AGILE "L" Phase:

Live YOUR Retirement Dream

September 23, 2025

Christopher Hershey, CFP®, CRPC®

Rodgers & Associates
A BLUESPRING WEALTH PARTNER

Wait a minute…

COMMENTARY· RETIREMENT

Only 5% of retirees say they're 'living the dream' and 19% are 'living the nightmare.' Here are 3 lessons to protect your future

BY DEB BOYDEN

Deb Boyden is Head of U.S. Defined Contribution at Schroders.

August 6, 2025 at 8:30 AM EDT

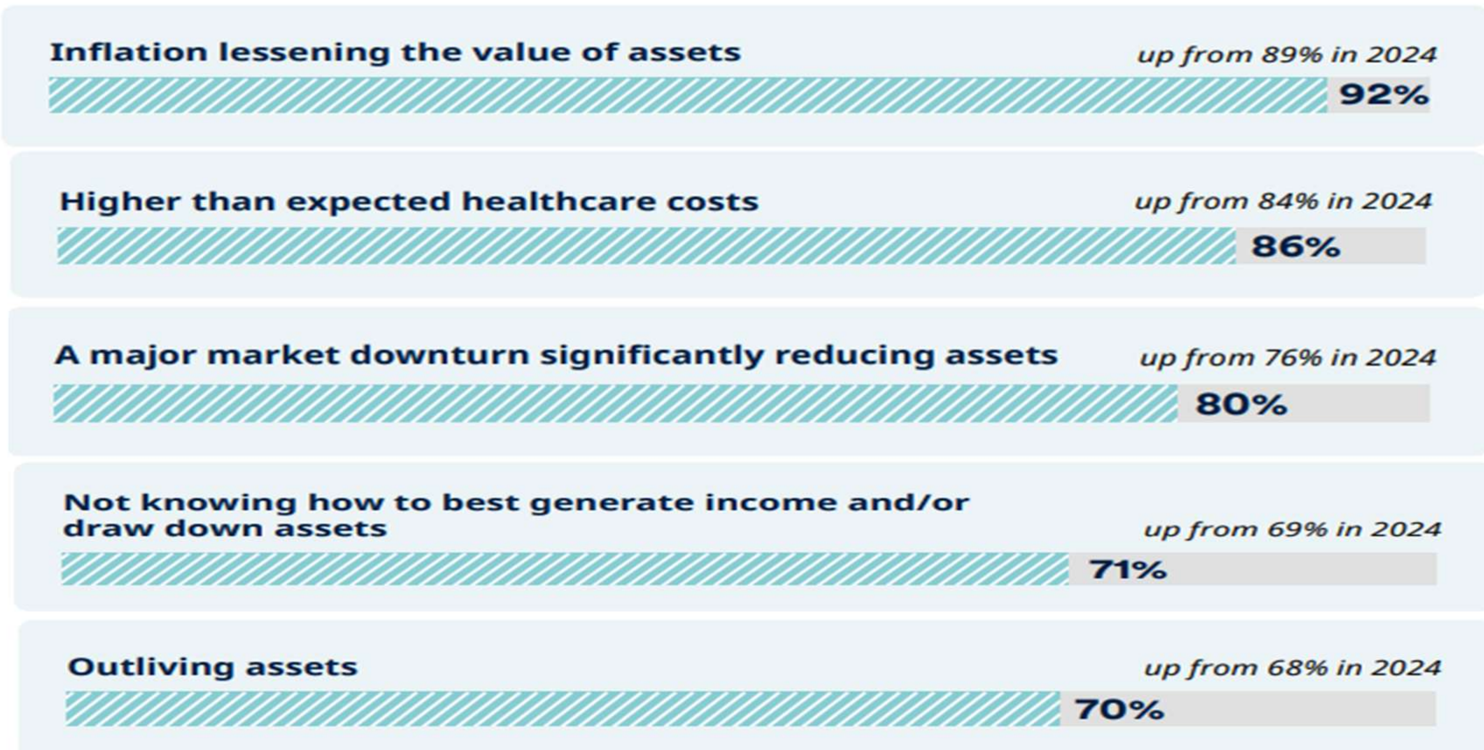
SHARE

Dream or nightmare?

