



## Now that you're retired—some things to keep in mind

The process of adjusting to retirement can feel both fulfilling and challenging. Here are some things to keep in mind as you transition from full-time employment.

### Your Financial Outlook

#### Review your plan for covering expenses

After a lifetime of saving for retirement, you'll need time to adjust to using your retirement funds. Consider using LifeStage Retirement Income to manage your Wespath account balances if you haven't already. By setting up LifeStage, you'll receive monthly payments from your consolidated defined contribution accounts, with the goal of making your retirement income last while keeping pace with the cost of living. If you have accounts outside of Wespath, be sure to keep track of how much you need to withdraw and which accounts to access first.

#### Plan for tax payments

Monitor your tax situation throughout the year to see if you need to make quarterly estimated tax payments (usually due around January 15, April 15, July 15 and October 15). If you lose track of where you stand on taxes owed, you could end up with an underpayment penalty when you file the next year.

#### Monitor required minimum distributions (RMDs)

IRS rules state that you must begin withdrawing a minimum amount of money annually from your employers' qualified retirement savings plan or traditional IRA by April 1 following the year in which you reach age 72\*, or the year in which you retire, whichever is later. If the annual amount withdrawn does not satisfy RMD rules, the penalty is 50% of the amount not distributed as required. However, a Roth IRA is exempt from RMD rules; you can leave money in a Roth IRA as long as you like. Wespath will notify you when you are required to take an RMD from Wespath-administered plans and will calculate and distribute the required amount by the deadline. Roth accounts in the United Methodist Personal Investment Plan (UMPIP), unlike Roth IRAs, are subject to RMD rules.

#### Allow access to your account

Prepare now to make sure those close to you have access to your account when they need it. You may want to submit a Power of Attorney (POA) to allow a named agent to act on your behalf regarding your retirement and/or welfare plans while you are living. Upon Wespath's review and acceptance of the POA as valid, your agent will be allowed to perform any legal act that you have appointed him or her to do in the document. The document must be drafted in accordance with state law of the state in which the POA was signed (i.e., signatures, witnesses, notary seal, etc.).

**EY Financial Planning Services can assist you with these topics and others. Unlimited access to financial planning is provided by Wespath at no additional cost\*\* through EY at 1-800-360-2539, Monday-Friday, 8:00 a.m. to 7:00 p.m., Central time.**

### Your Benefits from Social Security/Medicare

#### Decide when to claim Social Security

If you have not yet made your decision related to Social Security (assuming you qualify for Social Security), you can begin collecting payments as early as age 62. (Widows, widowers and disabled persons can sometimes collect sooner.) However, you will receive a higher monthly payment if you can afford to delay until you reach full retirement age – between 65 and 67, depending on when you were born—or later. You would receive the maximum benefit at age 70. Factors that might affect your timing decision may include availability of other retirement income, whether you plan to continue to work in retirement, and how long you think you may live. Reach out to EY if you want to learn more and get guidance on what might be the best option for you. Also, be aware that claiming Social Security automatically signs you up for Medicare Part A, resulting in you being ineligible to contribute to a Health Savings Account if you are currently enrolled in an HSA plan.

### Learn about Medicare

Medicare provides a base level of health insurance that will take care of most (but probably not all) of your medical expenses. Many individuals choose to enroll in a supplemental policy for medical costs not covered by Medicare. Individuals who lose employer coverage due to retirement are eligible for a special enrollment period; however, enrollment in Medicare Supplement plans is usually limited to the Medicare open enrollment period (October 15-December 7). Be sure to check with your plan sponsor or former employer regarding any retiree medical benefits you may be eligible to use.

Visit [ssa.gov](https://www.ssa.gov) to learn more about Social Security and Medicare during retirement. If you haven't already, create your my Social Security account to use their helpful projection tools with your Social Security account information.



While staying on top of financial matters is important for the newly retired, don't forget to take care of yourself—physically, emotionally and spiritually. You may want to:

### Decide if a part-time job is for you

Many retirees go this route, for many reasons:

- Working part-time after retirement might allow you to postpone applying for Social Security until full retirement age or later
- Earning a paycheck from part-time employment could be a great boost to your long-term security and reduce financial stress.
- Adding a little more structure to your week with a part-time work schedule could provide you with a sense of purpose.
- Missing the social connections from the workplace? A part-time job can be a great way to interact with people.

### Stay active

Physical and mental health-related issues can be a concern for retirees who don't stay active. The Centers for Disease Control and Prevention notes that physical activity is essential to healthy aging and recommend that older adults sit less and move more. There are plenty of apps and activity trackers to help you work more movement into your life and keep yourself accountable. You might find that keeping an activity/mood journal can be helpful. Whether your tools are paper-based or digital, find activities you love and enjoy the great outdoors – you'll reap benefits beyond physical fitness.

### Make new connections

You may have moved to a new home or community and/or joined a new church. After years of social connections involving your congregation(s) or ministries, it could take some time getting used to relating to people in a different way. Church membership especially will have a different feel to it. Explore groups based on your hobbies and/or interests. Be patient with yourself as you adjust.

*\*If you attained age 70½ by December 31, 2019, you must generally take an RMD by April 1 following the later of the year you reached age 70½ or the year you retired. The Coronavirus, Aid, Relief and Economic Security (CARES) Act waived RMDs due in 2020 (or by April 1, 2021) for defined contribution plans.*

*\*\*EY Financial Planning Services are available to active Wespath participants and surviving spouses with account balances, and to retired and terminated participants with account balances of at least \$10,000. Costs are included in Wespath's operating expenses that are paid for by the funds.*

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