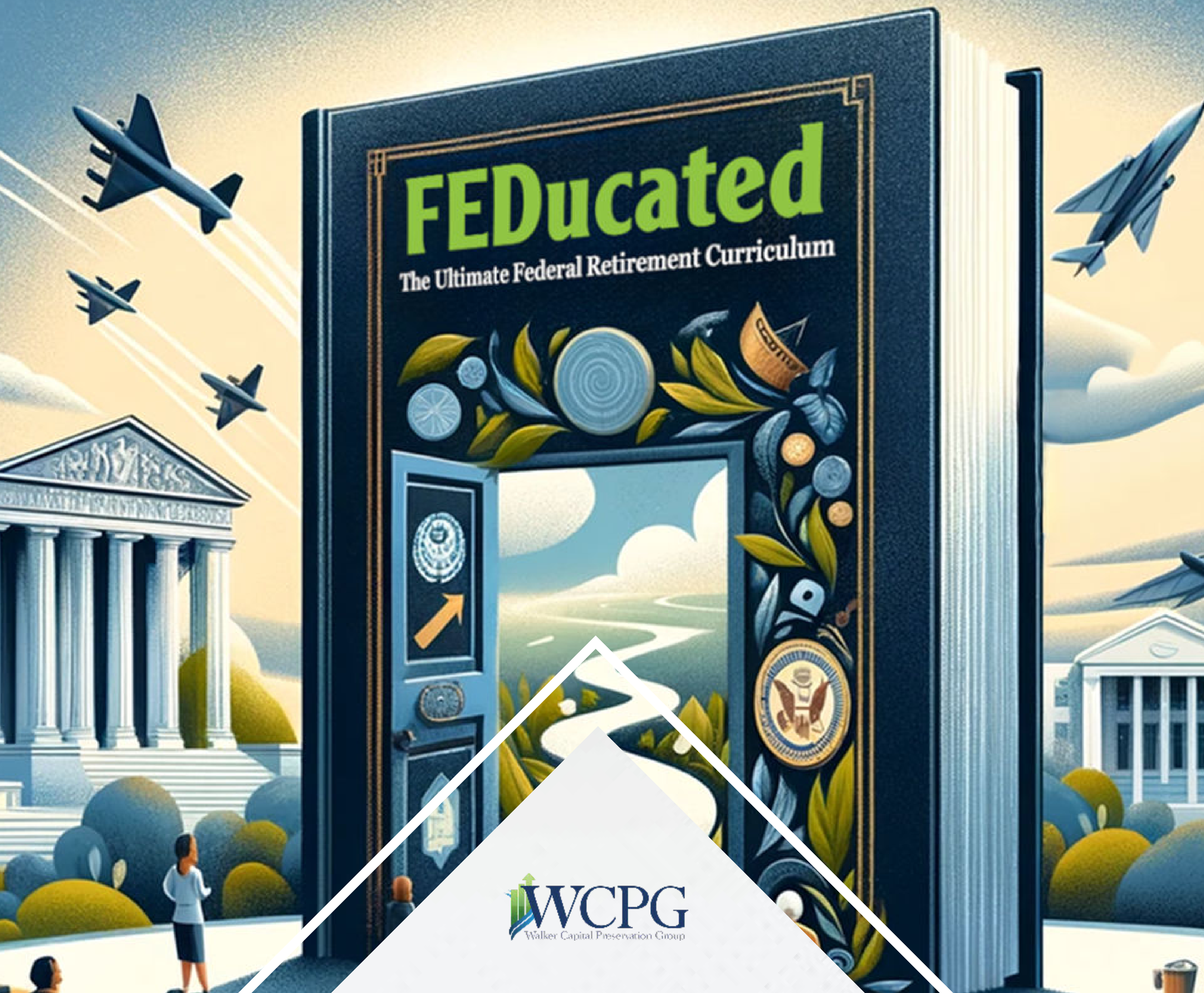


WCPG
Walker Capital Preservation Group

2024

FEDucated Handbook Pt. One

THE FEDERAL BENEFITS BLUEPRINT

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

FederalSOUP · Government Executive · FEDweek · FedSmith · Federal News Network

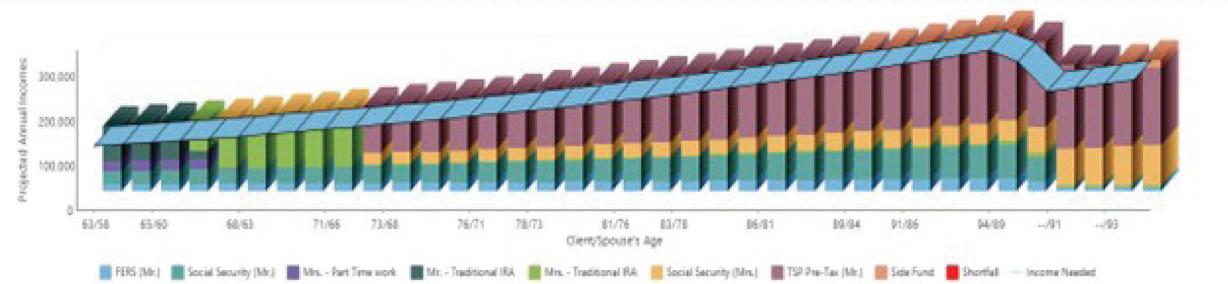
WCPG RETIREMENT BENEFITS FORECASTS

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

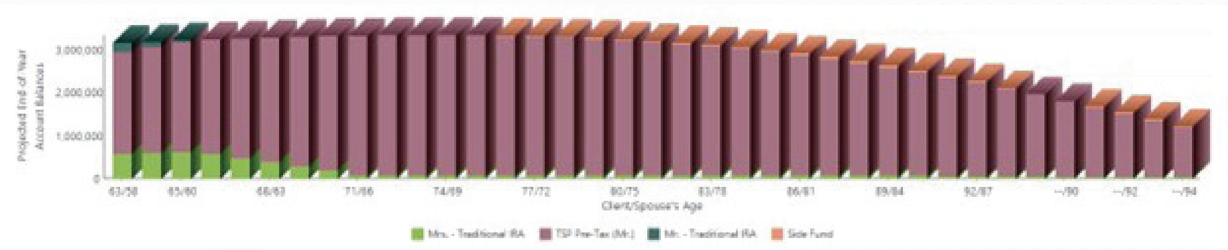
This powerful analysis offers a completely personalized model of your current retirement trajectory that includes:

- 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

FEDUCATED
FEDERAL RETIREMENT CURRICULUM

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!

