



Navigating Retirement Planning

While retirement planning is a key part of almost everyone's financial journey, it can look very different depending on your age and how close you are to this milestone. The financial to-dos of a 26-year-old will likely differ from those of a 45-year-old, though the aims of both are just as important. Another way to look at it is by career stage. If someone began their career late or is starting over for any number of reasons, it could take a few years longer to reach certain targets. That said, everybody wants to be confident that they are on track to achieve their goals, including having a solid, attainable retirement plan in place.

This is where My Secure Advantage® (MSA) comes in. Brought to you by [LiveMagenta](#), MSA is a comprehensive financial wellness benefit provided to you and your family by T-Mobile. You have year-round access to unbiased, personalized coaching from a team of experienced, credentialed professionals, who can speak to retirement planning considerations at every age and just about any other financial topic that may be top of mind for you. Other key points include:



Conversations with a Money Coach, and all shared details about your finances, are always kept confidential.



Coaches have nothing to sell. Their only job is to help improve your financial life and empower you to reach your goals.



Coaches provide expert guidance in ongoing 30-minute sessions over the phone, Monday - Friday, 6am - 8pm PT.

Want to learn more?

Click [here](#) to read about MSA, or [here](#) to watch a quick overview video.

Schedule an appointment today and take control of your financial future!

Online

Visit livemagenta.mysecureadvantage.com

Click [Schedule Appointment](#)

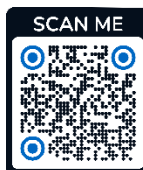
Select Topic [Retire Comfortably](#)

By Phone

Call [888-724-2326](tel:888-724-2326) (M - F, 6am - 5pm PT)

Ask to schedule an appointment with a

[Retirement Specialist](#)



Retirement Planning By Life Stage

No matter your age or where you are on your retirement planning journey, your personal Money Coach is ready to answer questions and discuss options, helping you to confidently realize your retirement objectives and reach other key financial milestones along the way.

Early Career

(Early 20s - Late 20s)

Establishing Your Financial Foundation

Time, combined with the power of compounding, are among the most powerful wealth builders.

The most important decision you can make in your 20s is to begin strategically saving now!

[Learn More!](#)

Mid-Career

(Early 30s - Mid 40s)

Balancing Financial Priorities

At this stage, you're likely juggling many competing financial demands, besides saving for retirement. Learn how to plan for a successful retirement long before you near the end of your career.

[Learn More!](#)

Late Career

(Mid 40s - Mid 50s)

Getting Real About Retirement

Have you done all you can to plan for retirement? Double check now. If you discover that you haven't, it's time to get in full swing. Determine where you stand and the next steps to achieve your retirement goals.

[Learn More!](#)

Pre-Retiree

(Mid 50s - Mid 60s)

Preparing for Financial Independence

If retirement is coming into view, so are topics like Social Security, health care costs and how to go from growing your nest egg to successfully living off of it. Make sure you're fully addressing the important decisions that lay ahead.

[Learn More!](#)

Early Career (Early 20s – Late 20s)

Establishing Your Financial Foundation



Whether you're saving early and often, systematically adding to your savings and investment accounts, or staying the course during periods of market uncertainty, time has the power to turn small habits into big results.

Don't wait to get started! Reach out to an [MSA Money Coach](#) for unbiased guidance to help you understand all of your opportunities for managing your money now and saving for your future.

When should you start retirement planning? In a word, 'now.' In three words, 'in your 20s.' The earlier you start, the more time your money has to grow. One of the most powerful principles of wealth creation is the power of compounding. Not only is compounding an incredible wealth builder, it's also simple to do. Essentially, this is the increased value of an asset resulting from re-investing earned interest and dividends over time.

Knowing this, the most important decision that you can make in your 20s is to start saving now. Consider taking these key actions.

Identify and prioritize your financial goals.