GETTY IMAGES

https://fortune.com/2025/08/06/only-5-of-retirees-say-theyre-living-the-dream-and-19-are-living-the-nightmare-here-are-3-lessons-to-protect-your-future/

Retirees Top 5 Concerns



The Schroders 2025 Retirement Survey https://mybrand.schroders.com/m/10b38e96e94ebf7c/original/2025_Schroders_US_Retirement_Survey_Living-in-Retirement_FINAL.pdf

A·G·I·L·E
Retirement Approach

®

Assess Your Goals

10 years before retirement

Develop a comprehensive plan to help ensure you will reach financial independence tax efficiently.

Get Ready

2–9 years before retirement

Reach a solid financial position through a disciplined approach to managing changes in the years leading up to retirement.

Implement the Plan

1 year before and into retirement

Transition to financial independence and fine-tune your plan to prepare for post-retirement taxes and healthcare.

Live the Dream

In retirement

Stay focused on decisions related to taxes, Social Security, and investments to help ensure your savings last.

Embrace Family & Legacy

Beyond retirement

Take an active role in teaching the next generation how to handle wealth and the responsibility that comes with it.

Retirement is a journey, not a destination!

“L” Phase Critical Issues

L

LIVE THE DREAM

In retirement

Stay focused on decisions related to taxes, Social Security, and investments to help ensure your savings last.

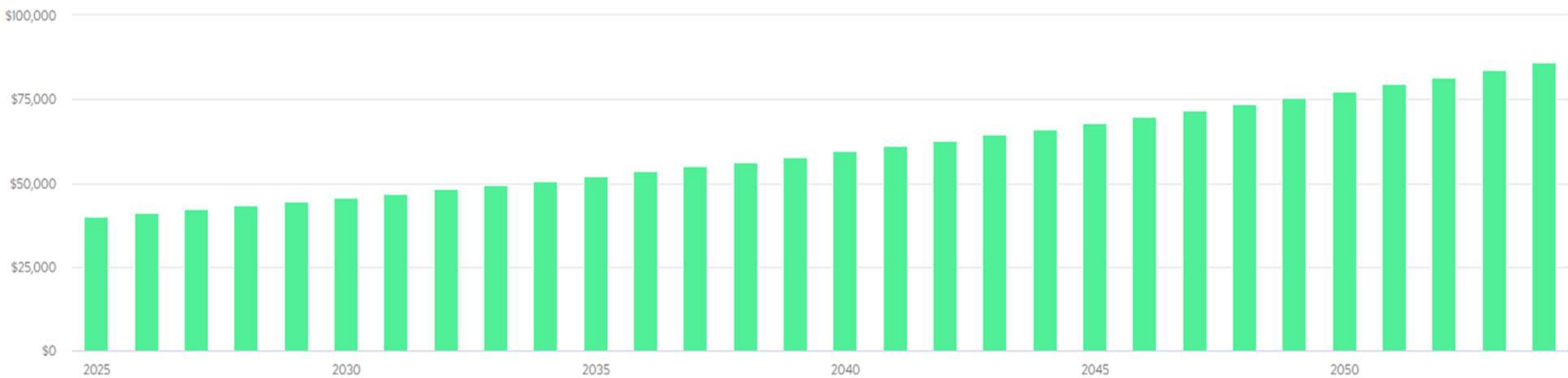
- Spending
- Healthcare
- Social Security
- Taxes
- Purpose

Monitor Spending

A Good Rule of Thumb: 4% Withdrawal Rate

Assuming a 50/50 portfolio and a 30-year retirement, a first-year withdrawal of 4% followed by inflation-adjusted withdrawals in subsequent years should be safe.**

EXAMPLE: Jim Halpert retires with a total investment portfolio of $1,000,000 invested in a 50/50 portfolio. He can take out $40,000/yr. indexed at inflation for his retirement as a prudent withdrawal rate.