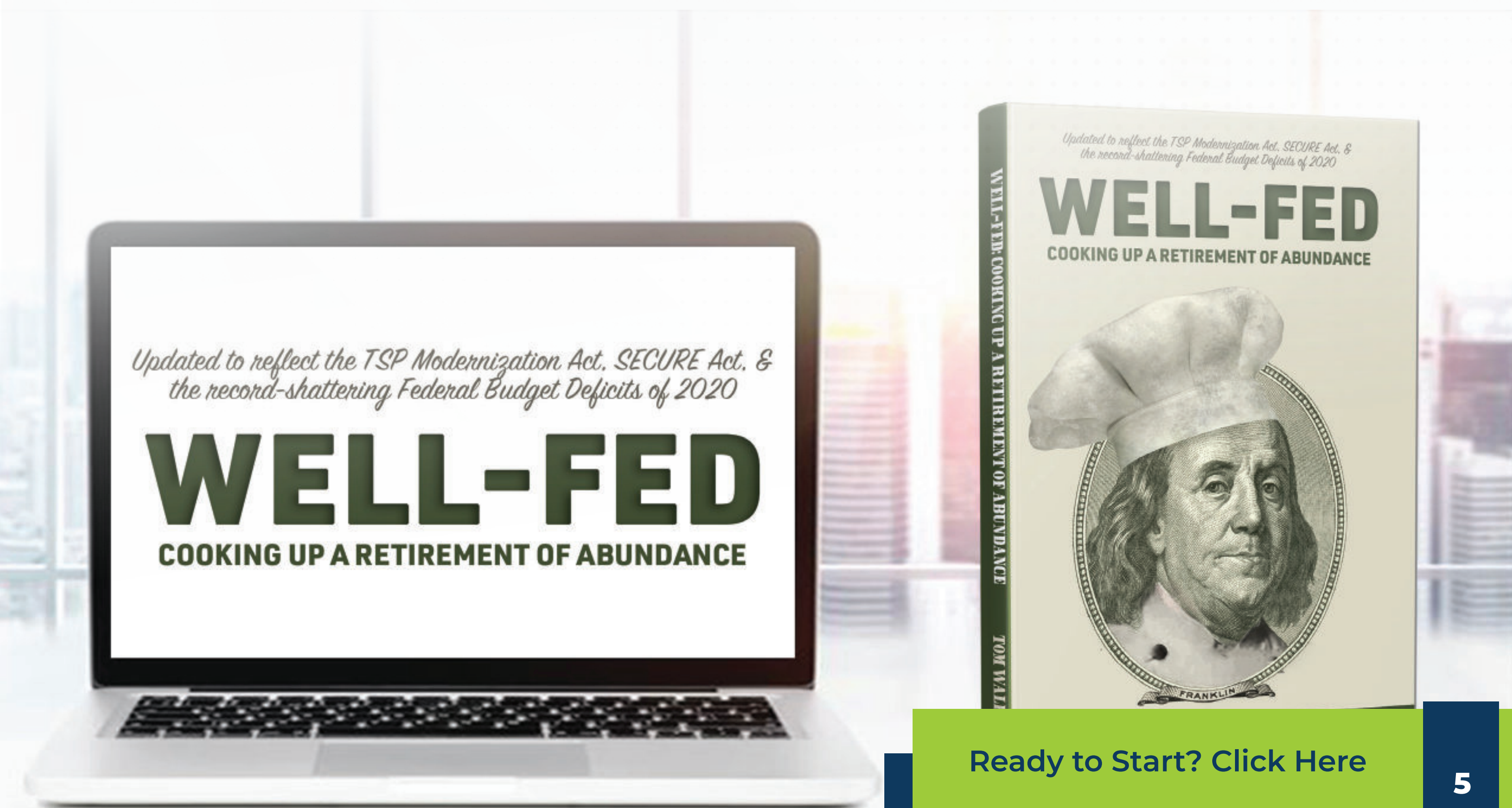
Ready to Start? Click Here

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**

  Amazon #1 New Release & Best-Selling Book in 9 Different Finance Categories!
  - Well-Fed: Cooking Up a Retirement of Abundance
  - Click Here to Purchase Well-Fed on Amazon



Ready to Start? Click Here

#1 | The Federal Benefits Blueprint

Building Blocks of Prosperity