What do you imagine for your future? Buying a home? Being free of student loan debt? Whatever it may be, defining specific financial aims will make them much more likely to happen. Remember, these don't have to be set in stone. In fact, you'll likely revise them throughout your life. Categorize each one as short-, mid- or long-term, then prioritize each as being critical, a need, or a want. If funds become tight one month, you'll know where to put your money. Some goals may not have any current savings. That's okay. Just getting started is a big step in the right direction.

Establish an emergency fund.

Having at least \$1,000 set aside for unexpected expenses, regardless of your financial position, is extremely important. Start building an emergency fund – roughly equal to 3–6 months' worth of must-pay expenses – so you don't have to rely on credit cards, or worse, your retirement savings, to cover unexpected costs. Don't worry about funding it all at once; set a monthly target for yourself and work toward it over time.



Pay yourself first.

While saving as much as you can comfortably set aside may make logical sense, it isn't always easy to do. Self-control and delayed gratification are not skills most of us are born with, so force the issue and pay your future self first. Set up automatic payroll deductions that deposit directly to savings, investment and/or retirement accounts. Your instinct to save will get stronger as you do it.

Create and stick to a workable budget.

Funding goals begins with managing your day-to-day expenses and planning ahead to cover those that may not occur every month. Analyze and track your spending to figure out where your money is going. Rank essential recurring costs over optional ones.

Don't let expenses and debt become excuses for not creating a workable savings strategy. If you decide to make some cuts to your monthly spending, it's important to follow through and allocate these funds toward paying off debt or bolstering savings to achieve your short and long-term financial aspirations. Spending less than you earn is key to making a budget work in your favor!



Avoid or limit debt.

Debt gets in the way of funding other goals. Think carefully before incurring any type of debt. Whether it is an auto loan, mortgage or a credit card, make sure you are living within your means. If you ultimately decide to take on debt, work on your budget to be sure the payments are affordable given your income.

Understand your retirement savings options.

Learn how the [tax-advantaged savings accounts](#) provided by your employer work; know the difference between pre-tax and Roth alternatives. If your plan has an 'auto-increase' feature, you may want to sign up to automatically increase your contributions as your income rises. If your employer fully or partially matches your contributions, try to contribute enough to get the full match – otherwise, you are leaving free money on the table. If you change jobs, think about the long-term, and resist the temptation to cash-out retirement accounts.



Take advantage of all of your employer-provided benefits.

In addition to your company match for retirement accounts, consider working towards maximizing your annual contributions to other tax-advantaged offerings at work, including a [Health Savings Account \(HSA\)](#), if available to you. Additionally, you may want to learn more about your company's [Employee Stock Purchase Plan \(ESPP\)](#) and [Employee Stock Grants](#).

Build a strong credit profile.

Having good credit can open many doors for you down the road, such as qualifying for the lowest interest rates on a new car loan or a future mortgage on your first home. The earlier you start building credit the better. One way to do this is to open a credit card and use it to pay for essentials (like gas or food). Then – and this is important – by making timely payments for the full balance due each month, you will demonstrate an on-time payment history and will have only purchased need-to-have items that you would have bought anyway.

Mid-Career (Early 30s – Mid 40s)

Balancing Financial Priorities



As your salary increases so will your opportunities for spending, investing and saving for both near and longer term priorities. Increase your confidence that you're on a path to enjoy your success today while also taking actions to secure your future.

Partner with an [MSA Money Coach](#) to create a plan that embodies your values, priorities and goals – one that reflects and works with your life.

One of the challenges of moving into your prime earning years is the tendency to spend more as you make more. If you're not careful, you can easily fall prey to lifestyle creep. This happens when increased income leads to increased discretionary spending. Lifestyle creep can take the form of an ever-escalating taste for the finer things or a growing slate of regular expenses that sap money from your savings account.

Lifestyle creep can feel like progress. And in fact, continuously improving your lifestyle isn't a bad thing, as long as you're also minding your financial health and working toward long-term goals. To keep discretionary spending in check, consider these strategies:

Make the most of your cash.