Retirement Withdrawals (2.68% inflation)

Why the 4% Rule Works

Table 2: Retirement Portfolio Success Rates by Withdrawal Rate, Portfolio Composition, and Payout Period in Which Withdrawals Are Adjusted for Inflation

	Annualized Withdrawal Rate as a Percentage of Initial Portfolio Value									
Payout Period	**3%**	**4%**	**5%**	**6%**	**7%**	**8%**	**9%**	**10%**	**11%**	**12%**
100% Stocks										
15 Years	100%	100%	100%	94%	86%	76%	71%	64%	51%	46%
20 Years	100%	100%	92%	80%	72%	65%	52%	45%	38%	25%
25 Years	100%	100%	88%	75%	63%	50%	42%	33%	27%	17%
30 Years	100%	98%	80%	62%	55%	44%	33%	27%	15%	5%
75% Stocks/25% Bonds										
15 Years	100%	100%	100%	97%	87%	77%	70%	56%	47%	30%
20 Years	100%	100%	95%	80%	72%	60%	49%	31%	25%	11%
25 Years	100%	100%	87%	70%	58%	42%	32%	20%	10%	3%
30 Years	100%	100%	82%	60%	45%	35%	13%	5%	0%	0%
50% Stocks/50% Bonds										
15 Years	100%	100%	100%	99%	84%	71%	61%	44%	34%	21%
20 Years	100%	100%	94%	80%	63%	43%	31%	23%	8%	6%
25 Years	100%	100%	83%	60%	42%	23%	13%	8%	7%	2%
30 Years	100%	96%	67%	51%	22%	9%	0%	0%	0%	0%

Source: The Trinity Study, a nickname for the article, "Retirement Spending: Choosing a Sustainable Withdrawal Rate," by Philip L. Cooley, Carl M. Hubbard, and Daniel T. Walz (all professors at Trinity University in Texas)

Mind Your Allocation

Balance Short-Term Income Needs with Long-Term Growth

The impact of asset allocation on long-term performance and short-term volatility

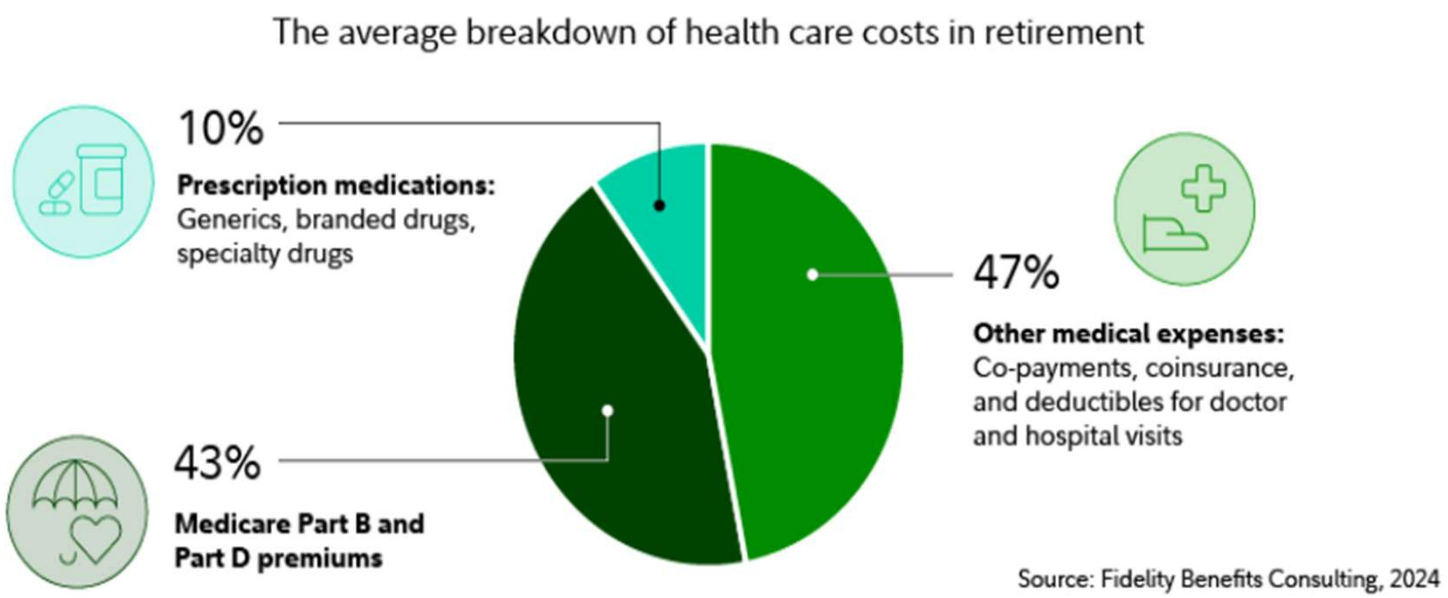
ANNUAL RETURN %	Conservative	Balanced	Growth	Aggressive growth
Average annual return	5.78%	7.80%	8.84%	9.56%
Worst 12-month return	–17.67%	–40.64%	–52.92%	–60.78%
Best 12-month return	31.06%	76.57%	109.55%	136.07%
Worst 20-year return (annualized)	2.92%	3.43%	3.10%	2.66%
Best 20-year retum (annualized)	10.98%	13.84%	15.34%	16.49%