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 or accounting advice. Please consult with a qualified attorney or CPA for proper legal 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 Duenas, ChFEBC

Retirement Strategist

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

Walker Capital Locations

Industry leading VIRTUAL retirement planning experience:

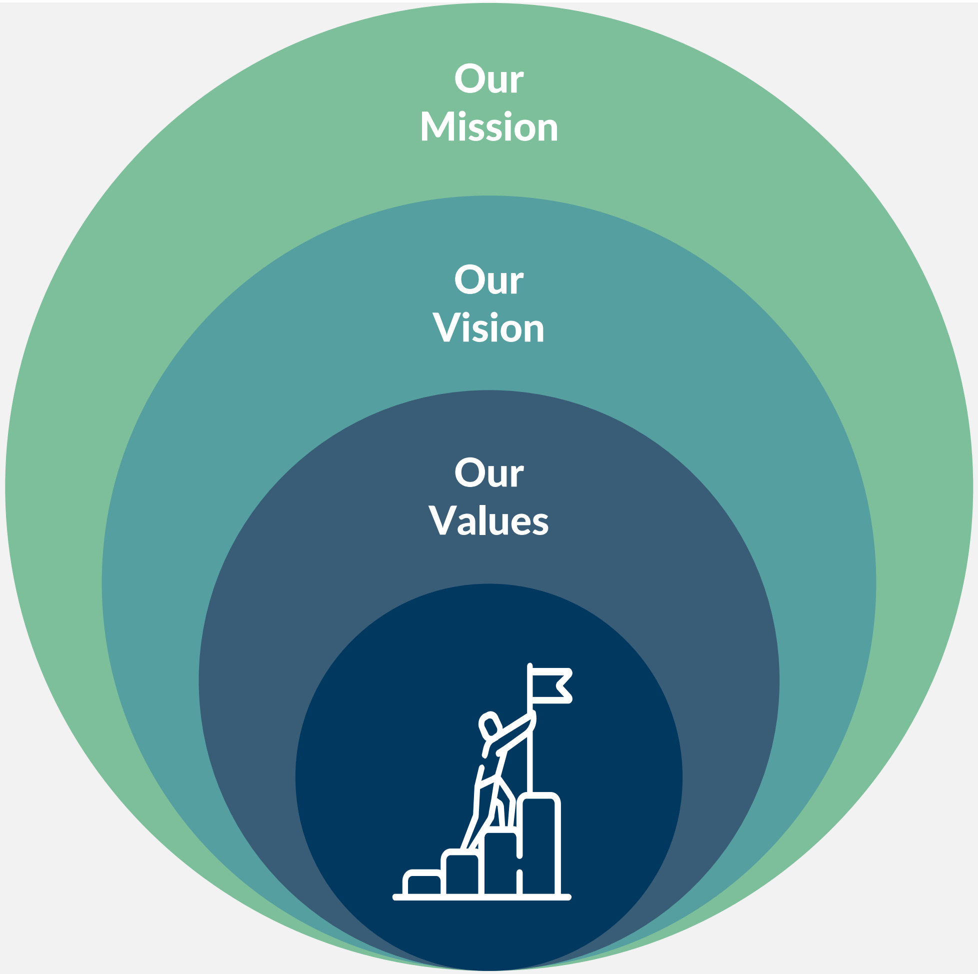
- Video Conferencing
- Powerful Planning Software
- Cutting Edge Cyber Security
- DECADES of combined experience helping Feds

