessons at the local university. / Join pickleball league and play twice a week.</i>
<i>Create more balance between work and my personal interests.</i>	<i>Challenge myself to start a completely new job.</i>	<i>Generate \$50,000 from consulting work. / Work no more than 20 weeks per year.</i>
<i>Increase my longevity and vitality by taking better care of myself.</i>	<i>Improve my physical health through more exercise.</i>	<i>Walk 10,000 steps per day./ Start training for 5K run.</i>

Your Victory Lap Plan

Vision	Goals	Action

Where to Get Started

If you would like additional educational resources to plan your next chapter, or if you are looking for guidance and advice, Savant can help.

Training on Your Own

Find information and tools specifically created for professionals in transition at our [Rethinking Work and a Traditional Retirement page](#).

Looking for a Guide?

I want to help successful professionals like you map out a course to what's next by guiding you through our VICTORY LAP PLANNING PROCESS.

The Victory Lap Planning Process

Consult: Complimentary consultation to get acquainted and verify if Victory Lap Planning is a good fit for you.

Discover: Discuss where you want to go and the things that matter most to you. Of course, we'll cover all the financial details too.

Explore: Distill the information we collected in the Discovery session and create actionable financial planning strategies, helping chart a course for your Victory Lap.

Execute: Get Set—Go! It's time to pursue your Victory Lap. Take your plan and run with it on your own or we can continue working together in an ongoing relationship.



Schedule Your Victory Lap
Planning Consultation



Justin D. Smith
CAP®, CFA®, CFP®

Financial Advisor

jsmith@savantwealth.com

**Savant Wealth
Management**

Phoenix, Arizona

About Savant Wealth Management

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