Asset mix performance figures are based on the weighted average of annual return figures for certain benchmarks for each asset class represented. Historical returns and volatility of the stock, bond, and short-term asset classes are based on the historical performance data of various indexes from 1926 through 2024. Domestic stocks represented by S&P 500 1926 – 1986, Dow Jones U.S. Total Market 1987– most recent year end; foreign stock represented by S&P 500 1926 – 1969, MSCI EAFE 1970 – 2000, MSCI ACWI Ex USA 2001 – most recent year end; bonds represented by U.S. intermediate-term bonds 1926 – 1975, Barclays U.S. Aggregate Bond 1976 – most recent year end; short term represented by 30-day U.S. Treasury bills 1926 – most recent year end. It is not possible to invest directly in an index.

Healthcare Decisions

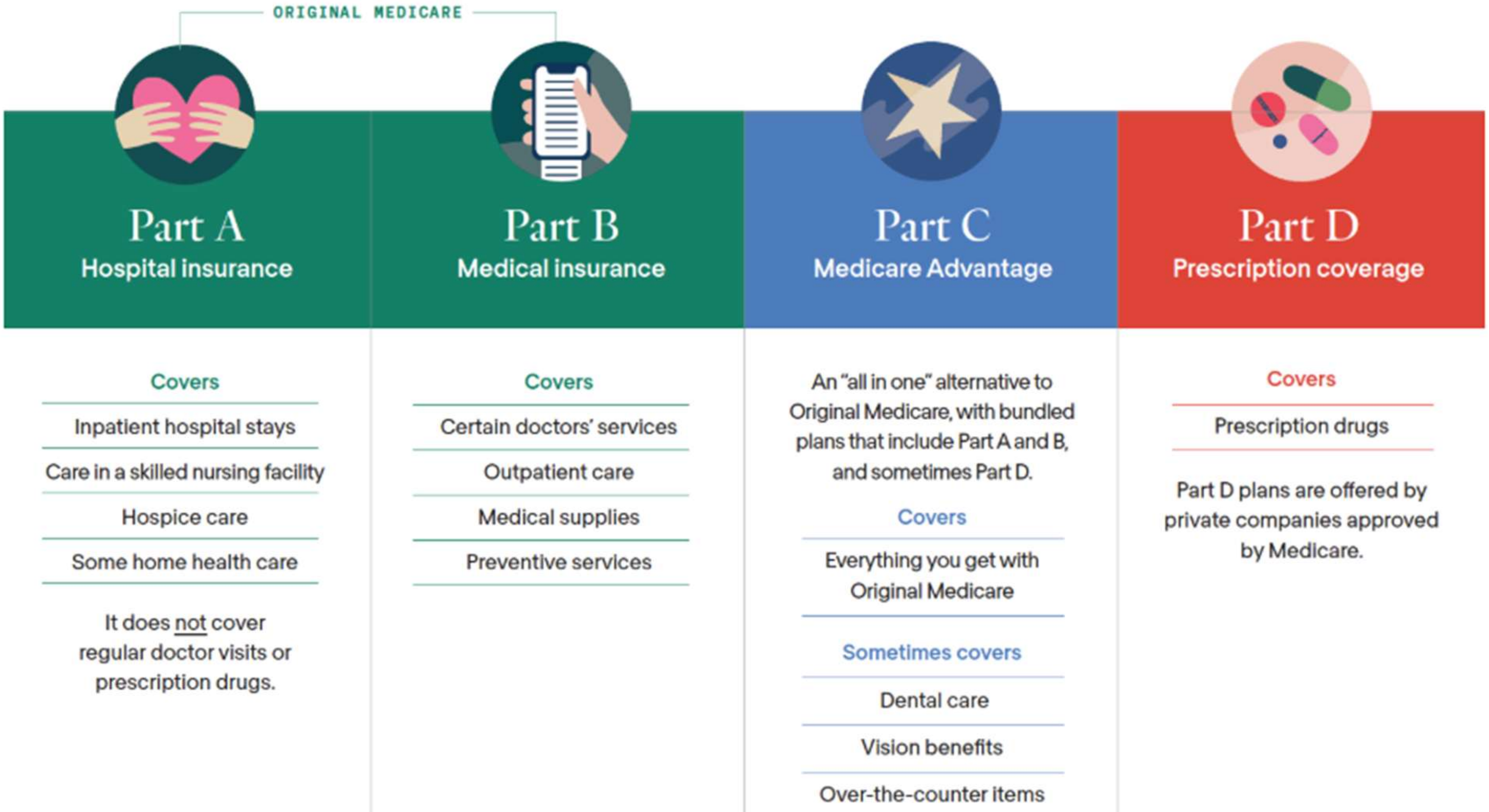
Health Care Costs in Retirement

*A 65 year-old retiring in 2024 would likely spend **$165,000** on health care throughout retirement.*



https://www.fidelity.com/viewpoints/personal-finance/plan-for-rising-health-care-costs

Medicare Alphabet Soup



https://www.hioscar.com/blog/medicare-101-a-handy-starter-guide

Medigap vs Advantage

Medigap

Original Medicare + Medigap Supplement

- ✓ Higher premiums but no co-pays
- ✓ Freedom to choose doctors
- ✓ No referrals necessary
- ✗ Some routine services not covered (vision, hearing)
- ✓ Covered anywhere in U.S.
- ✗ Does not include prescription drug plan

Medicare Advantage

Medicare Advantage Plan

- ✓ Generally lower premiums but has co-pays
- ✗ May be restricted to network
- ✗ May need referrals for specialists
- ✓ May include extra benefits (vision, hearing, fitness)
- ✓ Plans may include prescription drug coverage

https://www.retireguide.com/medicare/compare/medicare-advantage-vs-medigap/

Long Term Care Planning

3 Questions That Predict Future Quality of Life

https://agelab.mit.edu/retirement-and-longevity-planning/resources

Social Security

Should I Be Worried About Social Security?