Abby Duenas,
ChFEBC
Murrieta, California

Tom Walker,
ChFEBC
Charlotte, North Carolina

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

Redesigned Curriculum

- Reengineered curriculum covering key components of Federal Retirement & Tax Planning (now in 1-hr sessions)
- FEDucated Handbook compiling the course materials for each event will be available in the handouts
- 8-Part Case Study: The Serbus Triplets Follow the Serbus Family in an unprecedented 8-part Federal Retirement comparative analysis

AGENDA

1. Benefits Shared by All Ret. Systems
2. CSRS Building Blocks
3. FERS Building Blocks
4. FERS Supplement
5. Surviving Spouse Benefit
6. Thrift Savings Plan
7. Federal Employee Case Study

01 Benefits

Benefits Available to ALL Feds

What are the common benefits available to all FERS, CSRS, LEO, ATC, FF, etc?

Federal Employees Health Benefits	Federal Long-Term Care Insurance Plan	Federal Employee Group Life Insurance	Flexible Spending Account (for Feds)	Federal Vision & Dental (BENEFEDS)
FEHB	FLTCIP	FEGLI	FSAFEDs	FEDVIP

FEHB

- FEHB provides over 200 health plans.
- Government pays 72% of premiums during career
  - Premium subsidized in retirement
  - Subsidy can continue to survivors (if SSB provided)
- Annual "Open Enrollment Season"

FLTCIP

- OPM suspended applications for coverage under the Federal Long Term Care Insurance Program (FLTCIP) effective December 19, 2022.
- **The suspension will remain in effect for 24** months, unless OPM elects to end suspension early.

FEGLI

- FEGLI = BASIC + OPTIONAL
- Automatically enrolled for Basic Coverage from your appointment date.
- Can only adjust coverage during FEGLI Open Seasons (rare), complete a Qualifying Physical Exam, or experience a Qualifying Life Event (QLE).

FSAFEDS

- FSAs allow you to save money for health and dependent care expenses not typically covered by health/dental/vision insurance.
- Enroll within 60-Day Window.
- You can elect to cancel or change coverage through Annual Federal Benefits Open Season or experience a Qualifying Life Event (QLE).

FEDVIP

- FEDVIP (aka BENEFEDS) provides choice among several nationwide dental & vision plans.
- Enroll within 60-Day Window.
- You can elect to cancel or change coverage through Open Season or experience a QLE.
- Cannot cancel outside open season unless you are Active Duty or have loss of other insurance.

Using Service to Boost Pension

Tactics available to FERS & CSRS Employees to Leverage their Service and Boost Retirement Income

Federal Service (Part-Time Service)

Annuity is calculated the same as for a full-time employee then multiplied by a part-time proration rate

Military Service

A deposit is required to receive credit for any period of honorable active duty service performed after 12/31/1956. Deposit must be made before retirement

Deposit/Redeposit Time

Deposits are avail for service prior to Jan 1, 1989. Redeposits avail to both CSRS & FERS for previously refunded service contributions for service after Jan.1, 1989

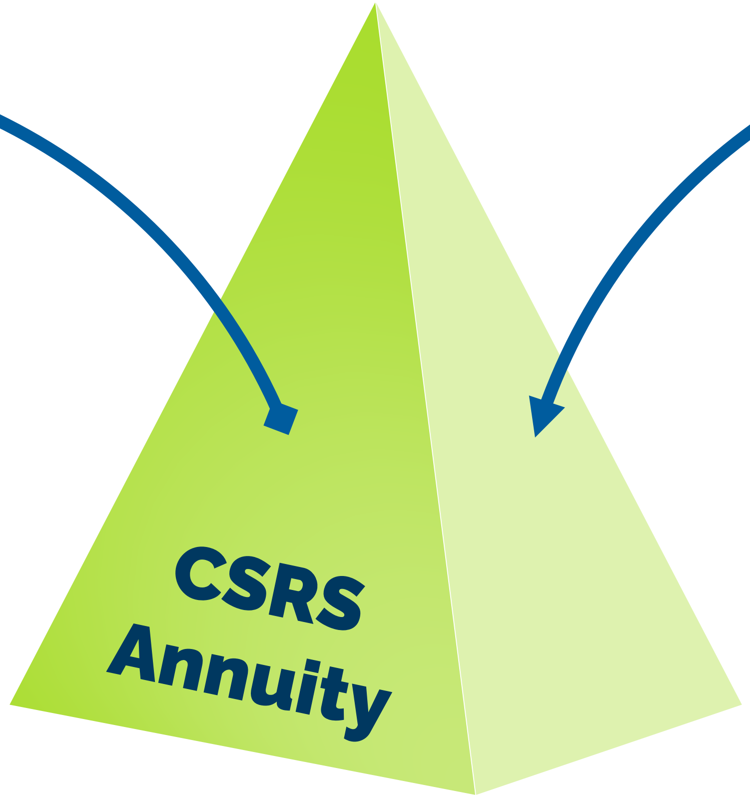
Sick Leave

FERS employees now receive 100% of their sick leave balance as service credit time. 2,087 hours of unused sick leave equals a year of credit. Not used for eligib.

