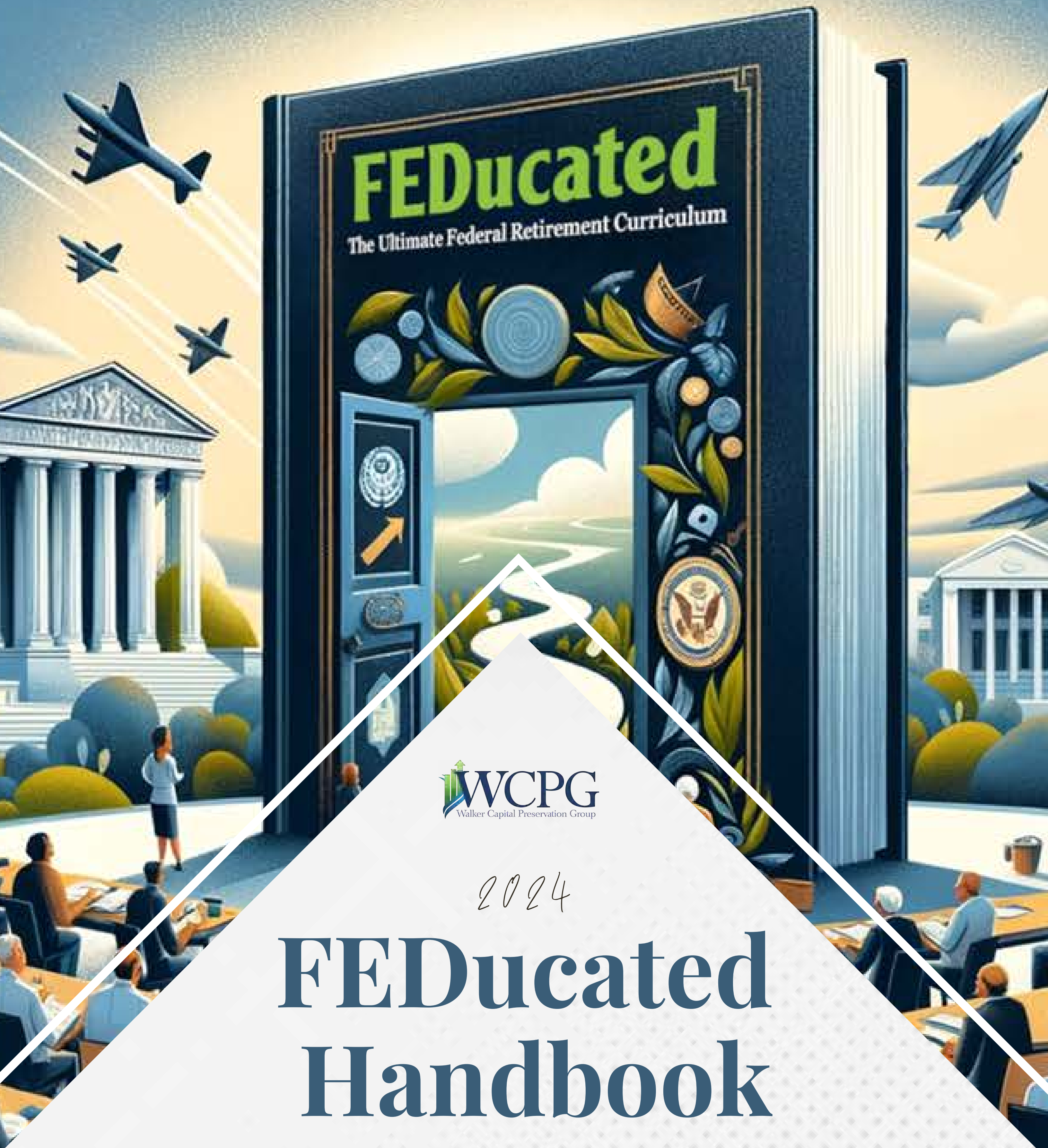


WCPG
Walker Capital Preservation Group

2024

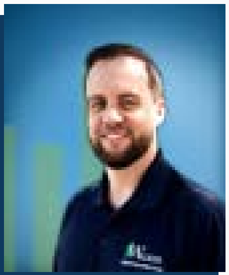
FEDucated Handbook Pt. Three

Social Security for FEDS

OUR MISSION

Since 2014, Walker Capital's Mission has been to educate & empower today's Federal Employee to maximize their Retirement through proper positioning & seamless coordination of their Federal Benefits & Personal Assets.

MEET OUR TEAM



TOM WALKER, ChFEBC
Best-Selling Retirement Author

ABIGAIL DUENAS, ChFEBC
Federal Retirement Strategist

ED SLOTT'S MASTER ELITE IRA ADVISOR GROUP

Master Elite IRA Advisor
Ed Slott's Tax Planning Group

RETIREMENT TAX SERVICES

Retirement Tax Services
CPA Tax Planning Partners of WCPG

As seen on

Federal SOUP · Government Executive · FEDweek · FedSmith · FEDERAL NEWS NETWORK

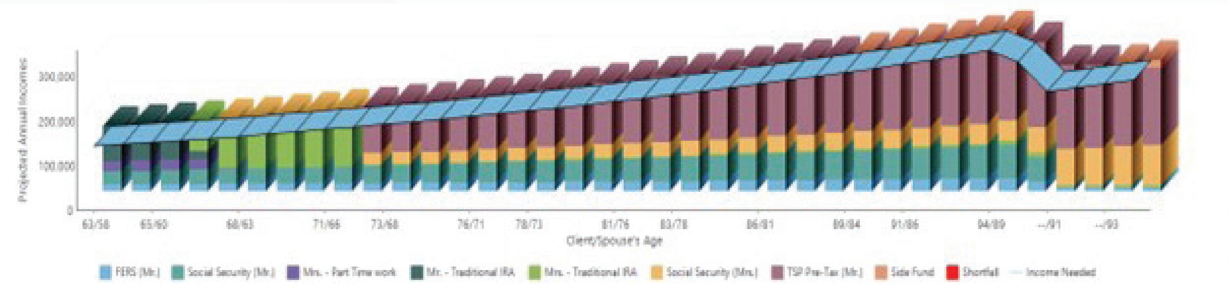
WCPG RETIREMENT BENEFITS FORECASTS

What is a **Retirement Benefits Forecast** and why do I need one?

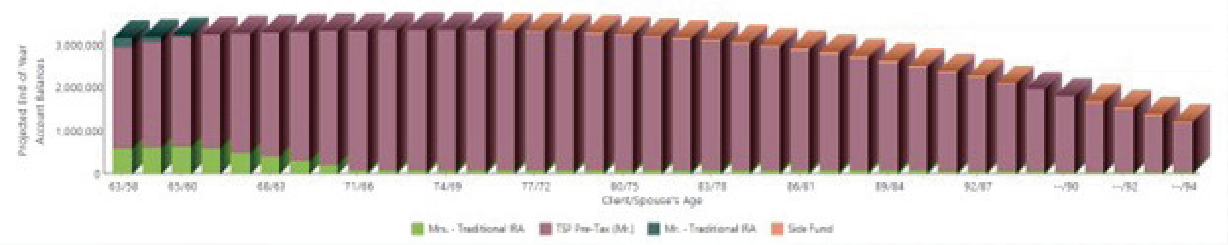
This powerful analysis offers a completely personalized model of your current retirement trajectory that includes:

- Your CSRS/FERS Pension
- FERS Supplement (if applicable)
- Social Security benefits (+ Spousal Benefits)
- TSP & IRA Withdrawals, RMDs, and Tax Treatment
- Personal Retirement Budget (adjusted for inflation)
- Current vs Future Tax Liability

Sample: Desired Income & Income Sources Through Retirement



Retirement Assets & Remaining Account Balances Through Retirement



The best part? Building a personalized projection with the Retirement Strategists at WCPG is just the start!

Our team is committed to helping you identify and address FERS/CSRS retirement pitfalls while building a relationship that enables us to help **you** get both **TO** and **THROUGH** your golden years succesfully!

Ready to Start? Click Here

WORKING WITH WALKER CAPITAL

What to expect

WCPG proudly offers Webcast Attendees & Federal Employees a **Complimentary Consultation** to review your retirement, this consultation is broken down into two parts:

- Part 1 – **Introduction Phone Call (~30 min.)**
  - **Goals:** Meet your Retirement Strategist & review your situation
    - **Discuss:** Retirement Timeline, Goals, Family & Concerns
  - Gather data to build retirement model that will be reviewed with you during a Video Strategy Session in Part 2
    - We provide a "What to Bring Email" to make it easy for you to have the key information available for your Introduction Call
- Part 2 - **Strategy Session Video Conference (~60 min.)**
  - **Goals:** Design & Discuss Retirement Benefits Forecast
    - Work through "What if Scenarios" & "Stress Tests"
      - What if I retired earlier? How about if I worked longer?
      - How may inflation, LTC, or higher tax rates impact my retirement?
  - Identify Strengths & Weaknesses of current retirement trajectory
  - Identify WCPG Services that align with your concerns & can improve your retirement

Ready to Start? Click Here

WALKER CAPITAL'S SERVICES OFFERED

Retirement planning

- Retirement planning is the process of determining retirement income goals and the actions and decisions necessary to achieve those goals. Retirement planning includes identifying sources of income, estimating expenses, implementing a savings program and managing assets. Future cash flows are estimated to determine if the retirement income goal will be achieved.

Federal Benefits Optimizations

- The Federal Retirement systems available today still offer some of the best large-scale benefits available… if you can successfully navigate the maze of program acronyms, rules, caveats, & pitfalls. During your career, it is important to understand the benefits you currently carry & how they may change over time. As you enter retirement, it is critical that you maximize your benefits in order to leverage your years of public service into your retirement. There are a number of critical coordinates to mapping out a successful retirement. For example, it is critical that you coordinate your FEGLI & SSB with your spousal FEHB & income continuation needs. Retirement is a journey, let Walker Capital help guide you through!

Tax Planning

- Truly Holistic Retirement Planning requires a braintrust of like minded experts with complimentary areas of expertise which is why Walker Capital has partnered with a Tax Professor & CPA to help you understand your current tax equation and how it may change in coming years.The key is to be proactive in addressing these concerns today because taxes are only going to be 'on-sale' for a few more years and the IRS has already put major restrictions on how much you can contribute in each of those years!

Estate Planning

- What happens to your hard-earned assets after you are gone? Having a plan for your estate can help ensure that your legacy is distributed efficiently and that you can clearly outline your wishes/goals for how that legacy could be used even after you are no longer around to provide those instructions. Have a goal of leaving money to the grandkids for education? Looking to avoid probate costs and delays? Do you have a child with special needs? An estate plan – like a Living Trust + Pour-Over Will + Powers of Attorney – is here to help!

Insurance Planning

- When properly utilized, insurance can help protect the quality of both you & your family's lifestyle throughout your career, in retirement, & even after (legacy). Whether looking to sleep easier knowing Living Benefits will help protect your lifestyle, looking to utilize Cash Value Life Insurance as a tool to help navigate future tax risk, or looking to ensure your loved ones have access to a highly leveraged tax-free death benefit – todays innovative policy design offerings allow Walker Capital to help your insurance plans evolve with your needs as they change over time!

Ready to Start? Click Here

#3 | Feds Social Security

A Deep Dive Into Social Security Filing Strategies for Feds

DISCLAIMER

- This presentation is intended as an educational overview and is not intended to provide specific advice, financial or otherwise, to any individuals without further consultation.
- WalkerCPG does not provide legal, tax or accounting advice. Please consult with a qualified attorney or CPA for proper legal, tax or accounting counsel.
- This educational presentation is not intended to sell any specific product, company, or strategy but to educate and empower attendees while emphasizing the importance of planning ahead
- Walker Capital Preservation Group, Inc. (WCPG) is not affiliated with, endorsed, or sponsored by the Federal Government or any U.S. Government agency. No Federal Government agency has reviewed or endorsed any of the information contained in this presentation.
- Due to the amount of material that will be covered today, please write down questions to be reviewed at the end of the presentation

TEAM MEMBERS

Tom Walker, ChFEBC

Retirement Strategist

Tom is a best-selling author & Federal Retirement Strategist with **10+ years experience** working closely with federal employees.

CPA & Tax Teams

CPA Partners & Tax Trainers

WCPG proudly partners with the CPA's at
Retirement Tax Services
& is a member of Ed Slott's
Master Elite IRA Advisor Group

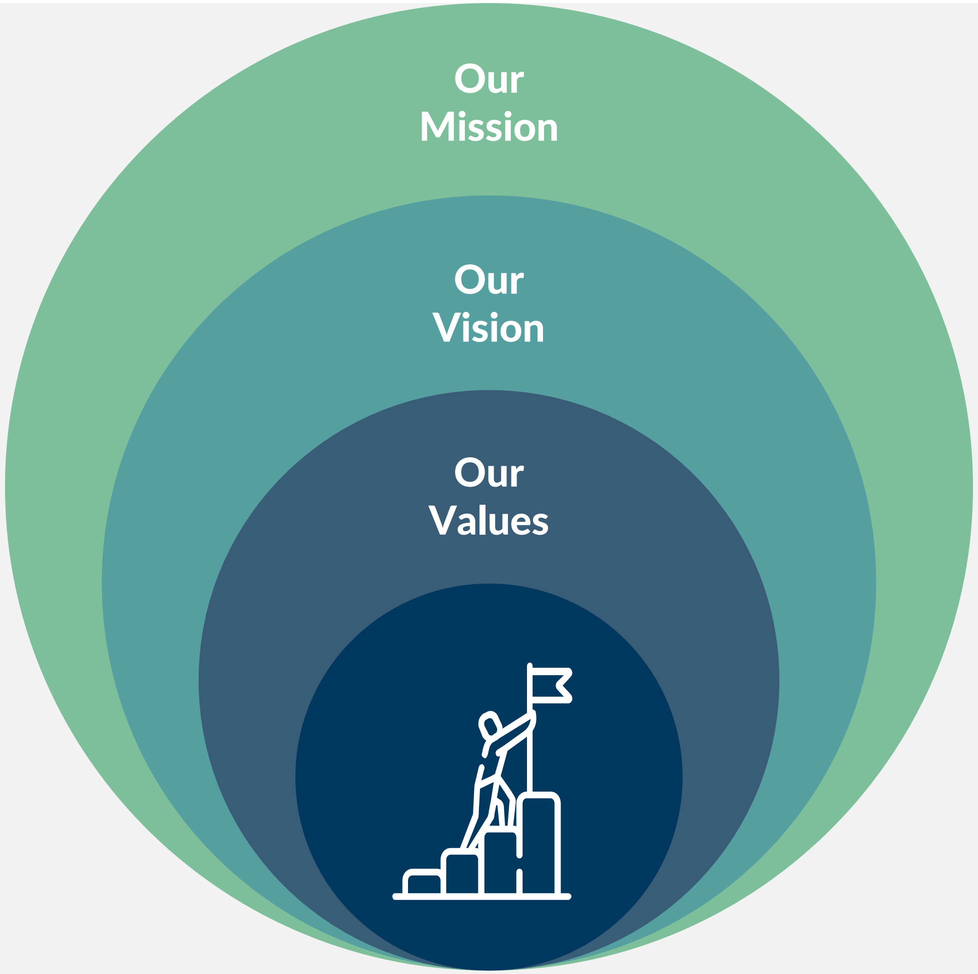
Abby Miller, ChFEBC

Retirement Strategist

In the past decade, Abigail has dedicated herself to empowering federal employees, assisting them in achieving their financial aspirations .