Saving and investing while covering expenses can be a delicate dance, especially when it feels like financial responsibilities are multiplying. Understand what you're really spending each month. Create a realistic, systematic plan to save for shorter-term aims, such as vacations, home maintenance and taxes, plus longer-term goals like funding your kids' college education. Resist the urge to cut back on retirement savings to meet other expenses or accommodate other priorities.

Strategize your debt.

Before you borrow, carefully analyze the impact that major purchases may have on your cash flow. If you have debt, the strategies you put in place now can shape how quickly you can pay it off. There's no precise formula for getting out of debt fast, and your financial situation will dictate the best approach. It's critical to get as much of this debt behind you as possible at this stage in life, but don't neglect to invest while paying down debt. The rewards of investing can be substantial the earlier you begin.



If you have a mortgage, consider your long-term plan.

Maybe you intend to relocate, downsize or stay in your home during retirement. Do you want to have a mortgage after you retire? Paying it off beforehand could make sense from a budgetary standpoint. Refinancing may also be an option in some situations, though it's important to understand the consequences of using your home to pay for things that wouldn't otherwise fit within your budget.

Maximize your company-sponsored retirement accounts. [T-Mobile 401\(k\) Savings Plan](#)

Now is the time to stay focused on maximizing your retirement savings and not let competing priorities get in the way. Think in terms of percentages, not contribution limits, as your income grows. If you want to save beyond the maximum annual salary deferral contribution, T-Mobile's Plan allows for 'after-tax' contributions. The plan allows Roth In Plan Conversions. Click [here](#) for more information about the Roth In Plan conversion feature.

Additionally, you may want to investigate and participate in your company's [Employee Stock Purchase Plan \(ESPP\)](#) and [Employee Stock Grants](#), if you aren't already doing so.



Don't overlook Health Savings Accounts, if you're eligible.

[HSAs](#) offer a triple tax benefit: a tax deduction on the contributions, tax-free investment growth and tax-free withdrawals when used to pay for qualified healthcare expenses. This can also be one of the best retirement accounts available, provided you contribute to it annually and pay your medical expenses out of pocket, allowing your contributions to be invested with the potential to grow tax-free.

Understand the importance of tax diversification.

Unlike traditional 401(k)s that allow pre-tax contributions but have taxable withdrawals, a Roth 401(k) allows you to contribute after-tax funds and then make tax-free withdrawals as a retiree. This is a key distinction. Look at the balance between traditional (pre-tax) and Roth (after-tax), and traditional after-tax in your retirement accounts, factoring in your current income and time until retirement.



In general, Roth 401(k) rules allow you to make "qualified" (or penalty-free) withdrawals of both contributions and gains after age 59 1/2, as long as your first contribution to your account was at least five tax years earlier.

Save outside of your company-sponsored retirement accounts.

Once you reach your maximum annual contribution limits for tax-advantaged options through your company, identify other ways to save, such as making after-tax contributions, contributing to a Traditional or Roth IRA, participating in an [employee stock purchase plan](#) and/or deferred compensation plan (if available to you) or funding a taxable brokerage account.

Develop an investment plan.

Your investment plan should take into account your current financial situation and goals for the future. It's also important to define your timeline and how much risk you're willing to take in order to determine your optimal asset allocation. Explore the types of investments and diversification strategies that will work best to achieve your objectives. Annually, review your investments and allocations to ensure they remain aligned with your objectives and risk tolerance. If your asset allocation has shifted, evaluate rebalancing. Seek professional investment advice if you need it.



Plan for the unexpected.

Insurance. If anyone depends on your income, make sure you have an adequate amount of life insurance in place. Disability insurance can protect at least some of your income if you can't work for an extended period because of an illness or injury. If your company provides [life](#) and/or [disability](#) insurance, assess if it makes sense for you to supplement these coverage amounts.