02 CSRS

CSRS

A Simplified Approach to Retirement Income



80%

(Max) CSRS Annuity

CSRS Provided a “Ready-Baked Retirement” where the responsibility of investing the funds backing the retirement payments falls on the government

7%

CSRS Contribution

The Civil Service Retirement System

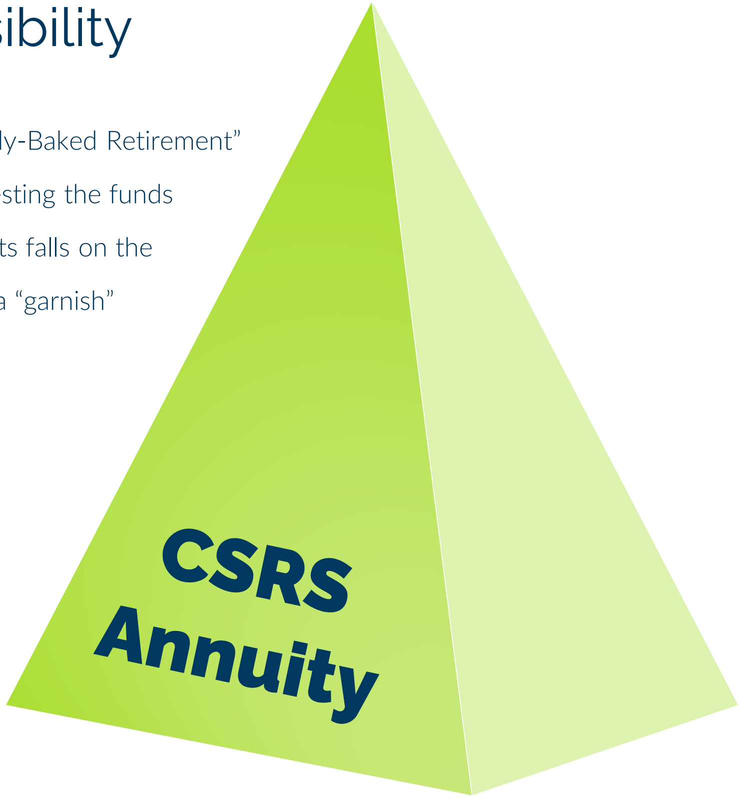
CSRS service is NOT covered by Social Security & CSRS employees do NOT get a TSP Match

CSRS

A Simplified Approach to Retirement Income

CSRS Responsibility

CSRS provided more of a "Ready-Baked Retirement" where the responsibility of investing the funds backing the retirement payments falls on the government, TSP was more of a "garnish"



CSRS Retirement Eligibility

→ Age 55 = 30 Years of Service
→ Age 60 = 20 Years of Service
→ Age 62 = 5 Years of Service

CSRS Pension Calculation

→ Hi-3 x 1.5% (First 5 Years of Service)
+ Hi-3 x 1.75% (Second 5 Years of Service)
+ Hi-3 x 2% (10+ Years of Service)

Example Calculation

→ 30 Years of Service + Hi-3 = $100,000
→ 7.5% (1st 5)+ 8.75% (2nd 5)+ 40% (20yrs) = 56.25%
→ Hi-3 = $100,000 → Pension = $56,250/yr

Civil Service Retirement System

Insider Insights

CSRS Pension Contributions

Employer Contribution = 7%

Employee Contribution = 7%

FICA (Payroll) Taxes = 0% (No Soc Sec Contrib)

CSRS TSP Access

CSRS Employees = 0% TSP Matching Contribution

CSRS are offered the same investment options & follow the same contribution limits as FERS employees

COLAs for CSRS Annuitants

COLAs→ December of First Retirement Year (prorated)

COLAs applied each December

= Percentage Change in Consumer Price Index (CPI-W)

CSRS: Best Days to Retire

Last Day of the Month or

First 3 days of the month

→ Pension will begin immediately 1st of following month

Maximum CSRS Pension

CSRS = "Maxed Out" with 41yrs + 11mo of service

Max CSRS Pension = 80% of Hi-3

-- *Note: Sick Leave can boost pension above 80%*

Tax-Free Return of CSRS Contributions

Often ~7% of pension is a return of After-tax Contributions. Starts ~93% taxable but becomes 100% taxable once CSRS contributions are fully redistributed