WALKER CAPITAL

Empowering Those Who Power The Public Sector



OUR MISSION

Provide industry-leading Retirement & Tax Planning Insights, Education, & Services to Federal Employees nationwide through our services and strategic partnerships

OUR VISION

Coaching Federal Employees to maximize their retirement through proper positioning & seamless coordination of their Federal Benefits & Personal Assets

Values

Financial Empowerment & Education is not something that should be exclusively reserved for the wealthy

Values

Your geography should not limit your access to the RIGHT Information & Team of Experts

Values

In order to help see you TO & THROUGH retirement, your Retirement Planner should not be RETIRING before you

Walker Capital Locations

Industry leading VIRTUAL retirement planning experience:

- Video Conferencing
- Powerful Planning Software
- Cutting Edge Cyber Security
- DECADES of combined experience helping Feds

Abby Duenas,
ChFEBC
Murrieta, California

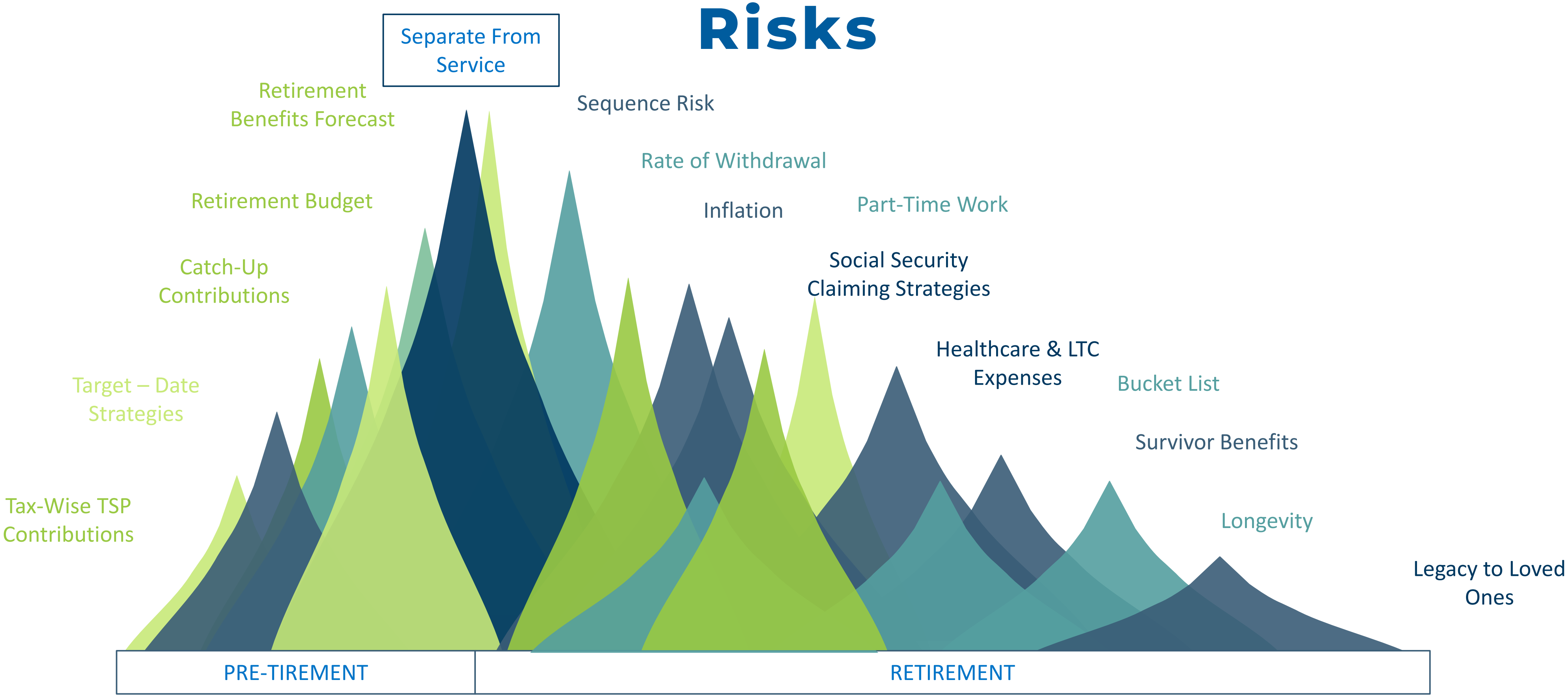
Tom Walker,
ChFEBC
Charlotte, North Carolina

AGENDA

01

Social Security 101

Pre-tirement Vs Retirement Risks



In retirement planning, as in mountain climbing…

Most of the risk is on the decent

Soc Sec Helps Address Key Ret. Risks

Longevity

Lifetime income for worker and spouse

Inflation

Regular cost-of-living adjustments

Markets

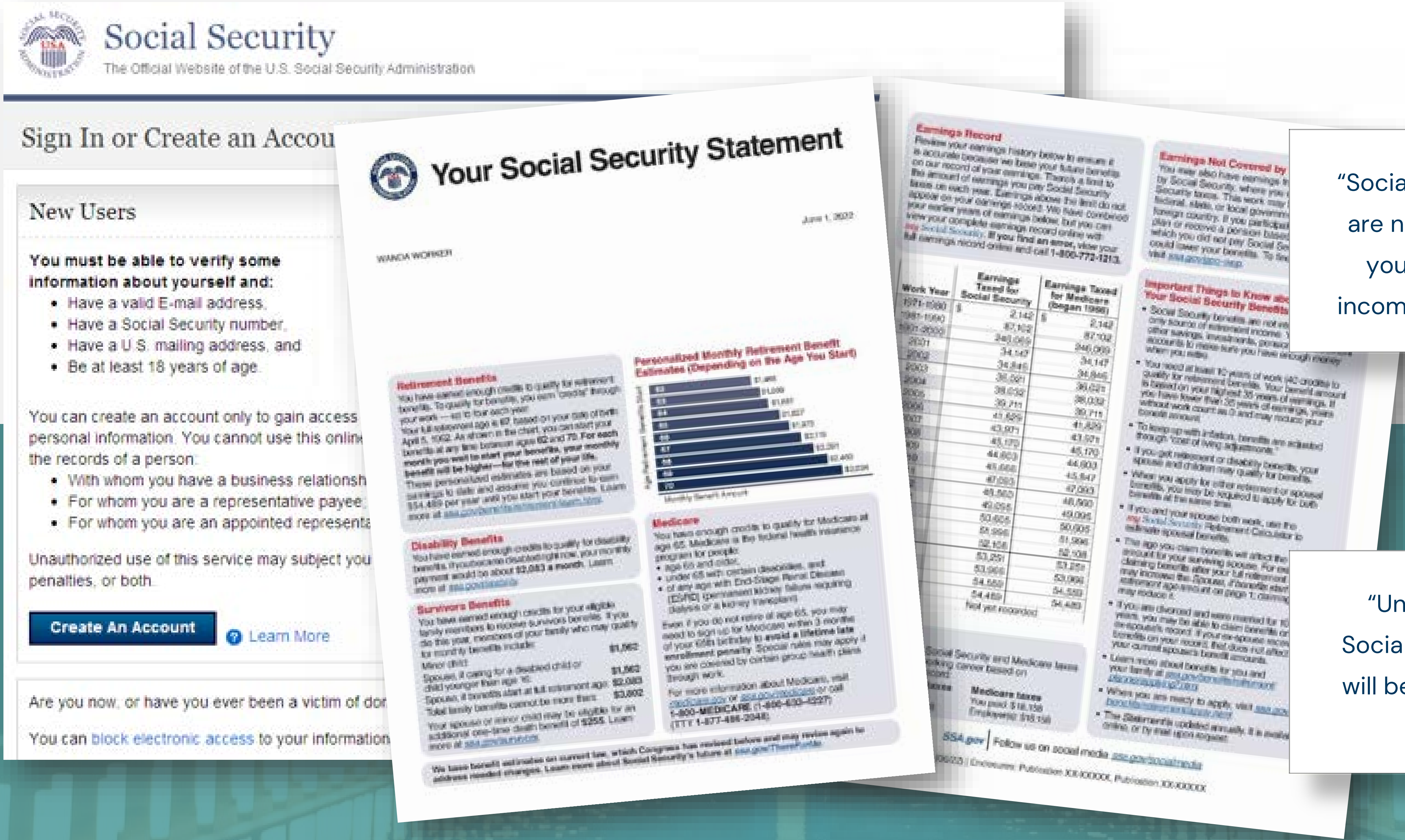
Benefits not affected by markets

Taxes

Preferential tax treatment vs. other incomes - (Trad. IRA/ Trad. TSP distributions)

Income

Guaranteed income stream



"Social Security benefits are not intended to be your only source of income when you retire"

"Under current law, Social Security benefits will be reduced in 2035 to 75%"

Statements online https://secure.ssa.gov/RIL/SiView.do

02

SS Mechanics

Social Security

1937

Great System In 1937…

- Paid retired workers only
- More people paying in than drawing out
- Benefits began at 65 … Life expectancy was 63

Today

…Not Updated For 2024

Life expectancy

Of those reaching age 65:

- Men can expect to live to 84.4
- Women can expect to live to 86.7

- Survivors' benefits, spousal benefits, benefits for children, and disability benefits
- Significantly more money going out than coming in

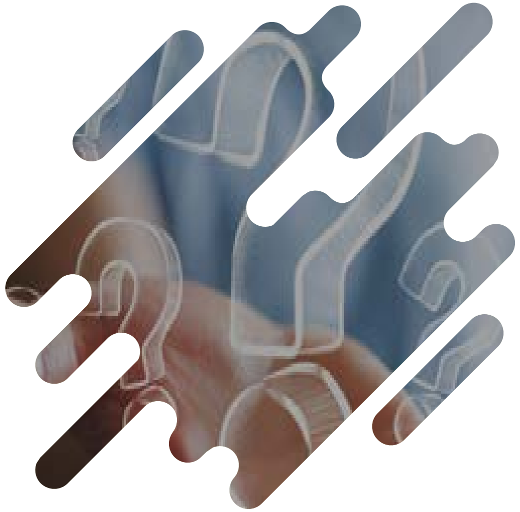
Social Security: Follow The Money

Who Pays For Soc Sec?

- Employees: 6.2% of wages (up to $168k earned)
- Employers: 6.2%
- Combined: 12.4%

Who Receives Soc Sec?

- 45.9 million retired workers
- 8.3 million disabled workers
- 4.0 million widows and widowers
- 2.5 million spouses
- 1.2 million adults disabled since childhood
- 2.8 million children



66.6 Million Beneficiaries

&

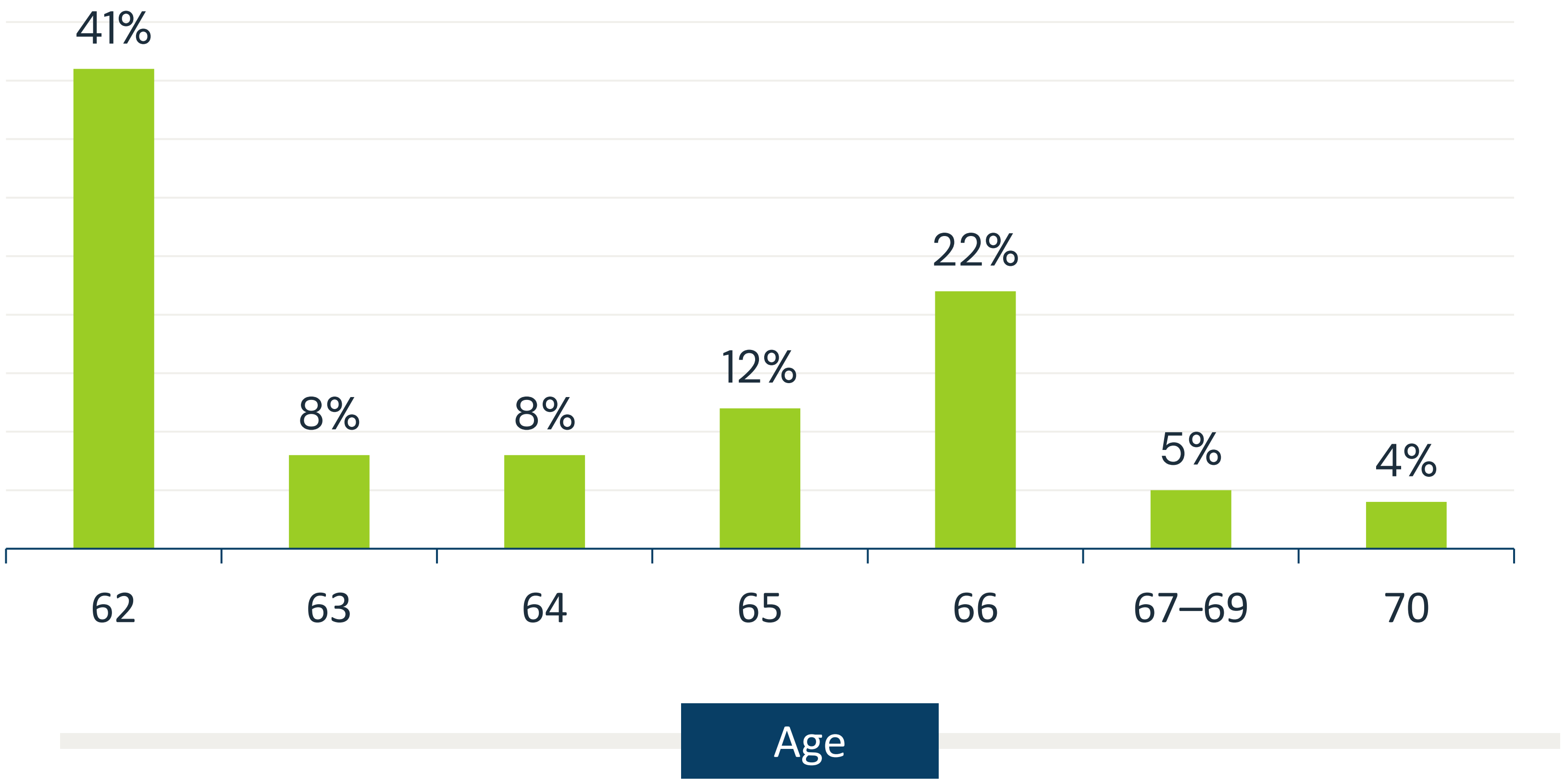
$1.2 Trillion Annual Benefits

Retired workers and their dependents 78%

Disabled workers and their dependents 13%

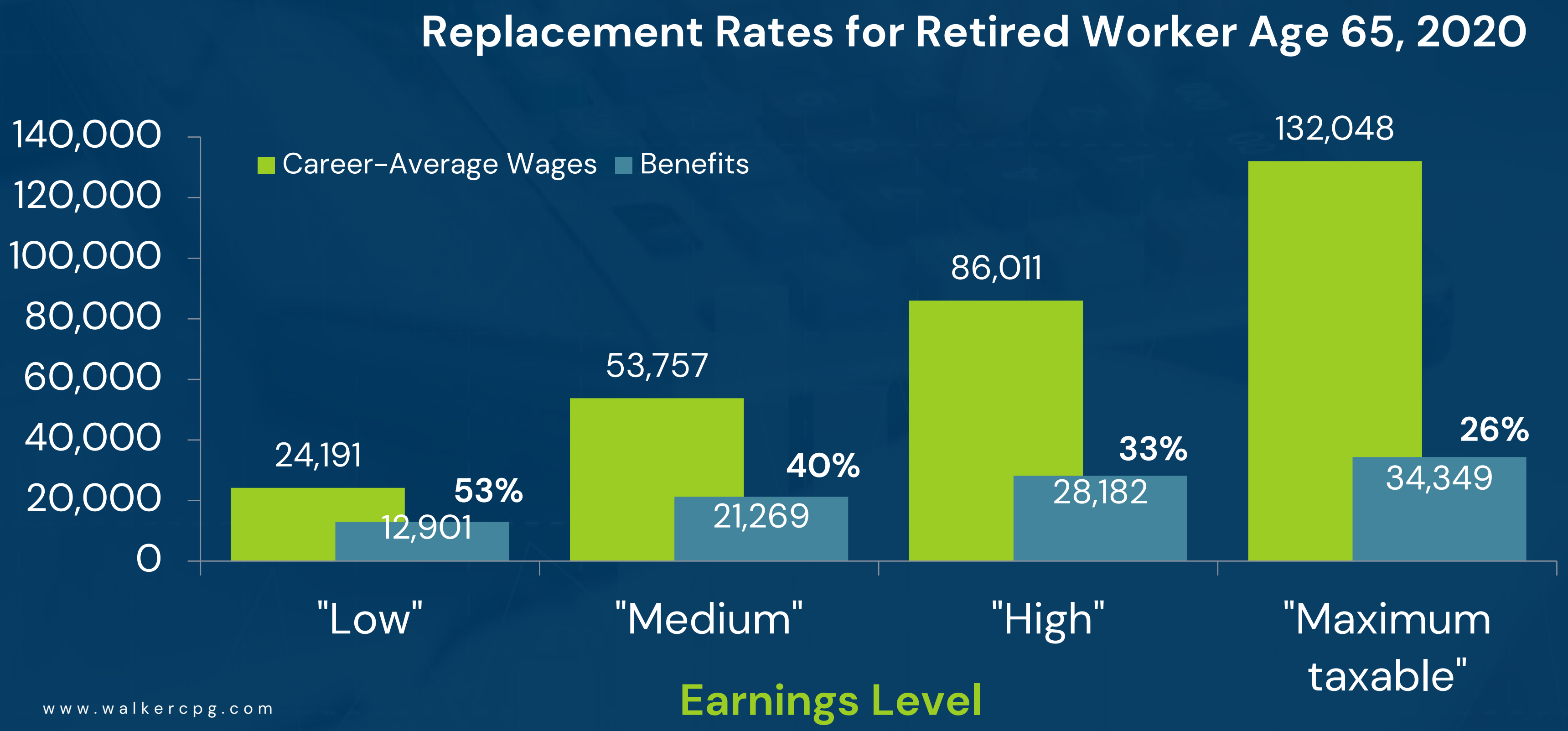
Survivors of deceased workers 9%

When Do Retirees Claim Social Security



Social Security Administration, 2018.
Excludes those claiming disability.