Create an estate plan. Documents like a will, healthcare directive, as well as healthcare and financial powers of attorney can protect you, your family, and your possessions. If you have minor children, an estate plan is crucial because it allows you to name the kids' guardian in the event of your death – otherwise the decision could be up to the state. It's important to designate someone who can make healthcare and financial decisions on your behalf if you're not able to do so for yourself. A complimentary resource available through The Hartford to assist with will creation or will editing can be found [here](#).



Designate beneficiaries on retirement accounts, annuities, and life insurance policies. Beneficiary designations may supersede instructions in your will or trust, so be sure they are kept up to date.

Late Career (Mid 40s – Mid 50s)

Getting Real About Retirement



Are you wondering: When can I retire? How much money do I need to retire? What if I'm falling short? How long will my retirement savings last?

Work with a [Coach](#) to clarify and successfully navigate your retirement options, as well as determine if any near-term 'course corrections' could be beneficial to the long-term success of your retirement plan.

By your mid-40s, it's time to ask yourself whether you've done everything you can to plan for retirement. You may have established some financial goals, invested in your workplace retirement accounts, and set aside money for a rainy day. If you haven't, or if you have experienced something to derail your plans, now is when to get back on track.



Verify that you are on track to reach your retirement goals.

After a decade (or maybe two) of saving for retirement, it's a good time – at a minimum – to plug in the amount that you've accumulated into an online calculator to get a rough estimate of what it might grow to by the time you plan to retire. That way, if the numbers give you pause, the opportunity to make needed course corrections is still available.

Make the most of employer savings options.

When you have the opportunity to earn compound returns while also enjoying a tax benefit – as with your [employer retirement savings plans](#) – you may want to consider doing so. If your retirement nest egg isn't projected to be quite big enough, think about making "catch-up" contributions, allowed when you're 50 or older. If offered, also look into [Health Savings Accounts \(HSAs\)](#) – thought by many to be one of the most tax-preferred vehicles around. HSA funds do not expire; instead, they roll over from year to year. If you can pay for medical expenses without tapping into your account, you can save the money in your HSA to use in the future, even if you leave the company or retire.

You may want to explore and participate in your company's [Employee Stock Purchase Plan \(ESPP\)](#) and [Employee Stock Grants](#), if eligible.

If you're already funding employer-provided savings accounts to the max, you might want to look into opening an individual retirement account or IRA. You can also open a taxable account with an investment management company or brokerage firm.

Save outside of retirement accounts.

After exhausting any tax-advantaged investing alternatives, you may want to explore investing in taxable accounts. There are a wide range of investment choices available such as individual stocks and bonds, actively managed mutual funds, index funds and exchange-traded funds that may make sense. Understand how the fees and expenses may affect your returns. Although these investments may not reduce your income tax for the current year and you might have to pay capital gains tax if you sell the investments for a profit, you likely will have significantly more flexibility.

Keep in mind, you don't have to wait until you're making the maximum annual allowable contribution to your retirement plans (or other tax-advantaged accounts) before you start investing in taxable accounts. Determine whether your overall financial plan could be aided by investing for medium or long-term goals that aren't retirement related.

Consolidate your investments.


If you started investing in multiple accounts in your 20s, your portfolio may include 401(k) accounts with a few employers, a Roth IRA that you started right out of college and some online investments you built up over the years. If so, think about consolidating those investments. Pooling them in one place may make it easier to see the role each investment plays in achieving your financial goals. It may also help you avoid redundancies and manage your overall risk.

Get real about retirement – create a realistic budget.

As you approach 50, it's probably time to become more realistic about when you want to retire, how much income you'll need, and what your current retirement savings are projected to be once you reach retirement age.

Estimate retirement income.

Identify sources of income in retirement including [Social Security](#), retirement savings, pensions, investments, etc.

 **Forgotten funds.** Could there be untracked pensions and/or retirement benefits from any of your previous employer(s)? If eligible for a pension, evaluate and select the optimal payout option.