Voluntary Contribution Program(VCP)

The CSRS MEGA-ROTH Opportunity Only Available to UNRETIRED CSRS Employees

10%

Max % of CSRS $ to Contribute

Can contribute up to 10% of career earnings using AFTER-TAX DOLLARS

0%

Taxes Owed On Contribution

VCP contributions are AFTER TAX & can be immediately rolled to a ROTH IRA

0%

Taxes Owed On Distribution

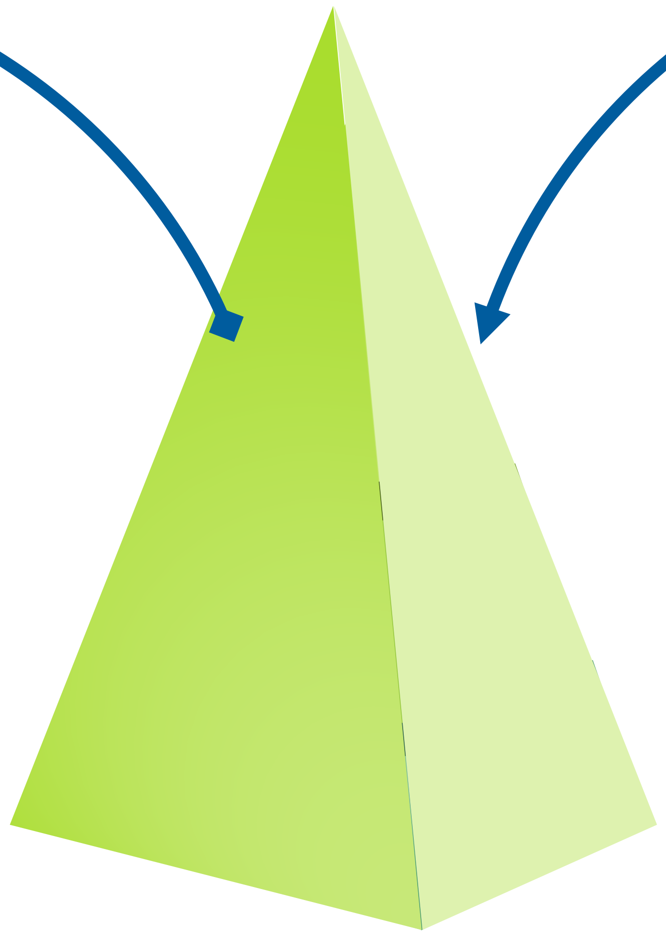
Distributions from a "Seasoned" Roth IRA have a 0% tax liability + no RMDs

There are many moving pieces to the mechanics of properly funding a VCP, transferring it to a Roth IRA, and coordinating distributions from the Roth IRA to be 100% tax-free. To get help with the PITFALLS that stand between you and getting your VCP funds into the TAX_FREE BUCKET feel free to set time with the WCPG Team.

03

FERS

FERS



~33%

FERS Annuity

FERS provides TSP matching but it is the responsibility of the investor to ensure investments meet retirement income goals

0.8%

FERS Contribution

FERS contribute 6.2% to Social Security taxes

- **FERS Annuity**

  COLAs combat inflation but FERS Pension is forever exposed to Federal Income Taxes