SS Benefits Replacement Rate for Wages



Social Security Administration, 2020.

Determining Your Benefits

$1,730 earnings = 1 credit

- 40 credits required to draw
- Maximum 4 credits per year
- Take the highest 35 years of earnings, monthly average

Determining Full Retirement Age

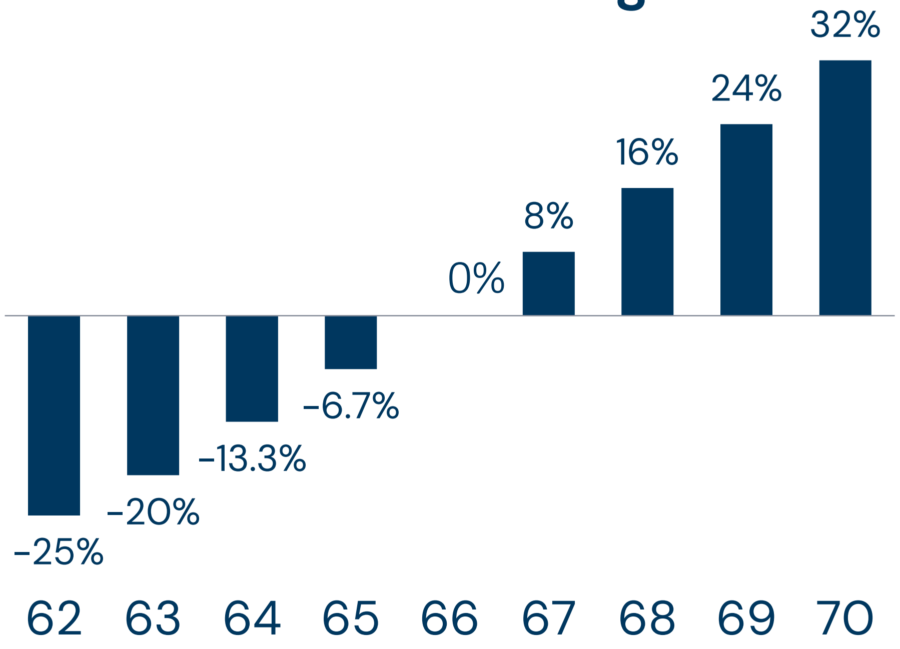
Birth Year	Full Retirement
1943–1954	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 and later	67

67

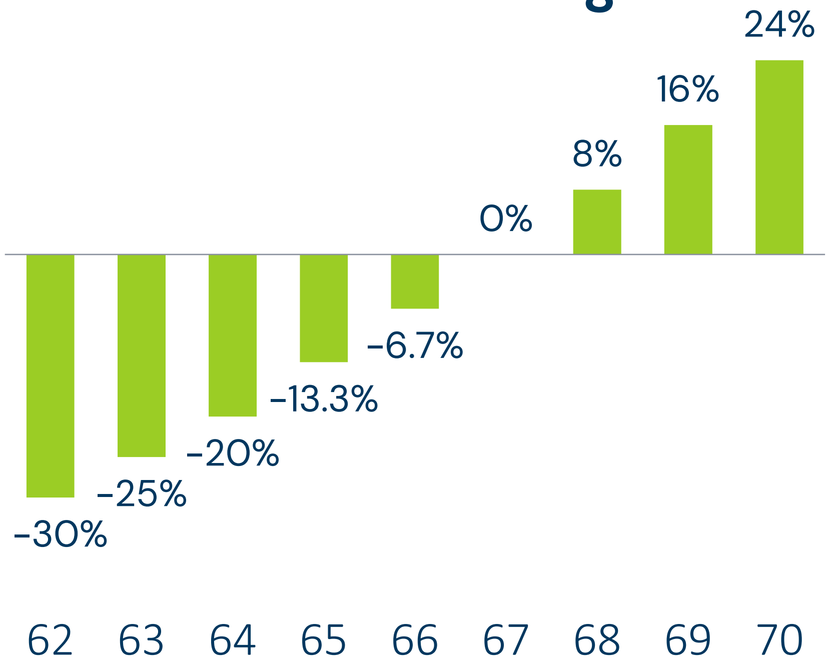
Is The New 65
for Baby Boomers

Full Retirement Age

Full Retirement Age 66



Full Retirement Age 67



The information in this presentation about Social Security is for educational purposes only. For more information, please visit the Social Security Administration website at https://www.ssa.gov/

03 Spousal Benefits

SS Spousal Benefits

THREE TYPES

Basic Spousal Benefits

Widow/Widower Benefits

Divorced Benefits

BASIC SPOUSAL BENEFIT

Basic Spousal Benefits

Your own work benefit

Up to 50% of a living spouse's benefit

01 If you want to file for a spousal benefit, your spouse must also file or be receiving benefits

02 Filing for benefits early will reduce your benefit AND the spousal benefit your spouse is entitled to

03 Additionally, filing for spousal benefits early will reduce your benefit

04 The percentage of reduction depends on how early the benefit is taken

*The option to start with the spousal benefit & then switch to own retirement benefit is only available if you were born on or before 1/1/1954.

Source: Social Security Administration

SPOUSAL BENEFIT

Availability

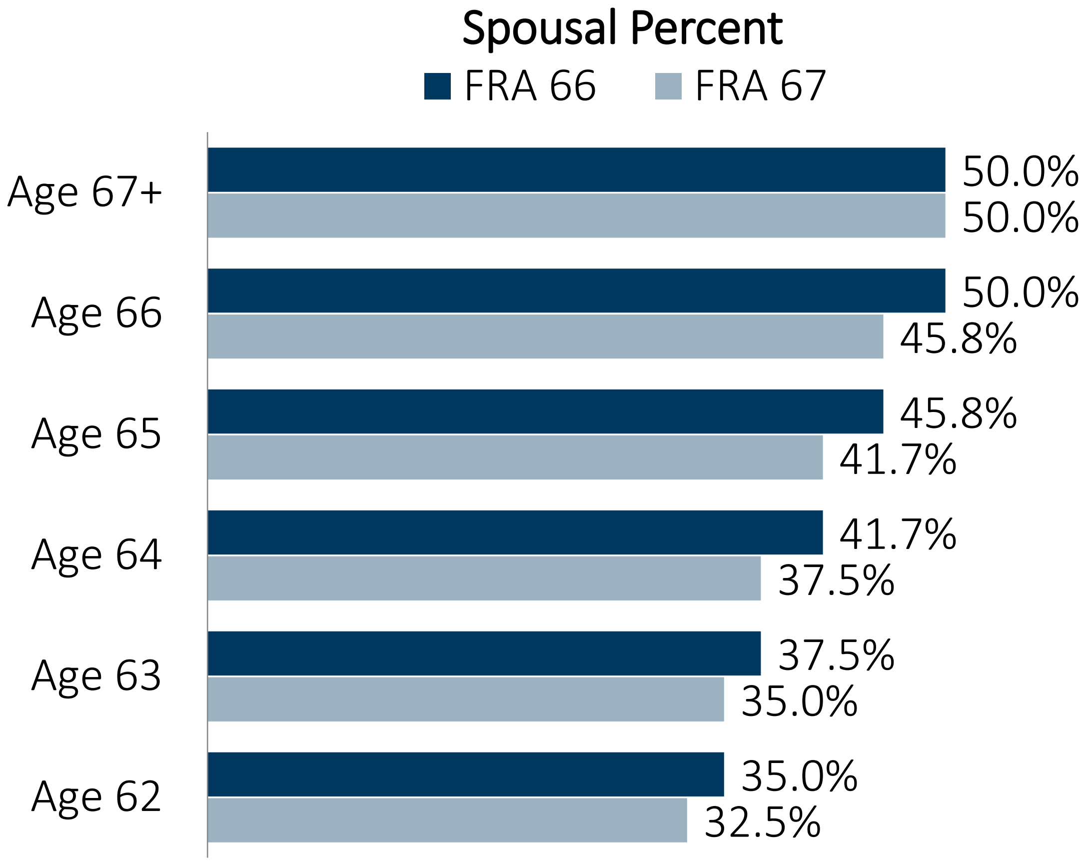
Available even if you did not work

Requirements

- You must be married to current spouse for at least one year.
- Your spouse must be receiving his or her retirement benefit.

If both spouses worked

- Generally receive greater of your retirement or spousal benefit.*
- Only one spouse at a time can receive a spousal benefit.



Earnings test applies to spousal benefits until Full Retirement Age

*Exception: The option to start with the spousal benefit and then switch to your own retirement benefit is only available if you were born on or before 1/1/1954.
Source: Social Security Administration

BASIC SPOUSAL BENEFIT

- Three best friends who are all age 62 (born in 1959)
- They are all married, retired and want to take Social Security.
- Alex and Blake apply at 62 for their retirement benefits
- Alex, Blake and Chris are age 66 when their spouses apply.

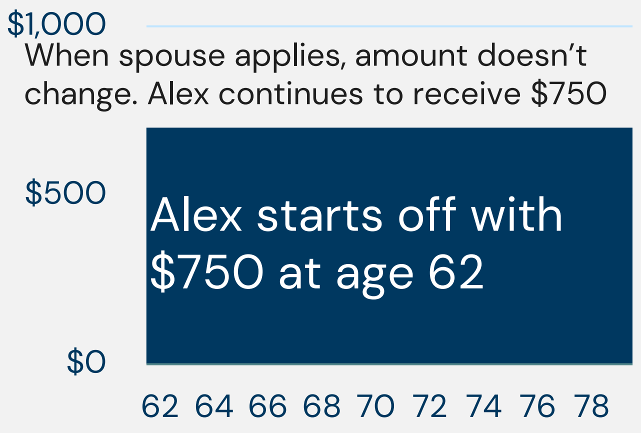
	Alex	Blake	Chris
Retirement benefit at 67	$1000	$1000	$0 Cared for family
Spousal benefit at 67	$1000	$1200	$1200

SPOUSAL BENEFIT

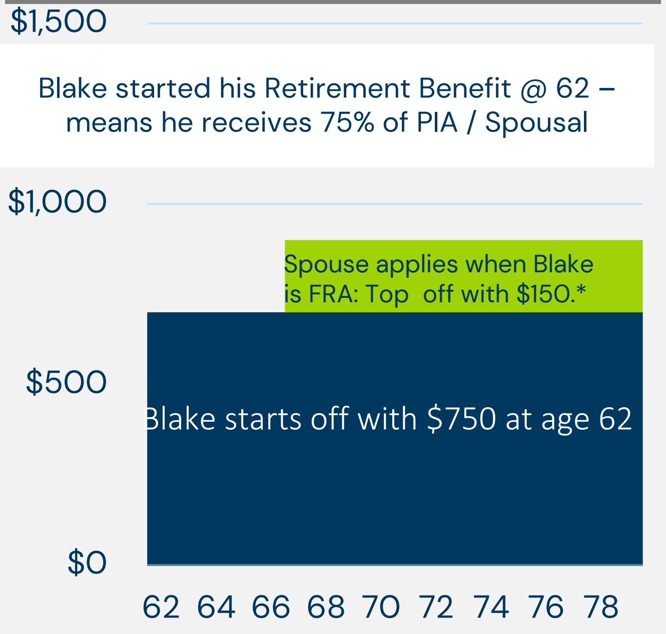
Spousal Benefit Available if: Spousal at FRA > Retirement Benefit at FRA

Alex Retirement Benefit at FRA: **$1000**
Spousal Benefit at FRA: **$1000**

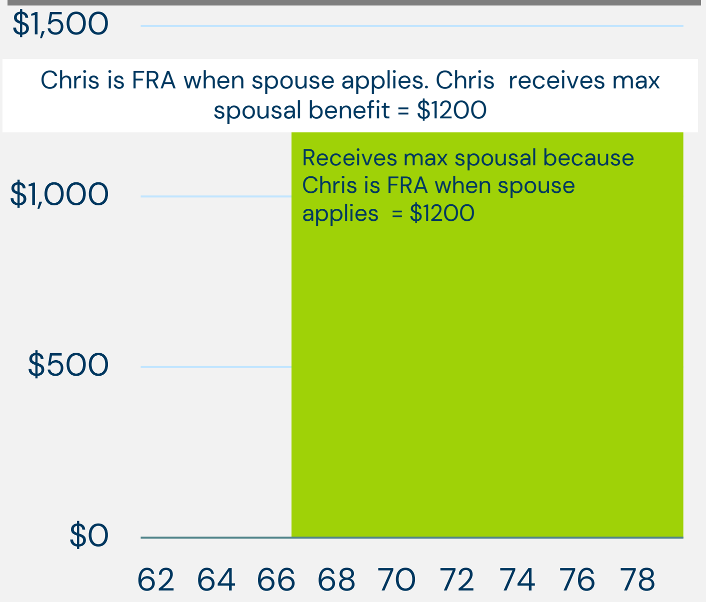
Alex's spousal benefit at FRA ≤ retirement benefit at FRA ➔ no spousal step up.