Analyze expenses.

Bucket your expenses into 'essential' and 'discretionary' categories to determine how much flexibility you have to reduce costs if circumstances change.

- ✓ Don't forget planned large expenditures (such as vacations and recreational vehicles) as well as unforeseen large expenses (replacing a roof or a car).
- ✓ Healthcare and long-term care costs are especially important to accurately budget for. With increased age come increased costs associated with healthcare. Most people become eligible for [Medicare](#) at age 65. Explore your choices and identify which may be right for you.
- ✓ If you are planning to retire before 65, having a plan to get health insurance is vital to a successful retirement. Do you know your health insurance alternatives and their costs? For some, employer-provided retirement healthcare might be an option. For others, individual coverage may need to be purchased.

Where will you live in retirement?

Whether staying in your current home or moving, have you thought through how to prepare financially? If you intend to stay in your home, do you have a plan to pay off your mortgage by (or early in) retirement?

Understand the risks.

Compare your expected income to your projected expenses to see if you are on track to cover all of your expenses in retirement. Do you know how inflation and longevity can potentially impact your retirement plan?

Pre-Retiree (Mid 50s - Mid 60s)

Preparing for Financial Independence



The final years and months before retirement can feel a little uncertain if you don't have a clear plan in place. Figuring out how to live off your savings and optimize your future income can be far from simple.

It's never too late to get support from an [MSA Money Coach](#). Reach out to get your concerns and questions addressed and receive the guidance you need to make confident decisions now and moving forward.

When you can retire comes down to when you want to retire and when you'll have enough money saved to replace the income you receive from working. If retirement is on the horizon, picture what a life in retirement may look like for you and your family. Figure out how much you will need to maintain your lifestyle in retirement, and evaluate how much longer you may need to work.

Create a timeline to retirement.

What financial goals do you want to achieve before retirement? Think about things like major purchases or gifts, such as a vacation property or funding grandchildren's education savings. Also, it's important to have a backup plan in case you leave the workforce earlier than expected due to illness or layoff.

Where will you live?

Planning may include downsizing, relocating, or staying in your current home. Your monthly housing expense could be one of the largest in your budget, or you might have the peace of mind of having a relatively low monthly expense if you paid off a mortgage or moved to a smaller home with lower costs. Part of your decision about your retirement date might hinge on your housing plans. If you are renting, be sure to plan for annual increases, and if you own a home, plan for expenses such as property taxes, insurance, upkeep and maintenance.

Need to save more?

Whether you plan to retire early, late, or never, having an adequate amount of money saved can make all the difference, both financially and psychologically. Your focus should be on building out or catching up, if necessary. If you're between 55 and 64 years old, you still have time to boost your retirement savings. [Health Savings Account \(HSA\)](#) 'catch up' contributions are allowed for those 55 and older.

Depending on your retirement goals, you might need to be saving more of your income in your 60s. [Retirement savings plan](#) contribution limits could mean you need to save extra in taxable accounts like a brokerage account. How aggressively you need to save also depends on what other sources of retirement income you reasonably expect.



If you've saved enough, consider leaving your nest egg alone.

After age 59 ½ you can begin to make penalty-free withdrawals from your traditional retirement plans and IRAs. But just because you can doesn't mean you should. The longer you leave your retirement accounts untouched (up to age 72, when you must begin to take required minimum distributions from some of them), the more savings you will likely have for later.

Estimate your long-term care needs.

If you're still in good health and eligible for coverage, think about shopping for a long-term care (LTC) policy. If you already have coverage in place, review your policy to ensure it still meets your needs. Alternatives to LTC insurance could include tapping into 'living benefits' on a life insurance policy or purchasing a combination LTC/life insurance policy. Be sure to weigh the pros and cons of all your options.