- **Social Security**

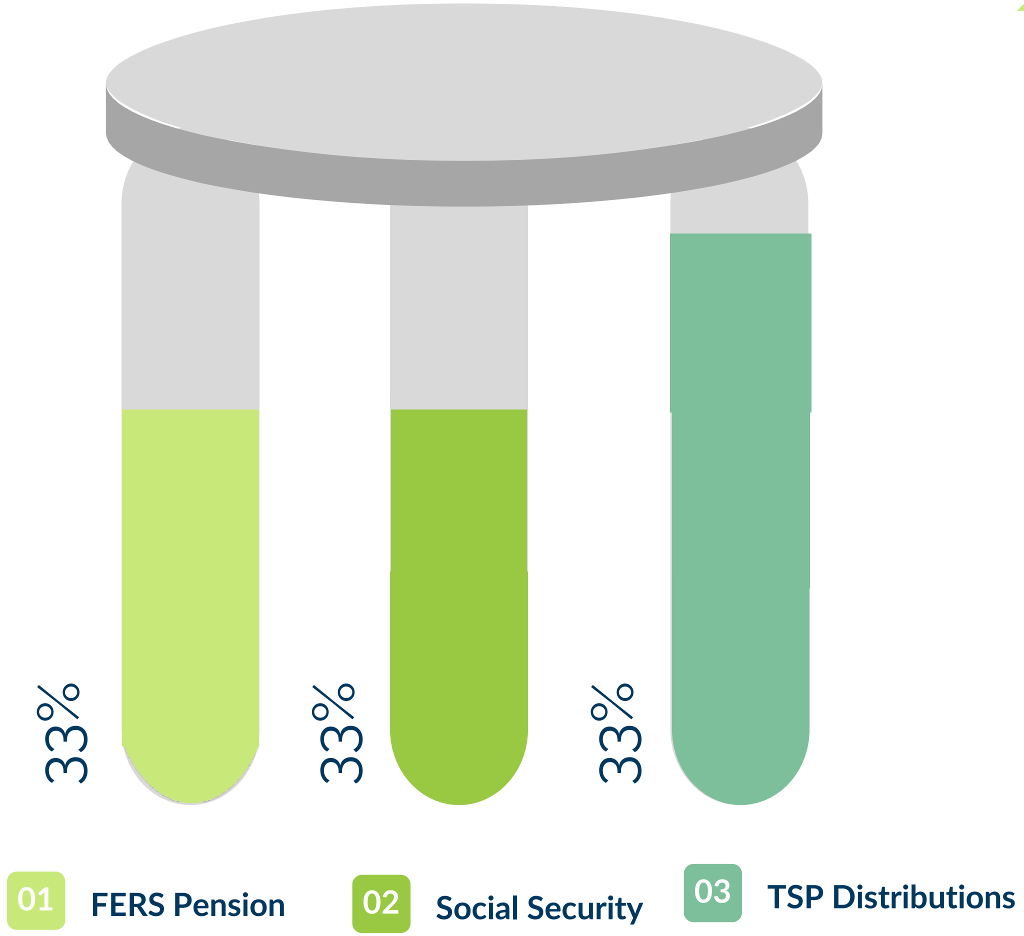
  COLAs combat inflation but most Feds see 85% of SS Benefits reported as taxable income

- **Thrift Savings Plan**

  Assets appreciate (combating inflation) but Traditional TSP = taxable distributions

FERS "3-Legs"

FERS provides the "Retirement Recipe" & helps stock the cupboard, but you have to do the "Cooking"



FERS Pension

FERS = 0.8% Contribution + 6.2% SocSec Contrib (7% Total)

FERS – RAE = 3.1% Contribution + 6.2% SocSec Contrib (9.3% Total)

FERS – FRAE = = 4.4% Contribution + 6.2% SocSec Contrib (10.6% Total)

Social Security

Solvency has gone unaddressed for decades

SS Trust is forecasted to run out in 2035

Soc Sec benefits would only continue to pay 79% of prior benefit

TSP Distributions

Defined CONTRIBUTIONS from the Gov't

End result = responsibility of the investor

***This is the only "LEG" directly under your control to improve**

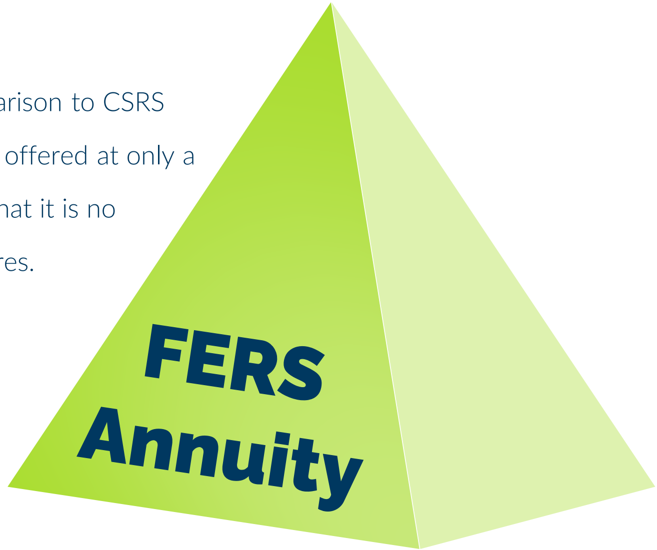
The 3-Legged Stool is a balancing act if any "Leg" is too short

FERS

The Ingredients of Retirement Success

FERS Annuity

While FERS annuities pale in comparison to CSRS pension payments, the “deal” being offered at only a 0.8% contribution was SO good… that it is no Longer available to new Federal Hires.