Blake Retirement Benefit at FRA: **$1000**
Spousal Benefit at FRA: **$1200**



Chris Retirement Benefit: **N/A**
Spousal Benefit at FRA: **$1200**



■ **Retirement benefit** ■ **Spousal Benefit**

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WIDOW/WIDOWER BENEFITS

Widow/Widower receives full benefit at their Full Retirement Age (FRA)

Widow/Widower can begin collecting Survivor Benefit at 50 if disabled

- Or at any age if caring for a child under 16 or disabled

Widow/Widower can begin collecting deceased spouse's benefits at age 60

- If taken at 60, benefit is reduced by 28.5%

Widow/Widower can collect Survivor Benefit while letting their own benefit defer

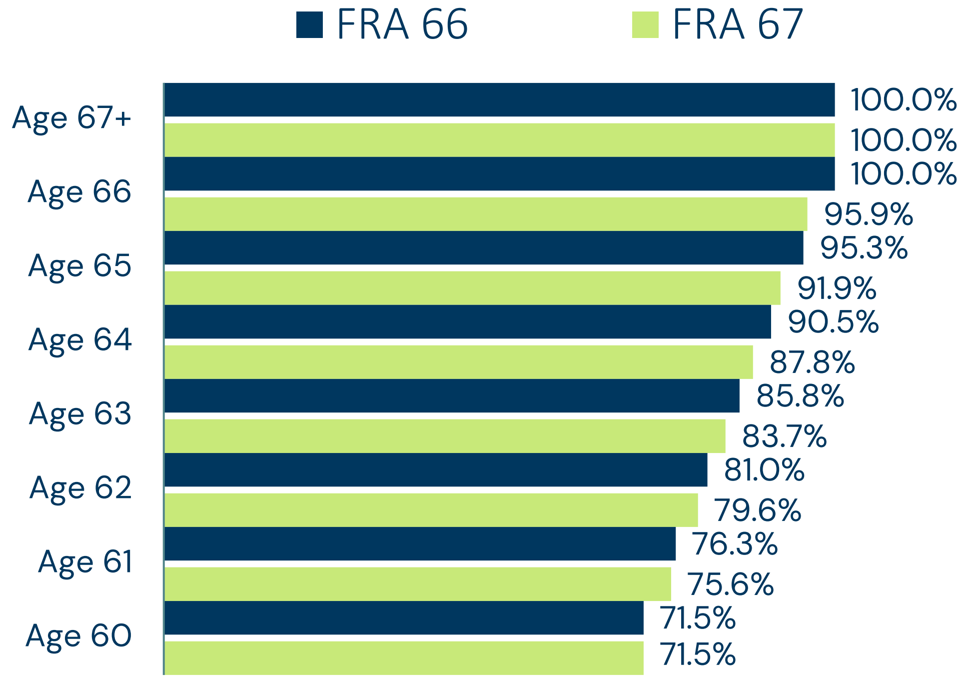
- Can elect to switch benefits

WIDOW/WIDOWER BENEFIT

Widow/Widower Benefits

Survivors Percent

Widow(er)s' age when widow(er) claims survivors benefit



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Calculation

- Amount based on when deceased claimed their retirement benefit
- Percent based on when you apply for survivors benefit

Surviving spouse worked

- Receive greater of your benefit or the survivors benefit1
- Subject to earnings test until FRA

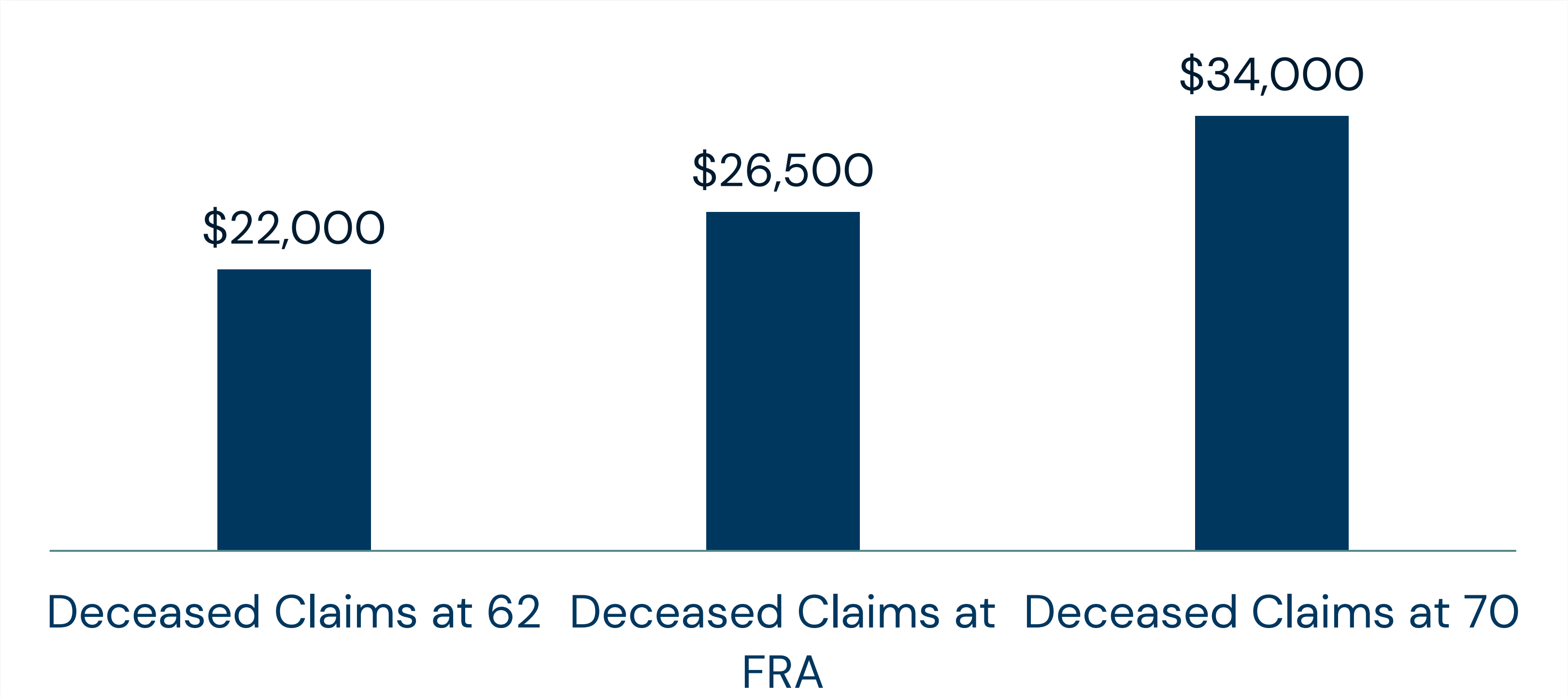
Claim own or spousal before FRA

- Surviving spouse still eligible for max survivor2

DECEASED'S CLAIMING DECISION AFFECTS SURVIVOR

Widow/Widower Benefits

Example of survivors benefit amounts



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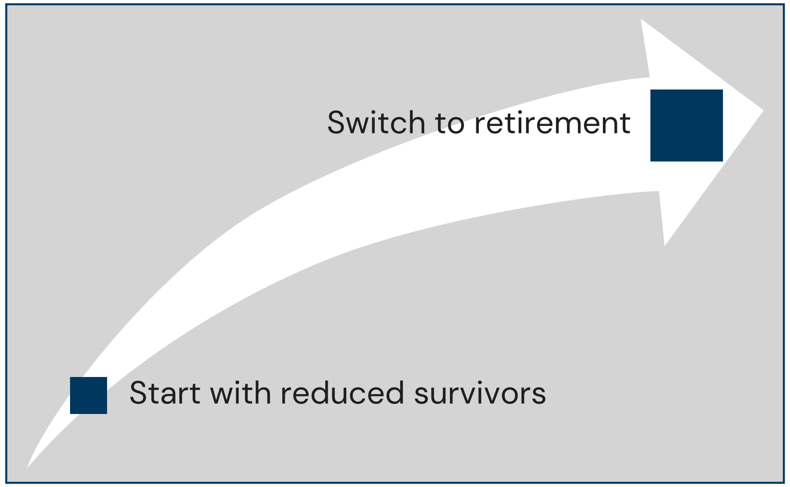
OPTIONS FOR WIDOW(ER)S

Widow/Widower Benefits

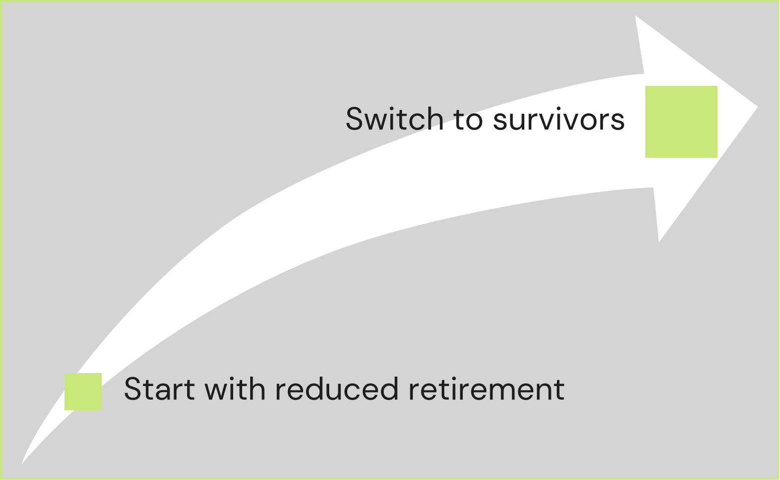
Option 1

Start with reduced survivors benefit



Option 2

Start with reduced retirement benefit



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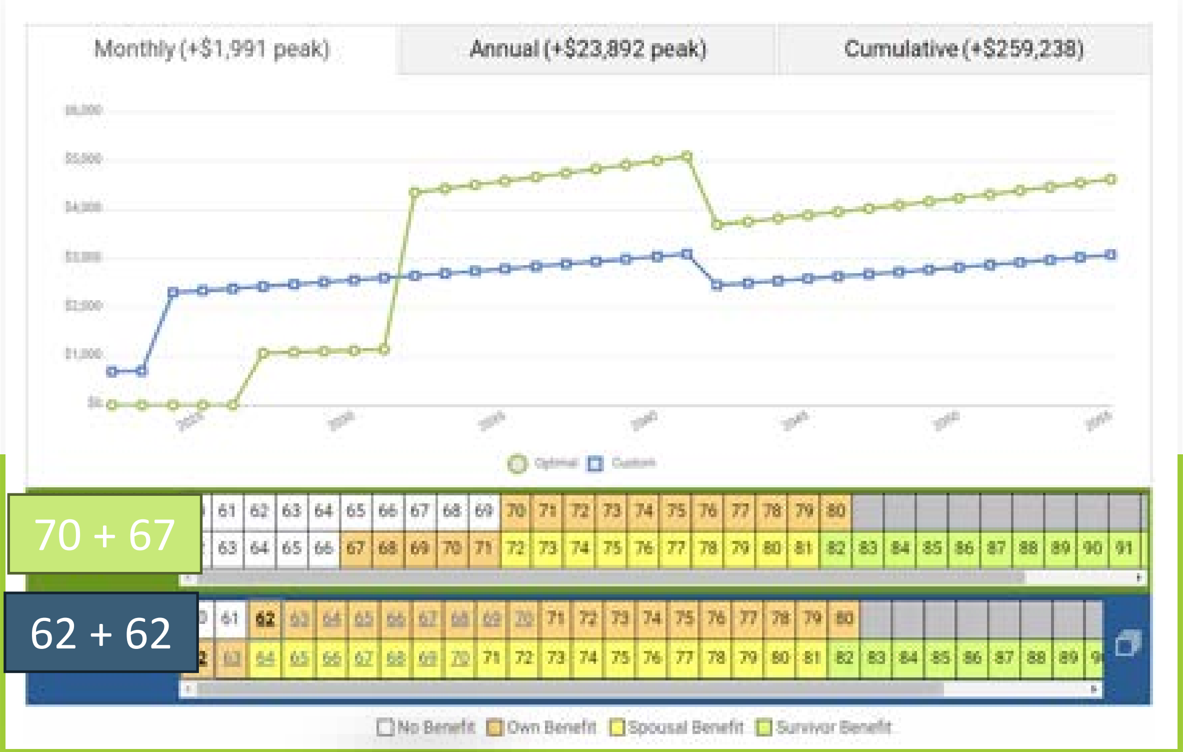
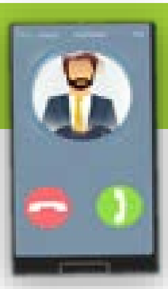
Fred + Sally

FRED SS @62 Passes @80 vs FRED SS@70 Passes @80





Remarriage & Social Security (for Divorcees & Surviving Spouses)

If your former spouse remarries, it does not affect your benefits

Divorced Benefits

Former Spouse Remarries

Does not dilute your benefits off former spouse

You Remarry Before Age 60

Forfeit spousal benefit off ex
Forfeit survivors benefit off ex

You Remarry After Age 60

Forfeit spousal benefit off ex
Keep survivors benefit off ex*

If your second marriage ends (either through divorce, annulment or death),you may become re-entitled to benefits off of the first marriage regardless of your age when you remarry

*If you remarry at or after age 60, you may receive greater of 1) spousal/survivor benefit of current spouse, 2) your retirement benefit, or 3) survivor benefit of former spouse
Source: Social Security Administration

04
FERS Supp, WEP + GPO

FERS SUPPLEMENT

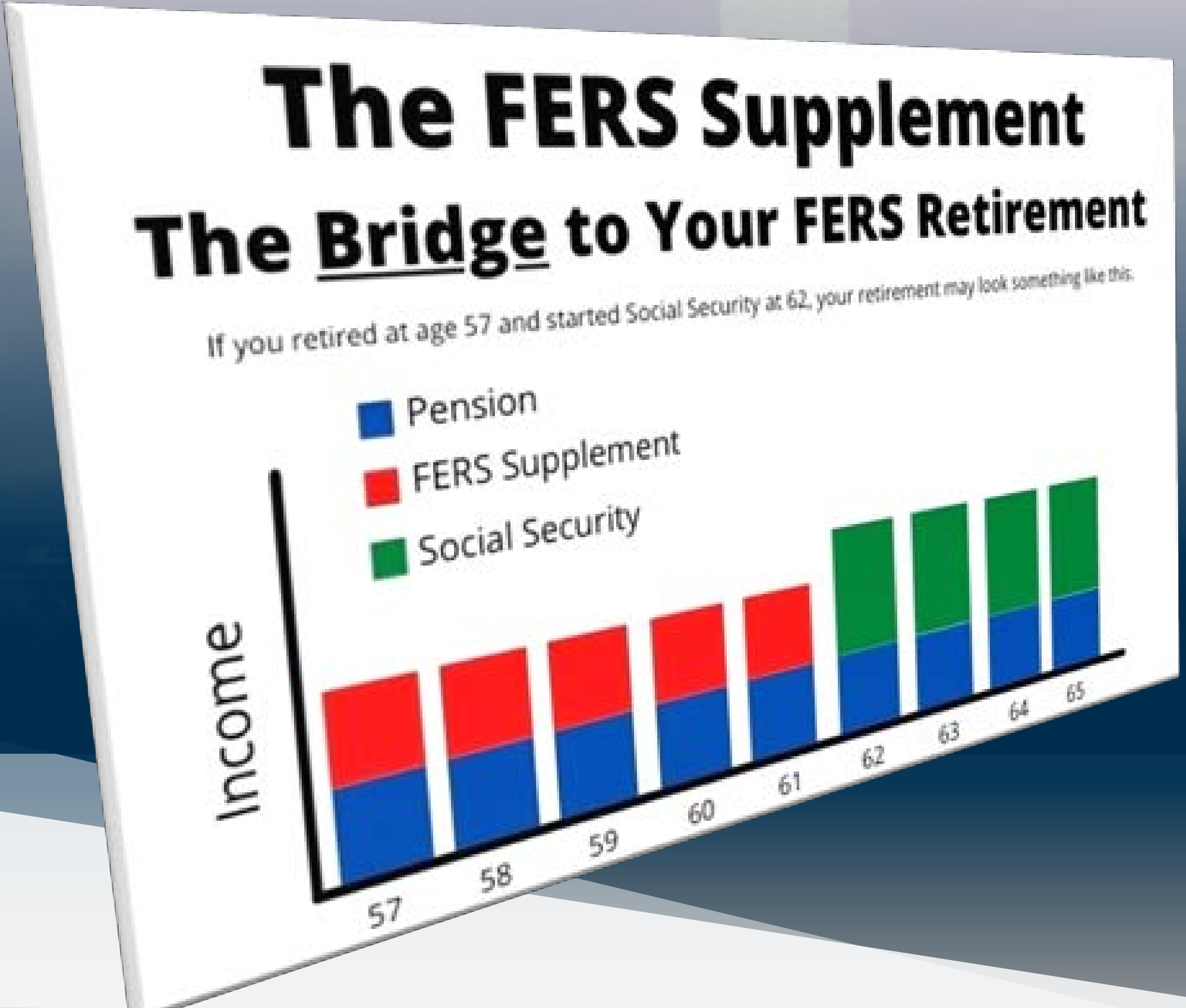
Social Security Age 62 Benefit
Multiplied by Years of Service
Divided the product by 40