Some Proposed Changes

Provision	% of 75-year deficit eliminated
Increase revenues	34%
1. Increase taxable wage base slowly to about $300,000 (covering 90% of earnings).	19
2. Increase payroll tax rate from 12.4 to 12.6%.	5
3. Tax full benefits for individuals with $100,000+ of income.	5
4. Ensure that all business owners who materially participate are subject to the payroll tax on their earnings.	5
Cut benefits	32%
5. Increase full retirement age for top 40 percent of earners.	16
6. Increase averaging period slowly from 35 to 40 years.	11
7. Eliminate dependent spouse benefit.	5
Transfer revenues and expand coverage	33%
8. Place all proceeds from taxing SS benefits into SS trust funds.	25
9. Change immigration policies.	9
10. Cover all newly-hired state and local workers.	4

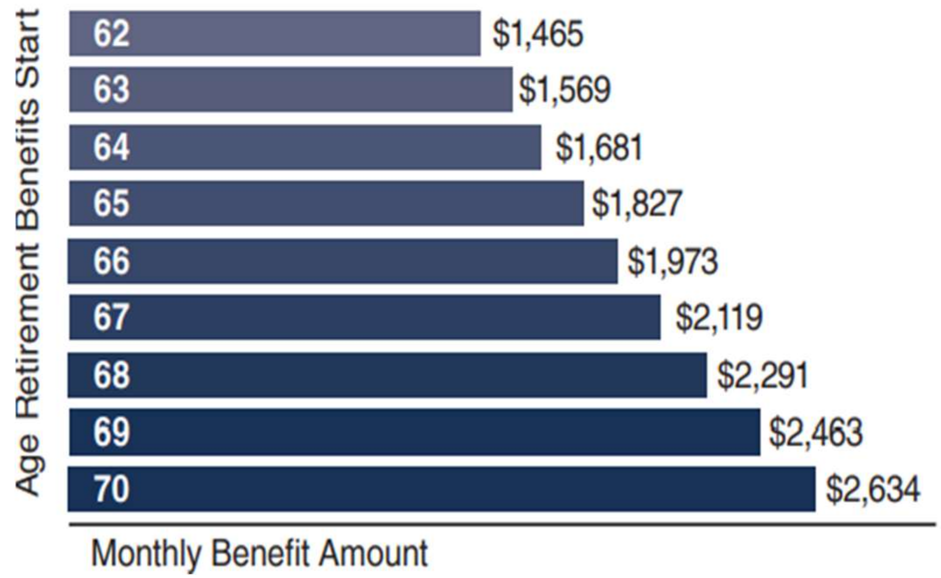
Source: U.S. Social Security Administration, Office of the Actuary. January 3, 2025. "Estimated Effects of Primus Proposal."

Social Security Basics

Earnings (35 Years)

Work Year	Earnings Taxed for Social Security	Earnings Taxed for Medicare (began 1966)
1971-1980	$ 2,142	$ 2,142
1981-1990	87,102	87,102
1991-2000	246,069	246,069
2001	34,147	34,147
2002	34,846	34,846
2003	36,021	36,021
2004	38,032	38,032
2005	39,711	39,711
2006	41,829	41,829
2007	43,971	43,971
2008	45,170	45,170
2009	44,603	44,603
2010	45,666	45,847
2011	47,093	47,093
2012	48,560	48,560
2013	49,095	49,095
2014	50,605	50,605
2015	51,996	51,996
2016	52,108	52,108
2017	53,251	53,251
2018	53,966	53,966
2019	54,559	54,559
2020	54,489	54,489
2021	Not yet recorded	

Claiming Age



When Should I Claim Social Security?

It Depends…

- Marital status
- Age
- Life expectancy
- Total assets available
- Liquid assets
- Need for income
- Desired standard of living
- Planning to continue to work
- Survivor needs
- Impact on income taxes

Delaying usually makes sense due to:

- Secure lifetime benefit (including spouse)
- Annual COLA
- Tax efficiency

Tax Efficient Withdrawals

3 Account Types

Roth

- No Tax Deduction
- Tax-Free Growth
- Tax-Free Withdrawals
- Restrictions on Contributions and Withdrawals
- Tax-Free to Heirs