HSAs & Medicare ([FAQs](#))

If you have one, you can no longer contribute to a Health Savings Account (HSA) when you sign up for [Medicare](#). Also, when you enroll in Medicare, Part A will be effective retroactively 6 months or to age 65, whichever is shorter. Any HSA contributions made in this retroactive period will be taxable. You can still use your HSA funds if you have Medicare coverage. You may withdraw funds from your HSA at any time, regardless of whether you are eligible to contribute to your HSA.

Once you reach age 65, you have more ways to use your HSA funds. For example, you may use your tax-free and penalty-free funds for qualified healthcare expenses as well as to pay for Medicare Parts A, B, and D premiums and Medicare Advantage premiums. Reaching 65 also enables you to use your HSA funds for non-qualified healthcare expenses with no penalties. Once you turn 65, you can withdraw your HSA funds even for non-qualified expenses, but you will be subject to taxes at your ordinary income tax rate.

Reorient your investment plan.

Create a plan to examine and possibly reallocate your investments between now and retirement. Consider an investment strategy for generating necessary retirement income while allowing your assets the potential to grow after you retire.

Plan for Social Security. ([Social Security Tool](#))

[Social Security](#) benefits will be based on your 35 highest years of earnings, so they may rise if you continue working. Your benefits will also vary depending on when you start collecting them. You can take benefits as early as age 62, although they will be permanently reduced from what you'll receive if you wait until your 'full' retirement age (currently 66-67 for anyone born after 1943). You can also delay receiving Social Security up to age 70, in return for a larger benefit. Explore which [Social Security claiming strategy](#) is most advantageous for you. If you are currently married, divorced, or a widow(er), there may be additional factors to take into account when claiming your benefit. Finally, it's important to understand how your benefit will be taxed.

Tax bracket planning.

Determine a safe withdrawal rate. How much can you take from your nest egg each year and expect it to last? Factors such as age, health and other sources of retirement income (e.g. Social Security, annuities, deferred compensation and taxable investments) could justify lower or higher withdrawal rates. Prepare for the tax impact of taking distributions from 401(k)s, IRAs and other sources, including employer pension plans.

Review wills, trusts and beneficiary designations.

Retirement planning should include a full review of your estate plan with your attorney. Make sure your documents – including beneficiary designations for insurance and retirement accounts – are current, taking into account life events, such as birth or adoption of a child or grandchild, marriage or divorce (your own or a family member's), or loss of a loved one. As you plan for the changes in your life that naturally occur as you grow older, make certain that your estate plan covers any contingencies that could arise. A complimentary resource available through The Hartford to assist with will creation or will editing can be found [here](#).

This content is for informational purposes only and does not guarantee eligibility for the program or its services.

Information provided in this handout is for informational purposes only and is not intended to offer specific personalized investment, financial planning, tax, legal or accounting advice. We recommend that you consult an attorney, tax advisor or accountant regarding your unique circumstances.

Retirement Resources

Quick Links to Helpful Information

T-Mobile Links

[LiveMagenta](#)

[401\(k\) Savings Plan](#)

[Employee Stock Purchase Plan \(ESPP\)](#)

[Employee Stock Grant](#)

[Planning for Retirement \(T-Nation\)](#)

[Health Savings Account \(HSA\)](#)

[HSA & Medicare FAQs](#)

[Life Insurance Benefits](#) (including Estate Guidance)

[Disability Benefits](#)

Social Security & Medicare Links

[Social Security Administration](#)

[Social Security Account](#)

[Social Security Options to Receive Retirement Benefits](#)

[Social Security Retirement Age Calculator](#)

[Welcome to Medicare](#)

[Medicare Handbook](#)

Resources for the Aging Community

[Benefits CheckUp](#)

[Area Agencies on Aging \(Eldercare Locator\)](#)

[Administration for Community Living \(ACL\)](#)

[Centers for Medicare & Medicaid Services \(CMS\)](#)

[National Center on elder Abuse \(NCEA\)](#)

[Veterans Health Administration \(VHA\)](#)

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