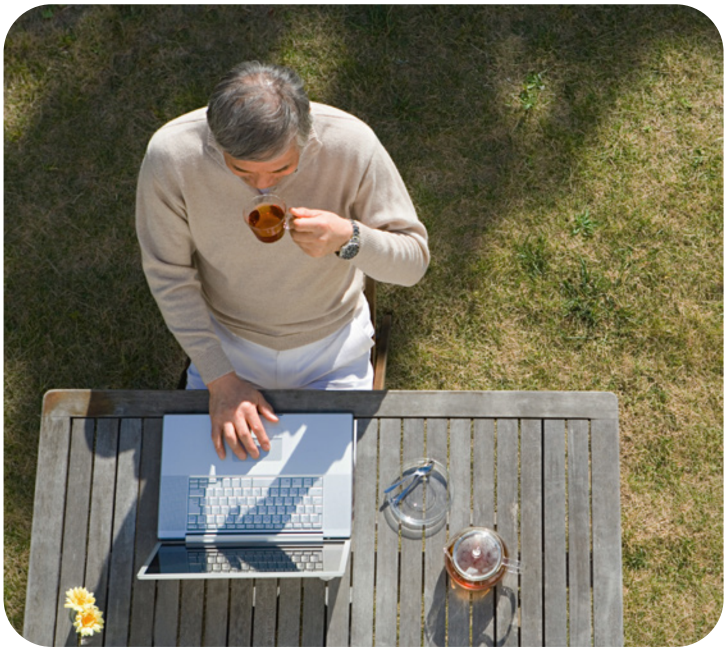

Nearing Retirement Planning Checklist & FAQ

As you near retirement, you undoubtedly have a million things that start to run through your mind. While the thought of retirement can be an exciting time, it can be somewhat intimidating as well. To help guide you through this process, review the following checklist and frequently asked questions.

Life in Retirement

- [ ] If you haven't already, start to think about what retirement "looks" like for you. Be sure to outline any major lifestyle expenses that you foresee in retirement (travel, vacation home, etc.).
- [ ] Although the average life expectancy is 81 for women and 76 for men*, consider your personal health and situation when determining how many years you may spend in retirement.
- [ ] At what age would you like to retire?
- [ ] Do you plan to work during retirement? If so, how much and for how long?
- [ ] Do you plan to keep your existing home or sell and downsize?
- [ ] See how much you may receive from Social Security. Create an account at *ssa.gov/myaccount* to view your projected Social Security benefits..
- [ ] Familiarize yourself with any health insurance that you may need in retirement (along with associated costs).
- [ ] Ensure any estate planning documents are up-to-date and that beneficiaries on your retirement plan accounts match what is reflected in those documents.

Income and Expenses

- [ ] Create a retirement budget that will list all income and expenses you plan to have in retirement.
  - Include anticipated assets that you plan to draw upon for income in retirement i.e., retirement plan accounts, pensions, Social Security, IRAs, savings, life insurance, annuities, etc.
  - Break out your expenses into normal living expenses, planned expenses (i.e., yearly travel) and unexpected expenses. Be sure to consider other potential costs such as long-term care if a family member is unable to care for you.
- [ ] Sign in to your my Social Security account to find out your projected benefit amount at the age you plan to retire.
- [ ] Be sure to include any health insurance costs.

When assessing your retirement income, a general rule of thumb is that you'll need to replace about 80% of your working income.**

Withdrawal Strategies

- [ ] Based on your budget, estimate your total monthly expenses to determine how much monthly income you may need.
- [ ] Utilize the Retirement Pathfinder® tool to run a retirement income analysis based on different market scenarios and assumptions. You can access this tool by logging in to *metrowaterdistrict.corebridgefinancial.com*. If you haven't already created an account, be sure to *Register* for online access.
- [ ] Review the results with a financial professional and determine if you're on track or if you may need to make modifications to your plan or overall strategy.

Frequently Asked Questions

1. At what age can I begin drawing Social Security (if eligible)?

You can begin drawing Social Security as early as age 62. However, the amount you receive may vary depending on your birth year and months until retirement. To find out more, visit *ssa.gov*.

2. Will I pay federal taxes on my Social Security income?

Possibly. It depends on your filing status and total combined income in retirement. To learn more about this, visit *ssa.gov*.

3. At what age can I begin drawing from my Metropolitan Water Reclamation District of Greater Chicago 457(b) Deferred Compensation Plan account?

You can begin withdrawals from your 457(b) as soon as you separate from service with the District.

4. What are my distribution options?

The plan offers the following distribution options:

- Electing systematic (i.e., monthly, quarterly, etc.)
- Taking a lump-sum distribution
- Transferring or rolling over your account balance to another plan that accepts transfers of rollovers

Please note that upon severance of employment (including retirement), you are allowed to leave your money in the plan so that it can continue to grow on a tax-deferred basis. You are only required to begin taking distributions once you reach the Required Minimum Distribution (RMD) age of 73 (age 72 if born after June 30, 1949 and before January 1, 1951 & age 70½ if born before July 1, 1949).

5. Will I pay taxes on my 457(b) income during retirement?

Pretax contributions made to the plan will be taxed upon withdrawal. If you made after-tax (Roth) contributions to the plan, your withdrawals will be tax free if you are at least age 59½ and your account has been open for at least five years.

6. How do I initiate my retirement withdrawals?

To initiate a withdrawal from your retirement plan account, you can visit *metrowaterdistrict.corebridgefinancial.com* or reach out to a member of the Client Care Center at 1.800.448.2542.

For questions on any of the above, contact a member of your plan's financial professional team by visiting *metrowaterdistrict.corebridgefinancial.com* and clicking on **"Contact us."**

Important considerations before deciding to move funds either into or out of a Corebridge retirement services account

There are many things to consider. For starters, you will want to carefully review and compare your existing account and the new account, including: fees and charges; guarantees and benefits; and, any limitations under either of the accounts. Also, you will want to know whether a surrender of your current account could result in charges. Your financial professional can help you review these and other important considerations.

*Unisex Life Expectancy at Birth and Age 65. Actuarial Note. May 2024. Social Security Administration, ssa.gov.

**"How Much Money Do You Need to Retire?" December 4, 2023, AARP.org.

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