Tax Deferred

- Tax Deduction
- Tax-Deferred Growth
- Withdrawals Taxed as Ordinary Income
- Restrictions on Contributions and Withdrawals
- Heirs Taxed as Ordinary Income

Taxable

- No Tax Deduction
- Interest and Dividends Taxed Annually
- Realized Gains and Dividends Taxed at Capital Gains Rates
- No Restrictions
- Heirs Receive Step-Up in Basis

Ordinary Income Rates 2025

Tax Rate	Single	Married (Joint)
10%	Up to $11,925	Up to $23,850
12%	$11,926 to $48,475	$23,851 to 96,950
22%	$48,476 to $103,350	$96,951 to $206,700
24%	$103,351 to $197,300	$206,701 to $394,600
32%	$197,301 to $250,525	$394,601 to $501,050
35%	$250,526 to $626,350	$501,051 to $751,600
37%	Over $626,351	Over $751,601

Accelerate income

Reduce income

Tax Bracket Management Strategies

Low Tax Bracket

- Tax deferred withdrawals
- Roth conversions
- Realizing gains in taxable accounts

High Tax Bracket

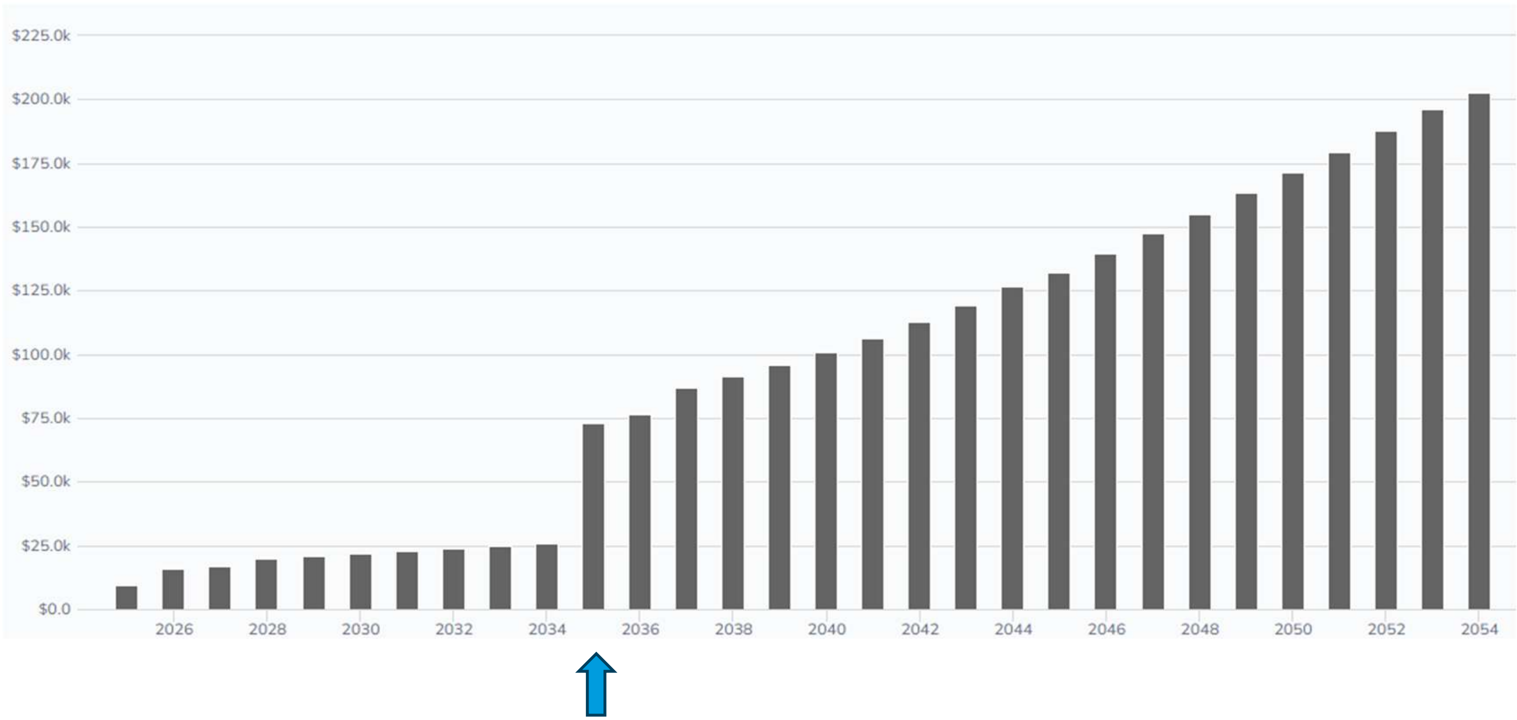
- Qualified Roth withdrawals
- Charitable Giving
- Health Savings Accounts – Contributions and distributions
- Realizing losses in taxable accounts