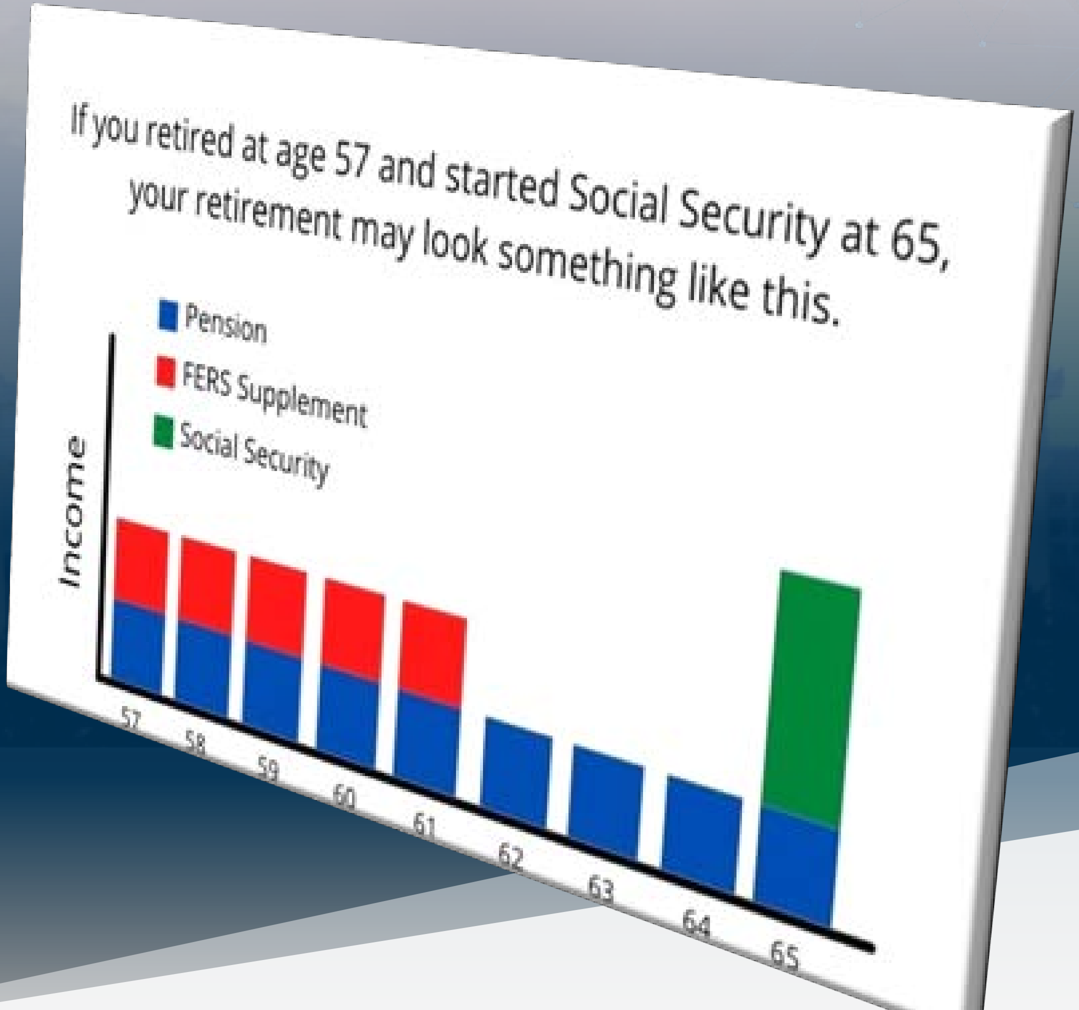
(Beneft@62 x Years Service) / 40

FERS Supplement ends at 62 regardless of SS election

FERS SUPPLEMENT

Supplement Payments End @ 62 Regardless of SS Filing Status & is subject to Wage Earnings Test





Social Security: Possible Reductions

Windfall Elim. Prov. (WEP)

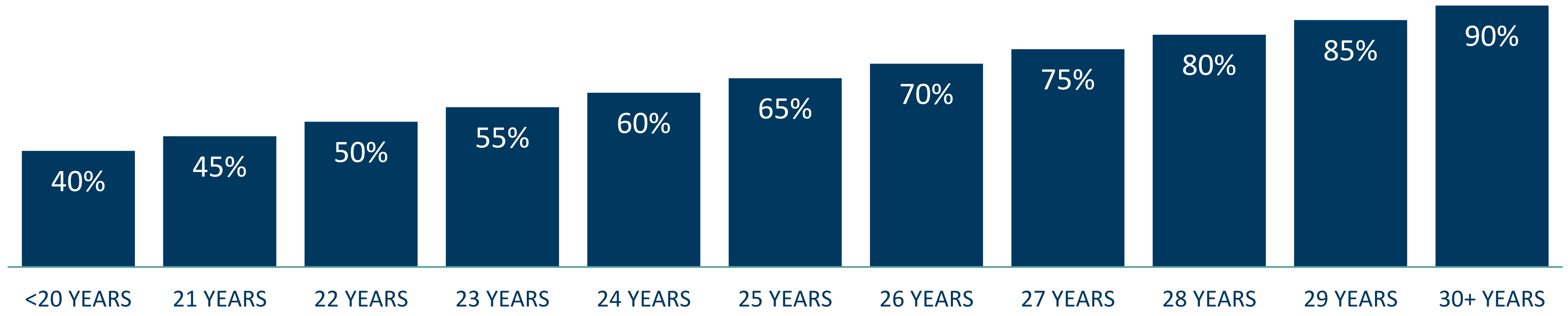
- Impacts those eligible for SS but who are receiving a pension for service not covered by SS
- Reduction based on a calculation from the Social Security Administration
- Social Security benefits can be reduced but not totally eliminated (Max Rdctn = $512/mo).

GOV'T PENSION OFFSET (GPO)

- Impacts workers applying for Spousal or Survivor Benefits who are receiving a pension for service not covered by SS
- Benefits are reduced by 2/3 of the pension income amount
- Social Security benefits can be reduced OR totally eliminated.

WEP Adjustment Based on Years of Substantial Earnings*

Percent of first bend point of PIA received**



*Substantial earnings for selected years are $27,300 (2022), $26,550 (2021), $25,575 (2020), $22,050 (2015), $19,800 (2010), $16,725 (2005), $14,175 (2000), $11,325 (1995), $9,525 (1990) $7,425 (1985), $5,100 (1980). See Social Security Publication "Windfall Elimination Provision" for more details.

**PIA (Primary Insurance Amount) is the Social Security retirement benefit at Full Retirement Age. It is computed by dividing the Averaged Indexed Monthly Earnings (AIME) into three bend points. In 2022, the three bend points are 90% of the first $1,024 of AIME, 32% of AIME over $1,024 through $6,172, and 15% of AIME over $6,172.

Maximum	2022	$512.00	$460.80	$409.60	$358.40	$307.20	$256.00	$204.80	$153.60	$102.40	$51.20	$0.00
monthly	2021	$498.00	$448.20	$398.40	$348.60	$298.80	$249.00	$199.20	$149.40	$99.60	$49.80	$0.00
benefit	2020	$480.00	$432.00	$384.00	$336.00	$288.00	$240.00	$192.00	$144.00	$96.00	$48.00	$0.00
reductions	2019	$463.00	$416.70	$370.40	$324.10	$277.80	$231.50	$185.20	$138.90	$92.60	$46.30	$0.00
by year you	2018	$447.50	$402.80	$358.00	$313.30	$268.50	$223.80	$179.00	$134.30	$89.50	$44.80	$0.00
turn 62	2017	$442.50	$398.30	$354.00	$309.80	$265.50	$221.30	$177.00	$132.80	$88.50	$44.30	$0.00

Soc. Sec. Taxation & Wage Earnings Test

05

SS OPTIONS WHILE WORKING

Earnings limit affects all Social Security benefits (retirement, spousal, survivor, divorce)

	Through year before turning Full Retirement Age	In the year of turning Full Retirement Age	Month you turn Full Retirement Age and older
Earnings Limit (2023)	**$22,320 ($1,860 per month)**	**$59,520 ($4,960 per month)**	No restrictions
Amount of Withholding	$1 of benefits withheld for every $2 of earnings above limit	$1 of benefits withheld for every $3 of earnings above limit	No restrictions

- Earnings limit looks at wages only. Unearned income (pensions, IRAs, rental income, etc.) does not cause Social Security benefits to be withheld
- Earnings limit only affects wages received after you start Social Security
- If married, Social Security only considers the wages of the spouse receiving Social Security

Wage Earnings Test Hypothetical Example

Tamera
Born 1960
Eligible for max benefits

Retired in 2024 on 62nd birthday and returned to work less than one year later

My Social Security

Social Security Benefit @ FRA		$~~22,044~~
Actual SS Benefit (70% of FRA benefits)		$15,431
2024 Earned Wages		$40,000
Social Security 2024 earnings limit	**$22,320**	
Excess earnings	$17,680	
Working reduction in benefits		**$ -8,840**
Net Social Security benefits		**$ 6,591**

This hypothetical example is for illustrative purposes only and does not represent an actual client.

TAXATION OF SOC SEC BENEFITS

Federal Employees are unique in the level of PROVISIONAL income they anticipate in retirement...

Higher Provisional Income = More of SS Benefit taxed as Income

More Taxable Income + Higher Future Taxes = Potential Problem

DETERMINING PROVISIONAL INCOME

100%

FERS PENSION

100%

EARNED WAGES

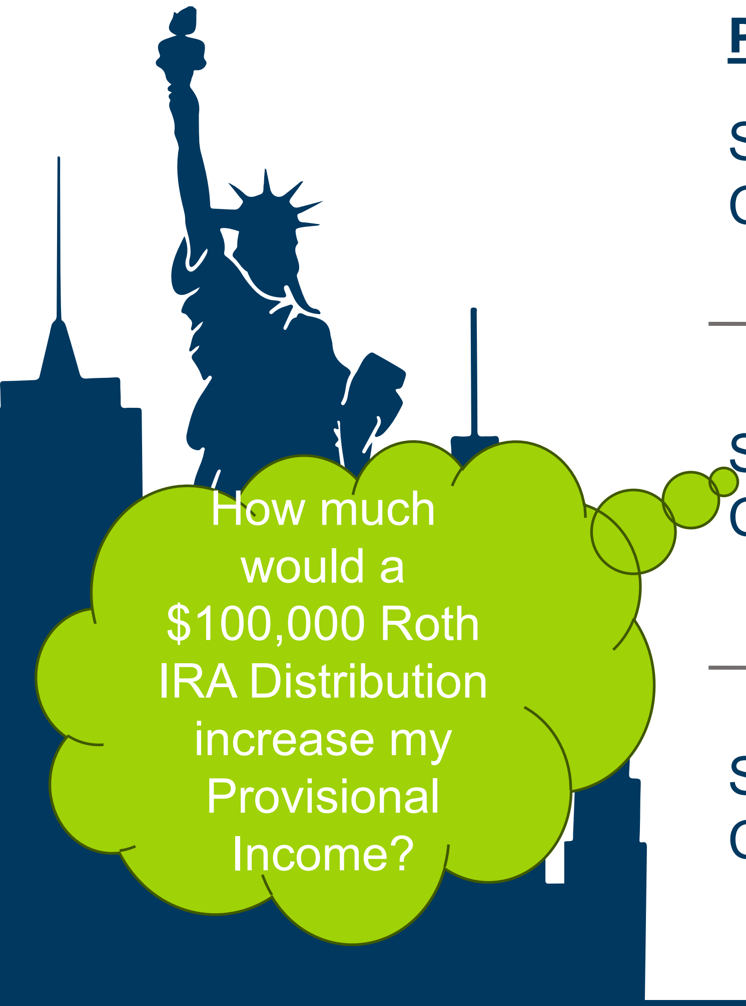
TRAD TSP/IRA DISTRIBUTIONS

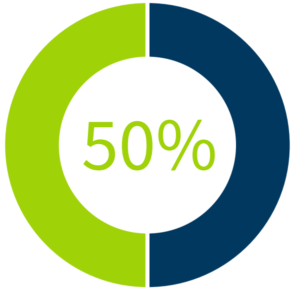
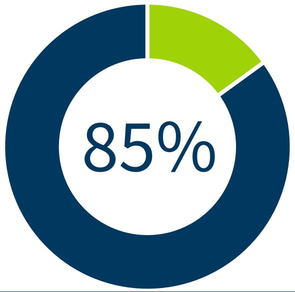
100%

SOCIAL SECURITY BENEFITS

50%

TAXATION OF SOC SEC BENEFITS

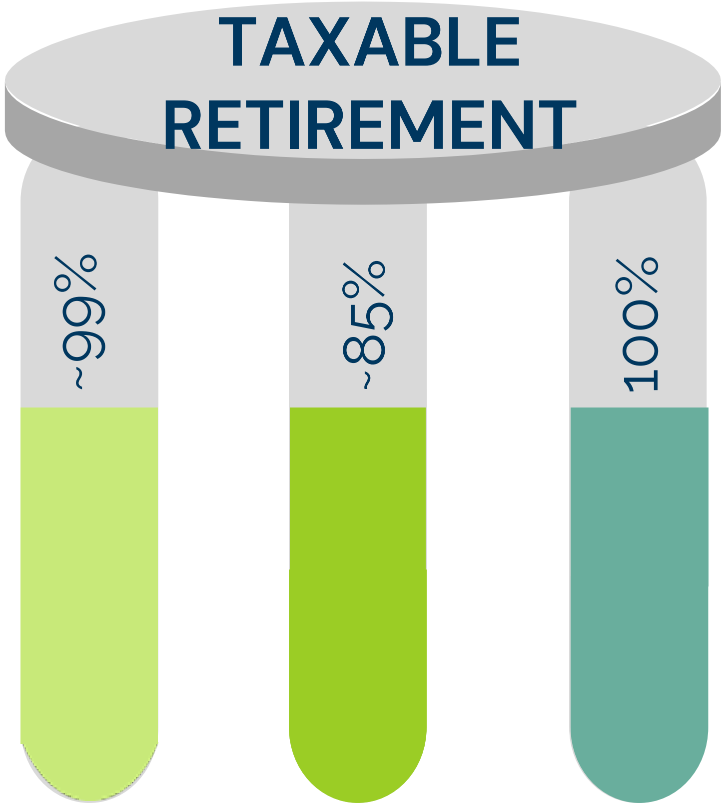


Provisional Income level*	Taxation of SocSec Benefit	
Single: $1 - $24,999 Couples:$1 - $31,999	0% of benefits reported as taxable income	
Single: $25,000 - $34,000 Couples:$32,000 - $44,000	Up to 50% of benefits reported as taxable income	
Single: $34,000 + Couple: $44,000 +	Up to 85% of benefits reported as taxable income	

Visit IRS.gov and search for Publication 554, *Tax Guide for Seniors*, and Publication 915, *Social Security And Equivalent Railroad Retirement Benefits*

Future Tax Rates IMPACT FERS Retirees

If tax rates increase in the future, the "3-Legged Stool" may leave you overly exposed to the IRS's outstretched hands



01 FERS Pension

02 Social Security

03 TSP Distributions

FERS Pension

~99% Reported as TAXABLE INCOME

Social Security

~85% Reported as TAXABLE INCOME*

**due to Prov Income Level*

TRAD. TSP Distributions

100% Reported as TAXABLE INCOME

Walker Capital Preservation Group

Taxes Are "on Sale"
Current Rates Vs Scheduled Rates

Standard Deduction 2024

$29,200

Potential Roth IRA conversion opportunity?

TCJA (2024+2025)

$731,200	37%
$487,450	35%
$383,900	32%
$201,050	24%
$94,300	22%
$23,200	12%
	10%

Reverted Rates (2026)*

39.6%	$553,600
35%	$490,000
33%	$274,400
28%	$180,000
25%	$89,450
15%	$22,000
10%	

*Brackets will be adjusted for inflation

Standard Deduction 2017

$12,700

Based on 2024 tax brackets for married couples filing a joint tax return. Projected example is based on tax brackets in place prior to the Tax Cuts and Jobs Act (TCJA) adjusted for inflation through 2024. Current tax brackets are scheduled to expire at the end of 2025 with pre-TCJA tax brackets applying, adjusted for inflation. Note that other tax items are scheduled to change after sunset provision in 2025 including (for example) personal exemptions returning, lower standard deduction, less restrictions on itemized deductions, and lower exemptions applying for Alternative Minimum (AMT) tax purposes.

Government's Largest Budget Items

2024 Tax Revenue
$4.7T
Top 4 Expenses
$4.8T

$1,749,000,000,000

Medicare & Medicaid

$1,414,000,000,000

Social Security

Defense Spending

$870,000,000,000

Interest on Debt

~~2020~~	~~$329,000,000,000~~
~~2023~~	~~$536,000,000,000~~
2024	**$791,000,000,000**

6TH Largest Expense = Federal Pensions $392,000,000,000

Pace of US National Debt Accumulation

Time Required to Reach Total U.S. Debt Levels	
Of:	
$10 Trillion	232 Years
$20 Trillion	9 Years
$30 Trillion	5 Years
Last Trillion $	100 Days
Latest Level	$34.4 + Trillion

In 2024, Uncle Sam's interest-only payments on National Debt cost $2.4B EVERY SINGLE DAY

Soc Sec Case Study Single Filer

06

Case Study: The Serbus Twins

Milton Serbus

DOB = 9.1.1960

Life Expectancy = 95

HI-3 = $135,000

SCD = 9.1.1985 - FERS

Uncovered Pension = $0

Sybill Serbus

DOB = 9.1.1960

Life Expectancy = 95

HI-3 = $135,000

SCD = 9.1.1983 - CSRS

Uncovered Pension = $100,000

Milton Serbus – FERS Single

Sybill Serbus – CSRS Single

06

Soc Sec Case Study Couples Strategies

Strategies for Married Couples

Both Claim At 62

Both spouses elect to take reduced benefits at age 62

Sometimes require as much income as early as possible

Biggest benefit up front, smallest cumulative benefit if long life

Split Strategy Before FRA

Even if filing on the same date – if spouses are different ages it is considered a "split strategy"

If electing for one spouse to wait longer than other, bigger $$ increase when higher earner delays filing

Both Claim At FRA

Both spouses elect to take their full Primary Insurance Amount (PIA)

Each receive 100% of the PIA based on their own earnings history

Split Strategy After FRA

Higher earner waits til 70 & spouse files spousal benefit (if higher than own benefit)

Starts benefits earlier while also minimizing the reductions taken

Survivor receives larger of own benefit or 100% of spousal benefit

Both Claim At 70

Both spouses delay benefits to receive maximum income

Largest cumulative income if long life (largest survivor benefit as well)

Living on assets or earned wages or reduced income until 70?