Tax-Efficient retirement planning can extend your portfolio 7.5 years!*

**Retire Right: The Critical Importance of Tax Efficient Withdrawal Strategies to Portfolio Longevity*, by William Reichenstein, Social Security Analyzer, 2019

The RMD Tax Trap

Estimated Taxes for 65 yr. old with $2.5 mil in IRA



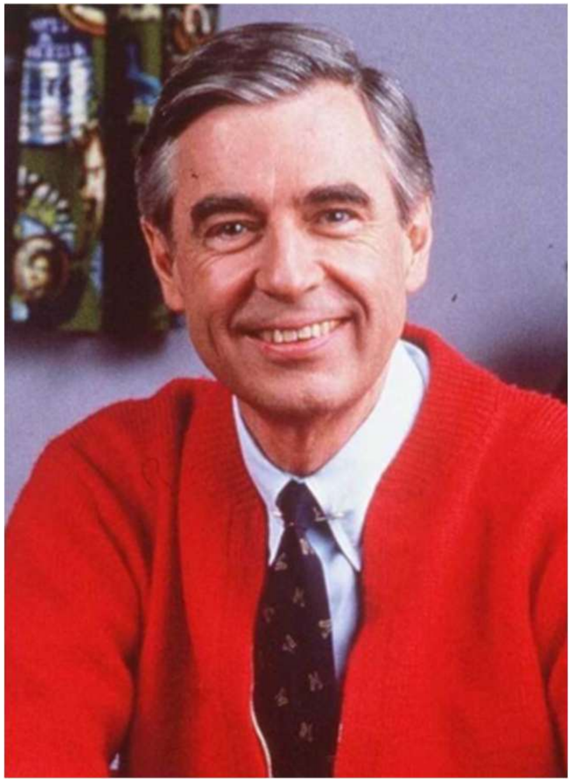
RMDs start

Finding Purpose

Reframing Retirement

"Often when you think you're at the end of something, you're at the beginning of something else.

FRED ROGERS



Finding your Purpose in Retirement

- What types of arts and culture are you interested in?
- What kinds of volunteer activities does your town or city offer?
- What types of outdoor activities interest you?
- Can you get more involved with a civic or faith organization?
- Are there children you could help care for in your spare time?

How will **YOU** define a successful retirement?

https://agelab.mit.edu/static/uploads/8000_days_workbook.pdf

The “E” Phase

E

EMBRACE
FAMILY & LEGACY

Beyond retirement

Take an active role in teaching the next generation how to handle wealth and the responsibility that comes with it.

- Pass values and wisdom to the next generation
- Review your estate documents
- Family meetings
- Consider charitable giving a family project
- Make health a priority

Upcoming Seminars

Year End Tax Planning

Thursday, October 9th, 2025

11:00 AM

Cybersecurity Chat

Thursday, October 23rd, 2025

11:00 AM

Thank You!

Rodgers-Associates.com

(717) 560-3800

2025 Lititz Pike
Lancaster, PA 17601

Rodgers & Associates
A BLUESPRING WEALTH PARTNER