Case Study: The Serbus Household

Fred Serbus

DOB = 9.1.1961

Life Expectancy = 95

HI-3 = $135,000

SCD = 9.1.1985 - FERS

Uncovered Pension = $0

Sally Serbus

DOB = 9.1.1963

FRA Benefit = $975

Non Federal Earnings Record

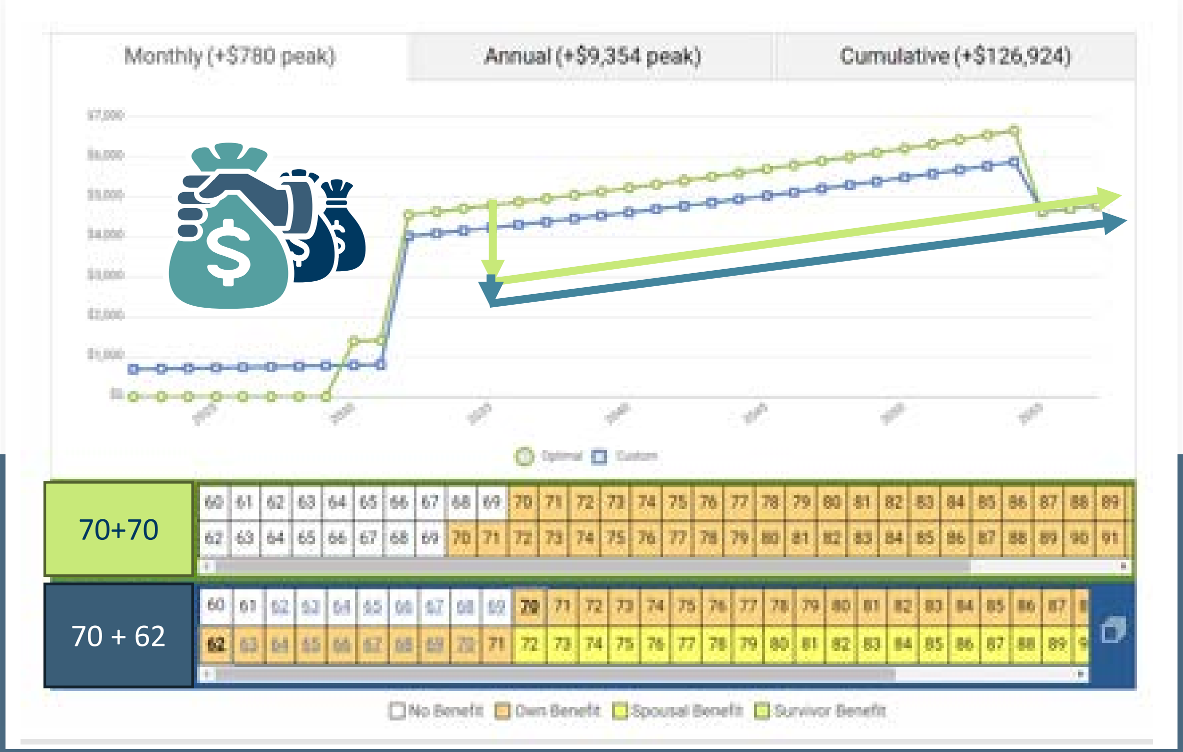
Interested in Spousal Benefits

Fred + Sally

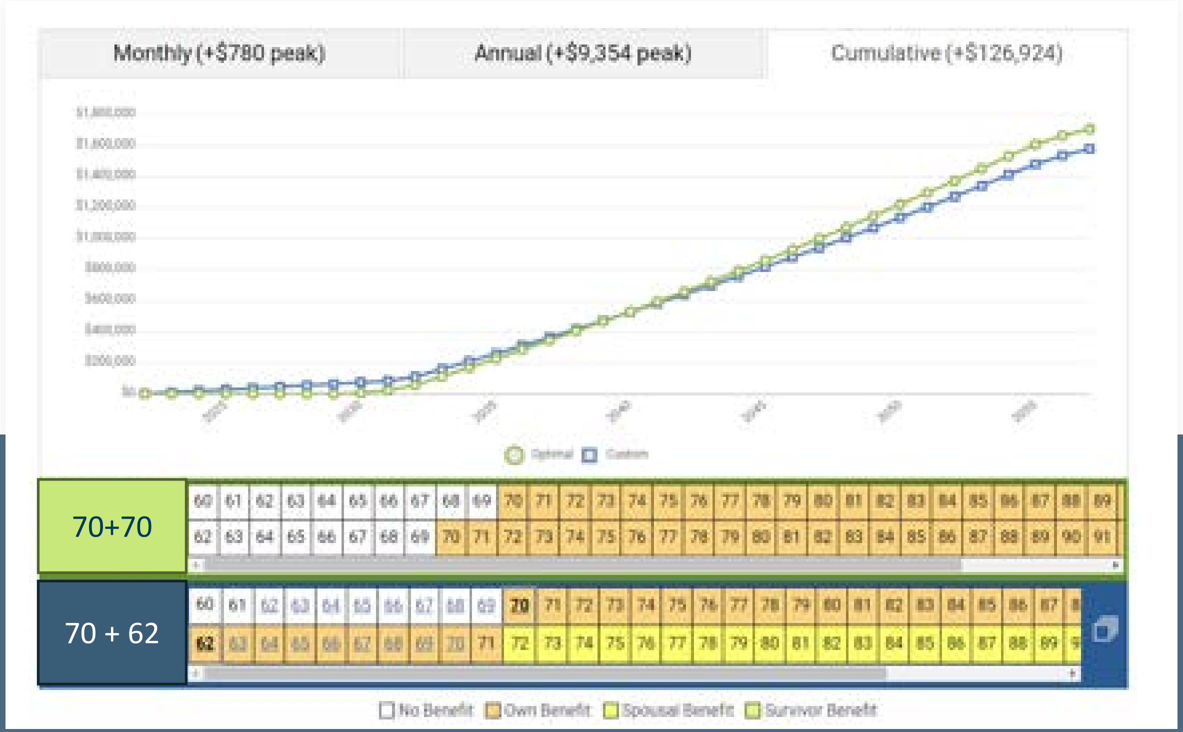
Monthly (+$2,772 peak)
Annual (+$33,261 peak)
Cumulative (+$479,542)
Optimal
Custom
70+70
62 + 62
No Benefit
Own Benefit
Spousal Benefit
Survivor Benefit

Monthly (+$2,772 peak)
Annual (+$33,261 peak)
Cumulative (+$479,542)
Optimal
Custom
70+70
62 + 62
No Benefit
Own Benefit
Spousal Benefit
Survivor Benefit

Fred + Sally



Monthly (+$780 peak)
Annual (+$9,354 peak)
Cumulative (+$126,924)
Optimal
Custom
70+70
60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89
62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91
70 + 62
60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87
62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89
No Benefit
Own Benefit
Spousal Benefit
Survivor Benefit



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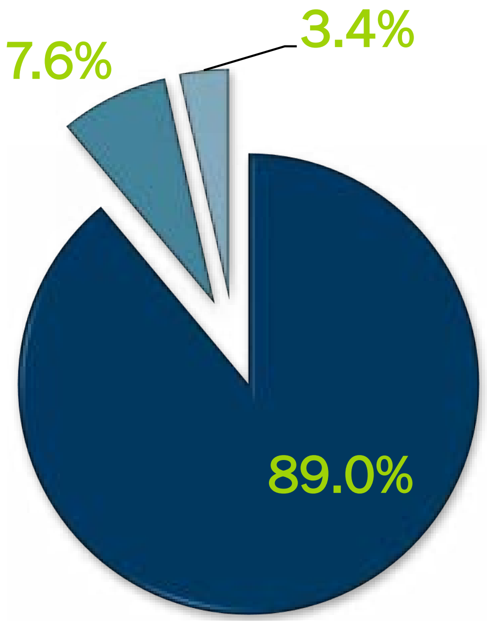
60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87
62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89
No Benefit
Own Benefit
Spousal Benefit
Survivor Benefit

06

Social Security Solvency

SS TRUST FUND FUNDING



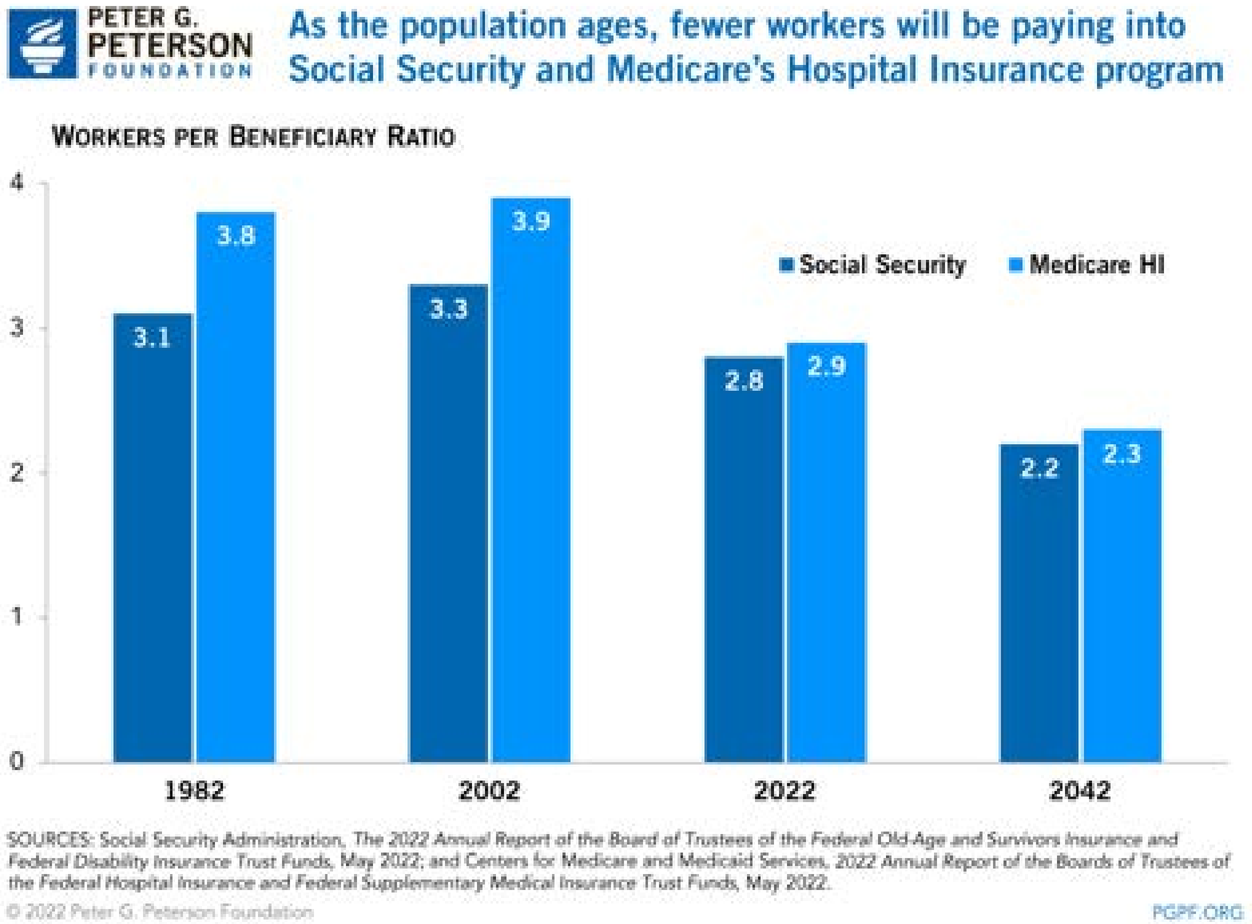
■ Workers' and employers' Social Security contributions

■ Interest on reserves

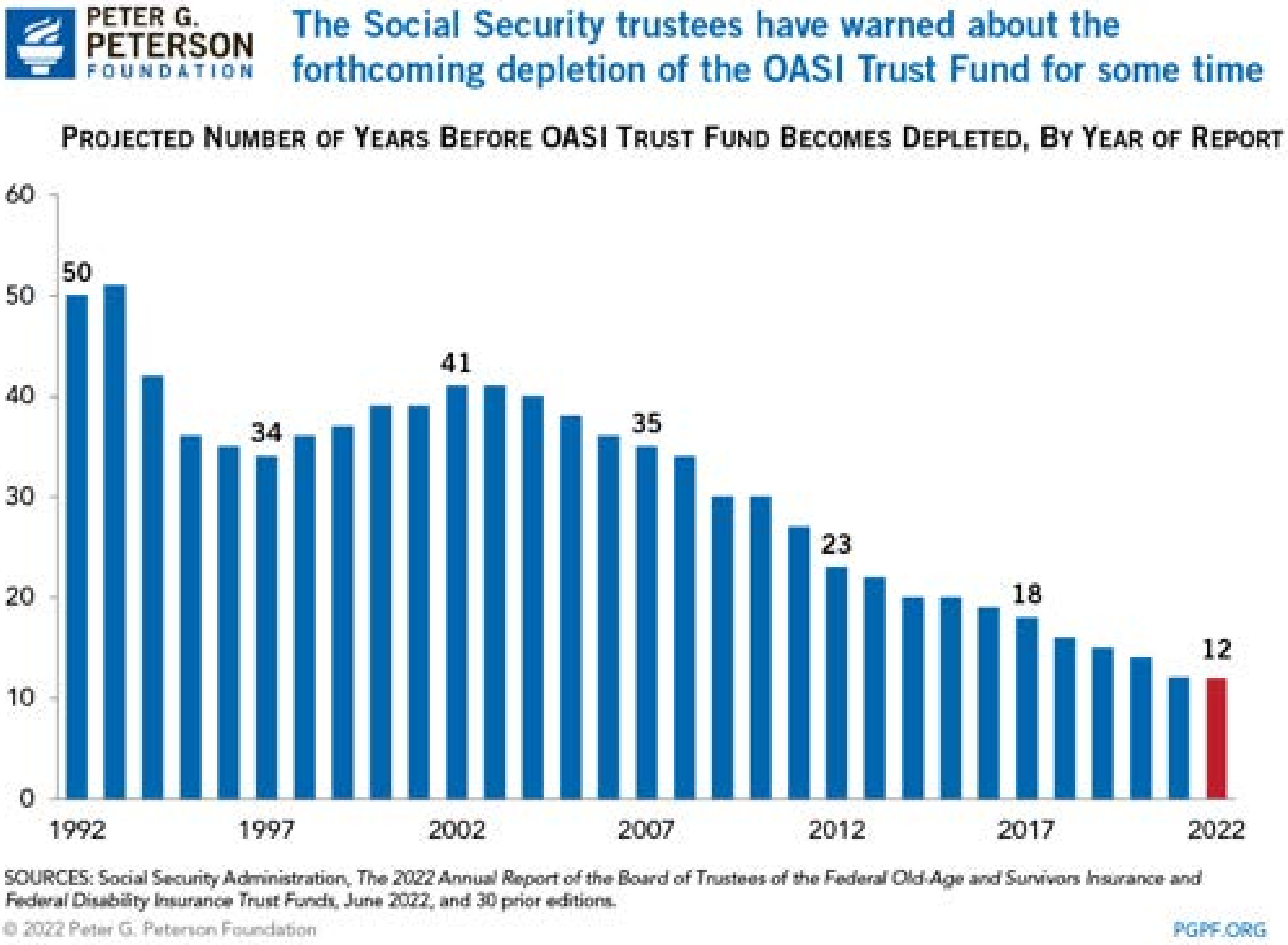
■ Income taxes on benefits

The information in this presentation about Social Security is for educational purposes only. For more information, please visit the Social Security Administration website at https://www.ssa.gov/

WORKERS TO SS RECIPIENTS

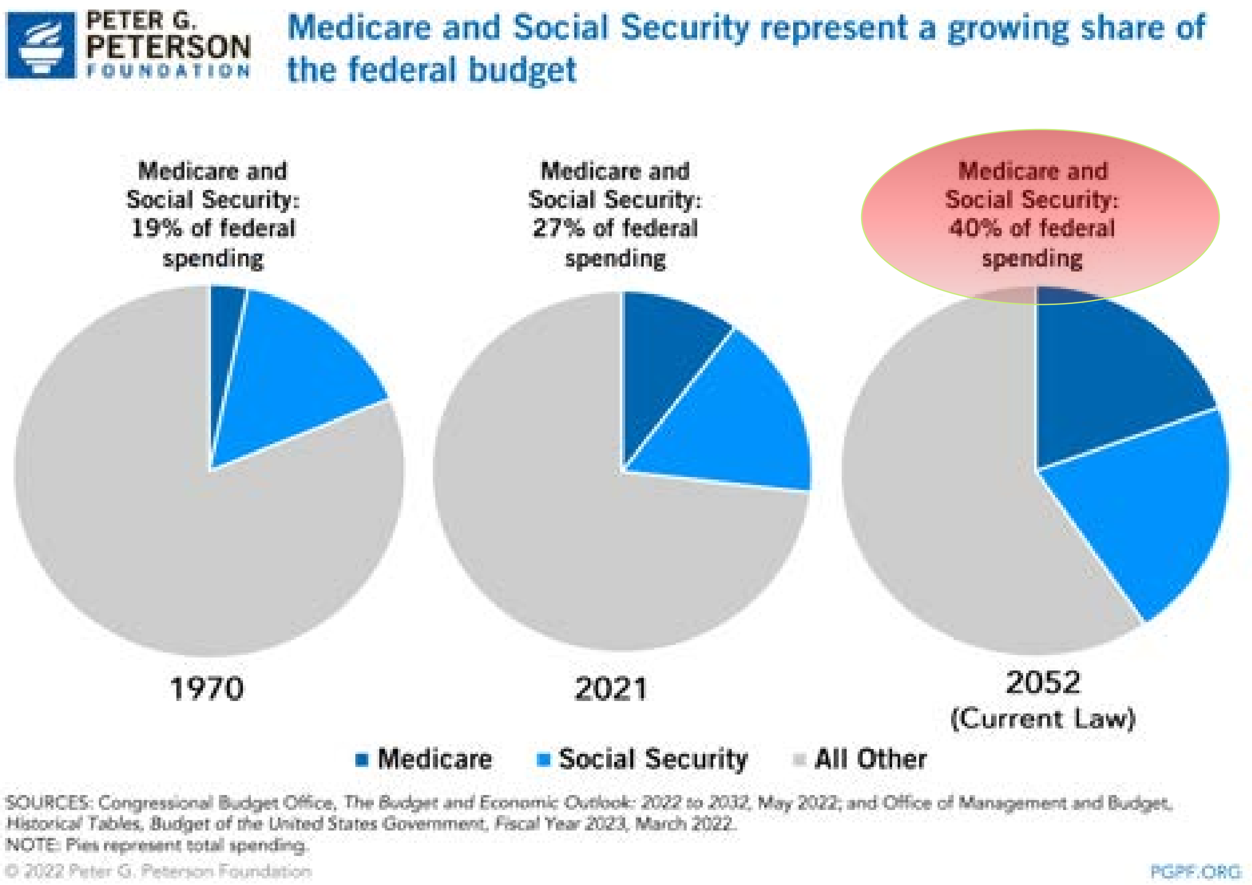


SS YEARS BEFORE TRUST DEPLETION



CURRENT LAW

If scheduled benefits were paid beyond 2035 with current SS revenues



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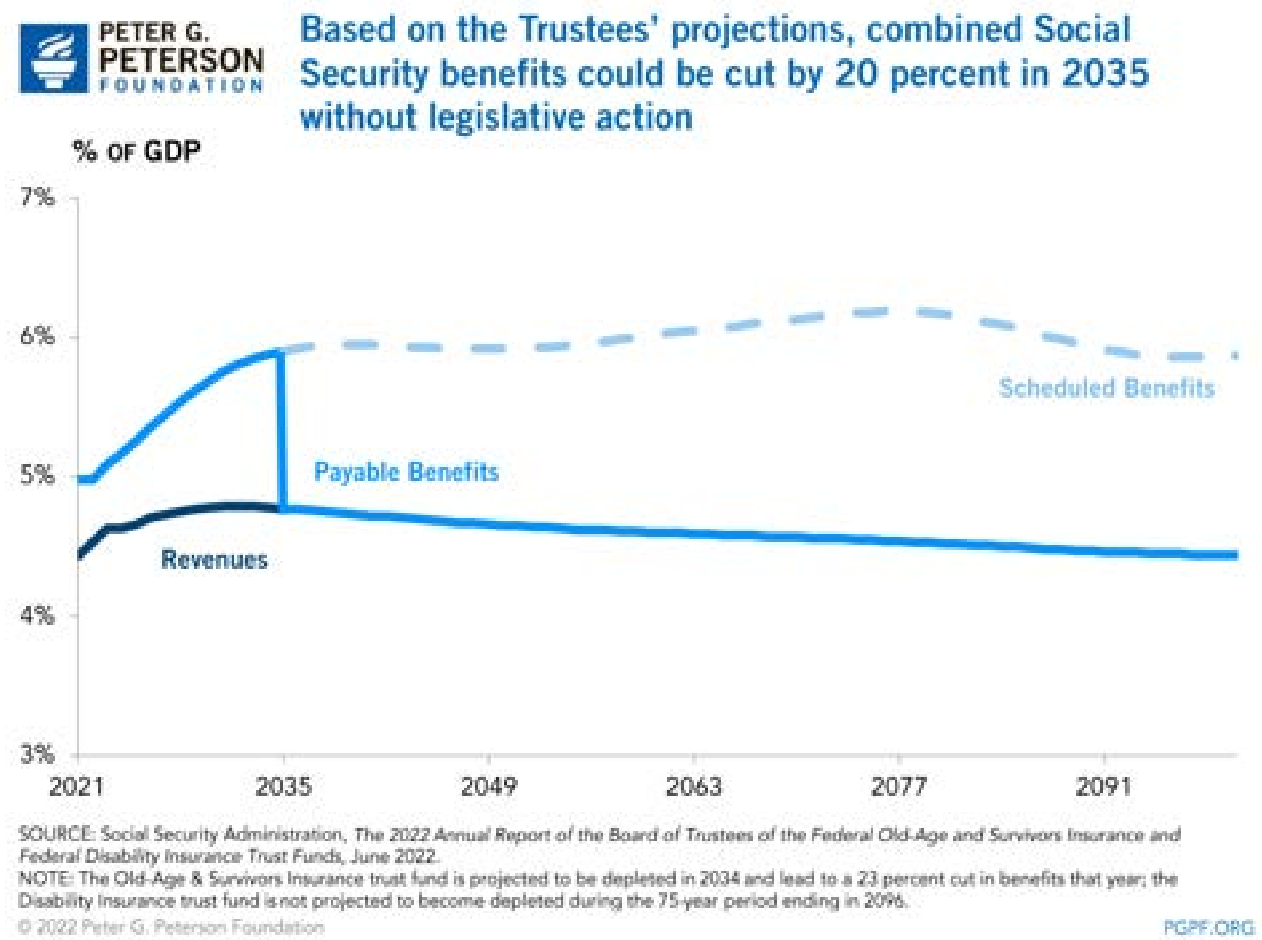
SCHEDULED VS PAYABLE BENEFITS



POLL QUESTION

SocSec solvency has been a political "Third Rail" but the proverbial can cannot be kicked much further down the road, so which of the proposed solutions do YOU feel most comfortable with?

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FEDucated Case Study

<u>The Question At Hand</u>

- What is the impact to a FERS Retiree if SS is reduced 25% in 2034?
- How could one position their assets to guarantee a replacement for the lost Social Security income?

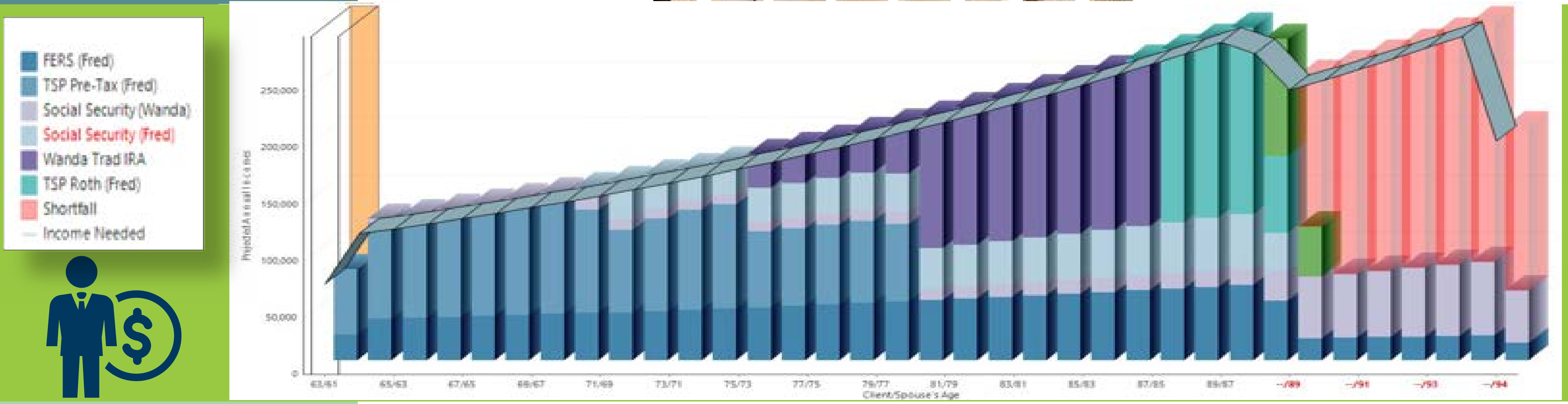
<u>Consider:</u>

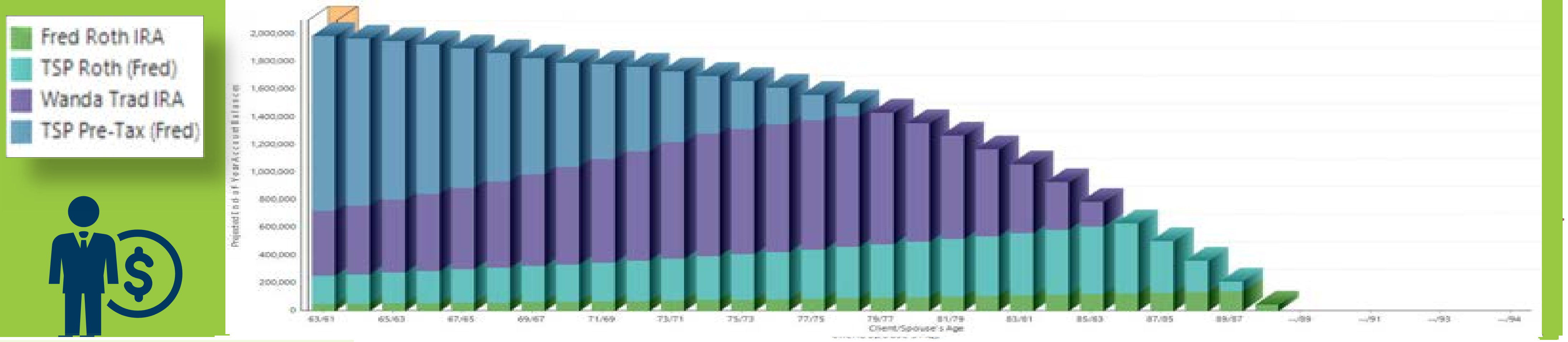
- When SS reduction is slated to occur
- Different approaches to replacement may have differing levels of risk

FRED & WANDA SERBUS

2034 SocSec Benefit Reduction 22%
2026 Tax Cuts & Jobs Act Exp (Tax Sale Ends)

SocSec Reduction = more work for TSP





The Bucket System

Apply “Chronology of Distributions” to help determine distinct goals for each “Bucket” of money

01 Emergency Funds

Goal is to be easily available in an emergency (regardless of market condition)

Cash or cash-equivalent reserves (Money Mkt, CDs) that are both safe and reasonably liquid

02 Lifestyle Funds

INCOME is the OUTCOME that matters most for this segment of the retirement plan

Lower risk & income-generating assets like bonds or annuities that offer regular distributions or guaranteed income

03 Long-Term Funds

Growth focus to outpace inflation in order to preserve purchasing power through ret.

Moderate risk assets like stocks and index funds that offer greater appreciation opportunity

04 Later/Legacy Funds (Tax Advantaged)

Tax-Advantaged or Tax-Free funds to supplement retirement income or leave as legacy (sans the IRS)

Roth IRA + Roth TSP

Permanent Life Insurance

Muni Bonds

Real Estate

Asset Classes & Buckets

01 Emergency

Time Horizon:

Immediate

Liquidity Needs:

High

Growth Expectation:

Minimal

Risk Tolerance:

Principal Protected

02 Lifestyle

Time Horizon:

Start of Distribution Phase

Liquidity Needs:

Medium

Growth Expectation:

Keep up with Inflation

Risk Tolerance:

Minimal Principal Exposure

03 Long-Term

Time Horizon:

Distrib Phase + 10 or so years

Liquidity Needs:

High

Growth Expectation:

Outpace Inflation

Risk Tolerance:

Medium - High

04 Later/Legacy

Time Horizon:

Latter Years (15+ If needed)

Liquidity Needs:

Low

Growth Expectation:

Outpace Inflation

Risk Tolerance:

Balanced

Walker Capital Preservation Group

TSP **Annuity**

The TSP only offers 1 type of annuity:
SPIA – Single Premium Immediate Annuity

SPIAs require you to trade ALL liquidity (Access) for Guaranteed Income at the risk of disinheriting loved ones

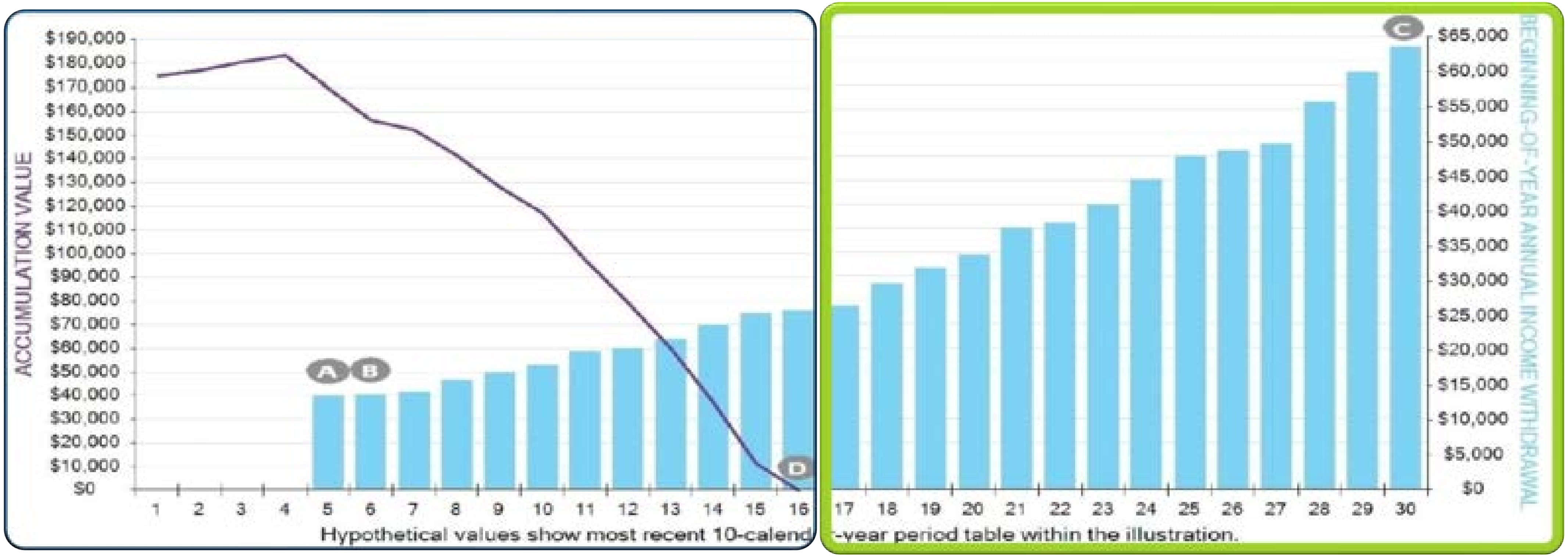
Pros:

- Immediate income stream guaranteed for:
  - Life (Joint Life)
  - Period certain
  - Cash refund
- No responsibility to manage money through different markets & interest rate environments

Cons:

- IRREVOCABLE
- Disinheritance Risk
- No lump sum access
- Inflation adjustment capped @ 3%
- 17-23 year "break even" pd
- **Annuitizing a Traditional TSP creates another forever-taxable "pension" – no tax planning**

Private Pensions:
Guaranteed Income + Accessibility



~TSP Annuity does not offer ability to leverage tax sale~

FRED & WANDA SERBUS

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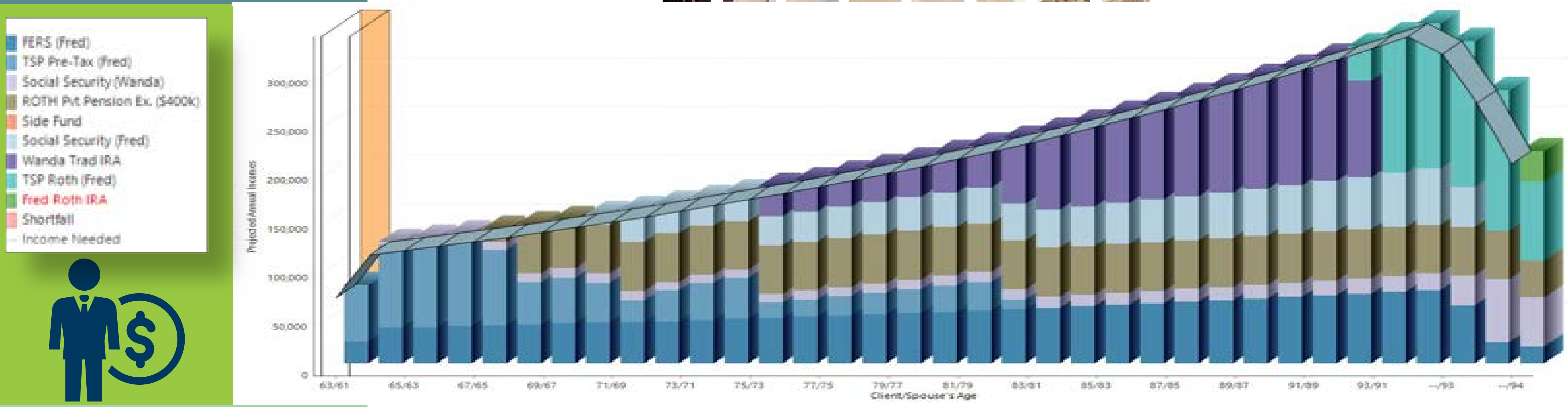
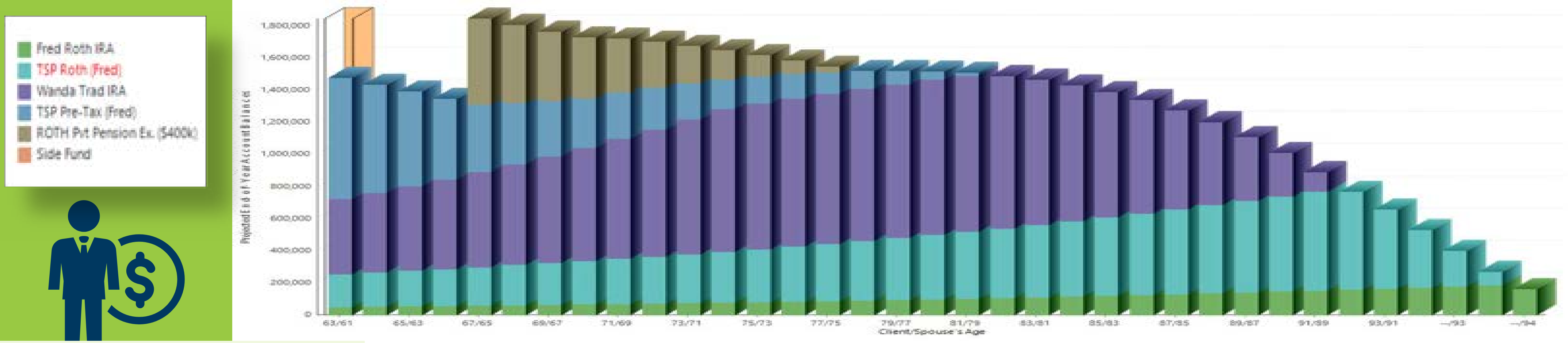
2026 Tax Cuts & Jobs Act Exp (Tax Sale Ends)

SocSec Reduction = more work for TSP





FEDucated Food for Thought

Benefit Projection & Work History

Confirm that SSA has all of the CORRECT information to compute your proper SS monthly benefit payments

Explore Life Expectancy & Budget

Are you in good health & banking on outliving the “break-even” age for SS? Does your retirement budget allow you to delay your decision to claim SS?

Discuss Planning Options w/ Spouse

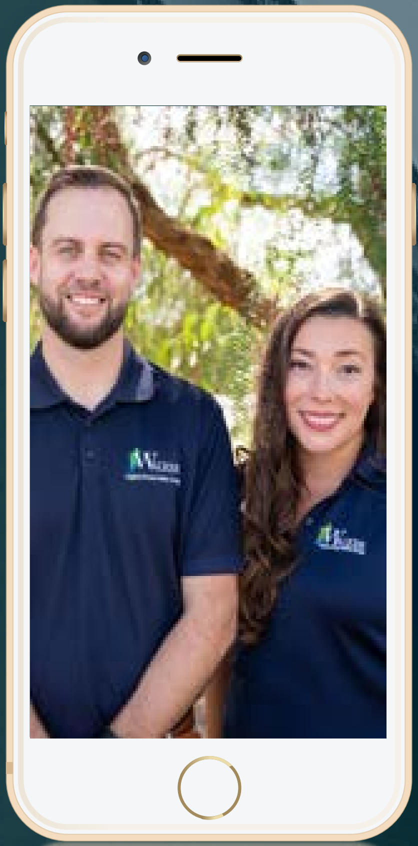
Coordinate retirement dates, part-time work, and the desired retirement lifestyle with your household’s wage earnings history, life expectancy, and retirement budget

Integrate with a Fed Focused Planner

Should you live on the TSP in order to receive a bigger SS benefit or protect your Nest Egg with possible SS reductions 12 years away? What tax planning steps could help protect SS?

Exclusive Offer

FEDucated Attendees Only



Step 1: Schedule a Call to Discuss Your Retirement with Walker Capital
Step 2: Get a FREE COPY of WELL-FED the best-selling retirement ‘cookbook’

Your Questions

Your Retirement

WCPG’s Services

Retirement Forecasting

Contact Our Team

LEARN MORE @ WALKERCPG.com

Learn more using the WCPG Toolbox on our website – articles, videos, calculators, event replays, and easy scheduling!

SCHEDULE AN INTRODUCITON

Brief phone call with a **WCPG Strategist to** chat & gather data for a personalized Retirement Benefits Forecast - reviewed with you during **Strategy Session**

RETIREMENT BENEFITS FORECAST

Review a powerful analysis that offers a 100% personalized model of your current retirement trajectory including Pensions, SS, & Nest Egg with ability to Stress Test in real time

WCPG STRATEGY RECOMMENDATIONS

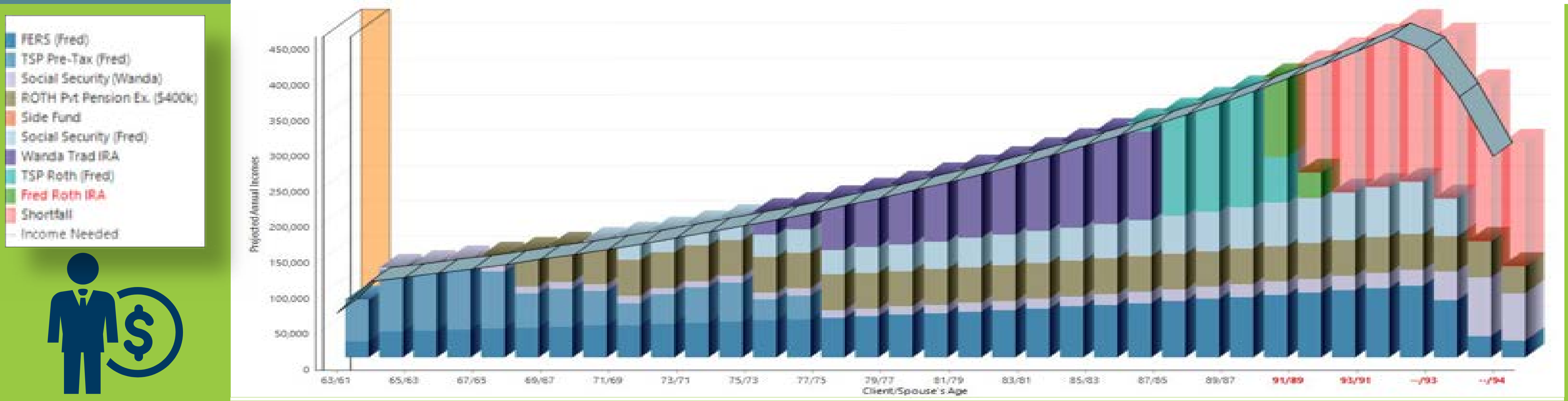
Identify Strengths & Weaknesses of current retirement trajectory. Identify WCPG Services that align with your concerns & can help fuel your retirement

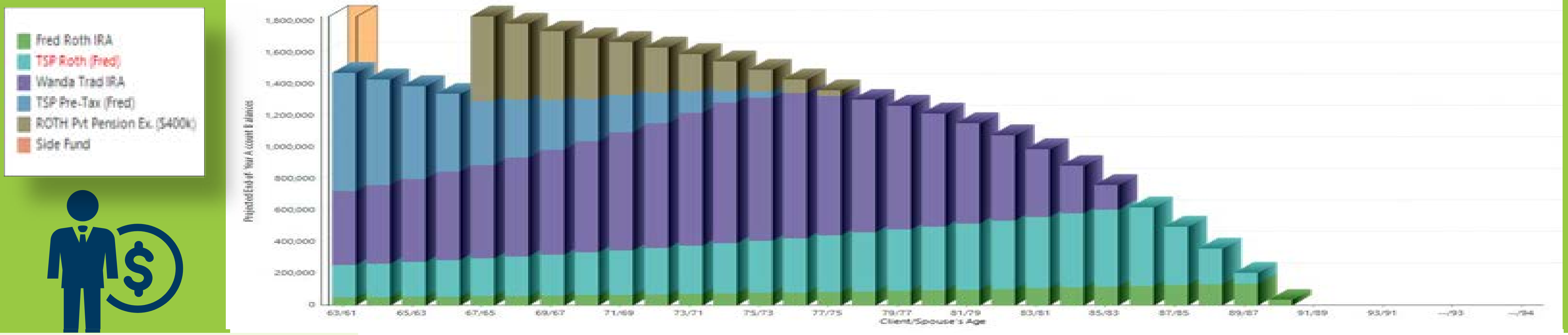
WHAT IF INFLATION CONTINUED TO RUN HOT THROUGH THE EARLIEST YEARS OF RETIREMENT?

FRED & WANDA SERBUS

Inflation Assumption – 4.5% thru age 95

What if **US INFLATION** continued for the next 3-4 decades at 4,5%, how might a Federal retirement be impacted?





THE END!

SCHEDULE HERE

CONTACT INFORMATION

Ready to get started? Great!

- Schedule your very own Introduction Call below!
  - Schedule an Introduction with WCPG Here!
  - 227 W 4th St. #233, Charlotte, NC 28202
  - (704) 879 3137
  - Info@walkercpg.com
- **Well-Fed: Cooking Up a Retirement of Abundance by Tom Walker**

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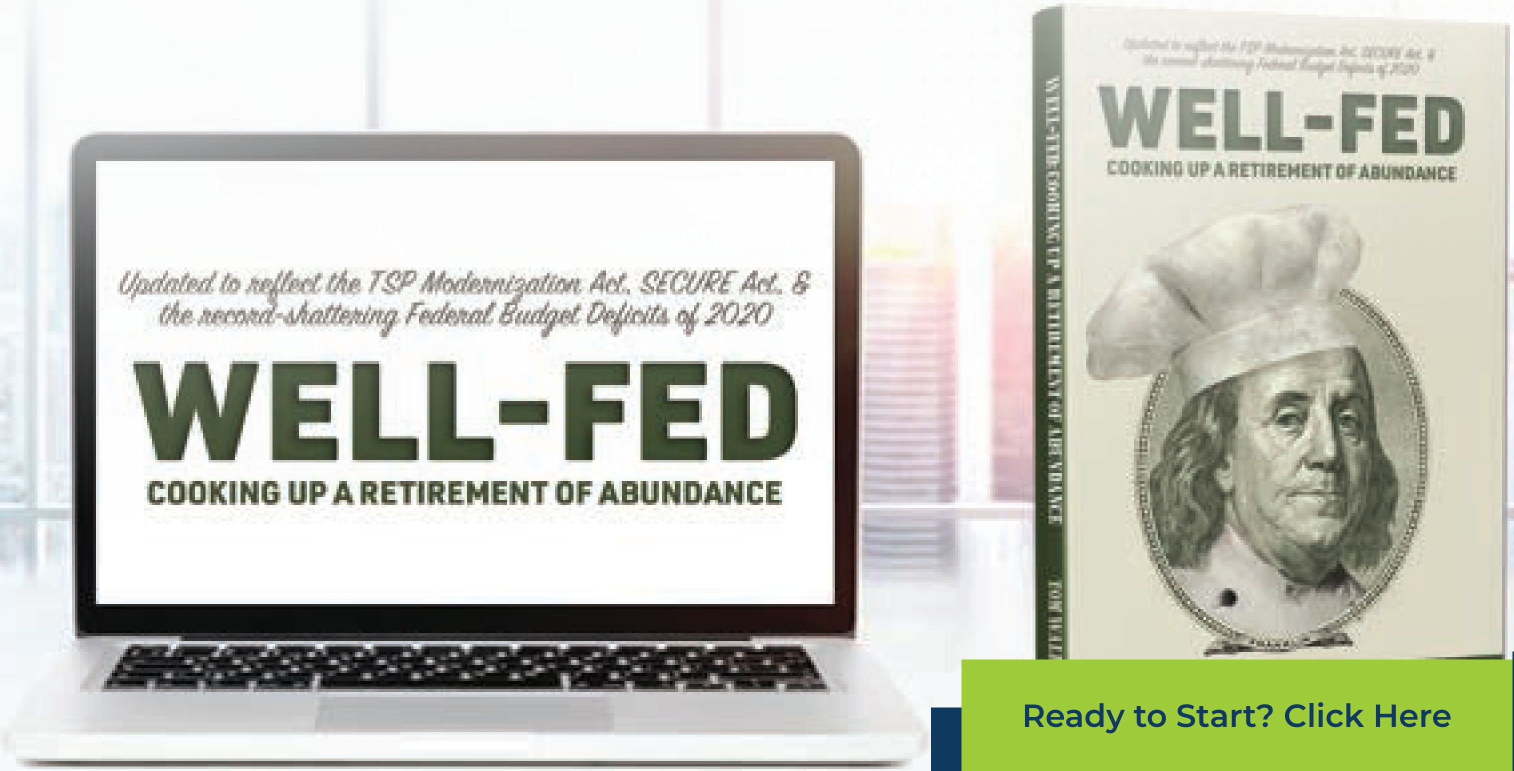

Ready to Start? Click Here

Walker Capital Preservation Group

FEDUCATED
Federal Retirement Curriculum

RETIREMENT IS A JOURNEY

Walker Capital Is Here To Help You Navigate