FERS Retirement Eligibility

→ MRA + 30 Years of Service
→ Age 60 + 20 Years of Service
→ Age 62 + 5 Years of Service
→ LEO/FF/ATC roles may have max age

FERS Pension Example

→ 30 Years of Service + Hi-3 = $100,000
→ 30% (30yrs) x Hi-3 = $100,000
→ Pension = $30,000/yr ($33,000 @ 1.1%)

Special Provisions Pension Example

→ 30 Years of Service + Hi-3 = $100,000
→ 1.7% x 20 + 1% x 10 x Hi-3 = $100,000
→ Pension = $44,000/yr

FERS Retirement **Eligibility**

Minimum Retirement Age (MRA)	
DOB is 1953 through 1964	MRA = 56
DOB is 1965	MRA = 56 + 2mo
DOB is 1966	MRA = 56 + 4mo
DOB is 1967	MRA = 56 + 6mo
DOB is 1968	MRA = 56 + 8mo
DOB is 1969	MRA = 56 + 10mo
DOB is 1970+	MRA = 57

Other Forms of FERS Retirement

Some risks (peaks) in your Retirement Descent from Asset Mountain change the timeline

Early (MRA + 10) Retirement

→ Employee has MRA and at least 10 years of service but less than 30 (also does not have age 60 with ≥ 20 years of service) and begins receiving annuity before age 62.

→ Age reduction of 5% for each full year under age 62.

→ Reduction is PERMANENT.

→ No Special Annuity Supplement.

→ *See Handout for Postponed vs Deferred Early Retirement

Disability Retirement

→ Employees may retire under Disability Retirement & keep insurance benefits at any age with 18 months of service

→ No FERS Annuity Supplement

→ 8 -10 month (avg) wait for OPM to Disability decision

→ Separated for more than 31 days, submit disability retirement application directly to OPM

→ Application must be filed within 1 year of separation date

04 FERS Supplement

FERS Supplement

A “Bridge to SocSec” Eligibility

- FERS Supp is a temporary payment from OPM (not SS)
- Intended to get you TO Social Security Eligibility
- Subject to earnings test
- No Cost-of-Living Adjustments
- Eligibility MRA+30 yrs svc or age 60 + 20 yrs svc
- MRA or older at retirement = immediate start to pmts
- Under MRA at retirement = pmts start once MRA attained
- Ends at age 62 whether you start Social Security or not

(Beneft@62 x Years Service) / 40

Social Security Age 62 Benefit

Multiplied by Years of Service

Divided the product by 40

FERS Supplement gets no COLA & ends at 62 regardless of SS election

FERS Supp Wage Earnings Test

	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 (2024)	$21,240 ($1,770 per month)	$56,520 ($4,710 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 = wages (including self-employment) & must be reported to OPM each year
- Earnings limit looks at wages, not "unearned income"
- Unearned Income = pensions, IRAs, investment gains, rental income, etc.
- If married, Wage Earnings Test only considers the wages of the spouse receiving the FERS Supp

[2024] Supplement would be reduced to zero when earnings are $63,720 or greater.

Surviving Spouse Benefit (SSB)

Death of an Active Federal Employee

- If employee has 18 months of creditable service, a survivor annuity is payable if:
  - Married for at least 9 months, or
  - The employee’s death was accidental, or
  - There was a child born of the marriage

FERS Surviving Spouse Benefit

Full survivor annuity costs 10% of annuity
Provides a survivor annuity of 50%

Partial survivor annuity costs 5% of annuity
Provides a survivor annuity of 25%

No SSB – surviving spouse loses FEHB access (including premium subsidy)

CSRS Surviving Spouse Benefit

- Full survivor annuity – 55% benefit
- Partial survivor annuity – can elect a base less than a full survivor annuity
- Cost depends on the base elected:
    - 2.5% of the first $3,600 of the base
    - 10% of the amount in excess of $3,600

06 Benefits in Retirement

Keeping Benefits in Retirement

FEHB: The “Five-Year Rule”

- You must be covered under the FEHB program for the **last five years of service** before you retire
  - You DON’T have to be in the same plan/option for all five years
  - Family members don’t have to meet this rule
- Coverage under a spouse’s FEHB plan counts, even if for all five years
- TRICARE coverage counts, if you’re in an FEHB plan on your last day
- Plan for this --- OPM rarely grants waivers

Keeping Benefits in Retirement

Health Benefits (FEHB)

- Continued Government premium subsidy (~72%)
- Automatic monthly deduction from annuity
- Premiums are “after-tax” (pre-tax during career)
- Lifetime coverage (can continue to Surviving Spouse)
- Making changes requires:
  - Qualifying Life Event (QLEs)
  - Annual Open Season

Keeping Benefits in Retirement

Life Insurance (FEGLI)

- Must be covered (at least by Basic) for the five years of service immediately before retirement
- Must meet this rule for each portion of FEGLI (options, multiples) to be carried into retirement
- Can Elect to maintain Death Benefit by paying increasing premiums or reduce Death Benefit to reduce or elim. premiums

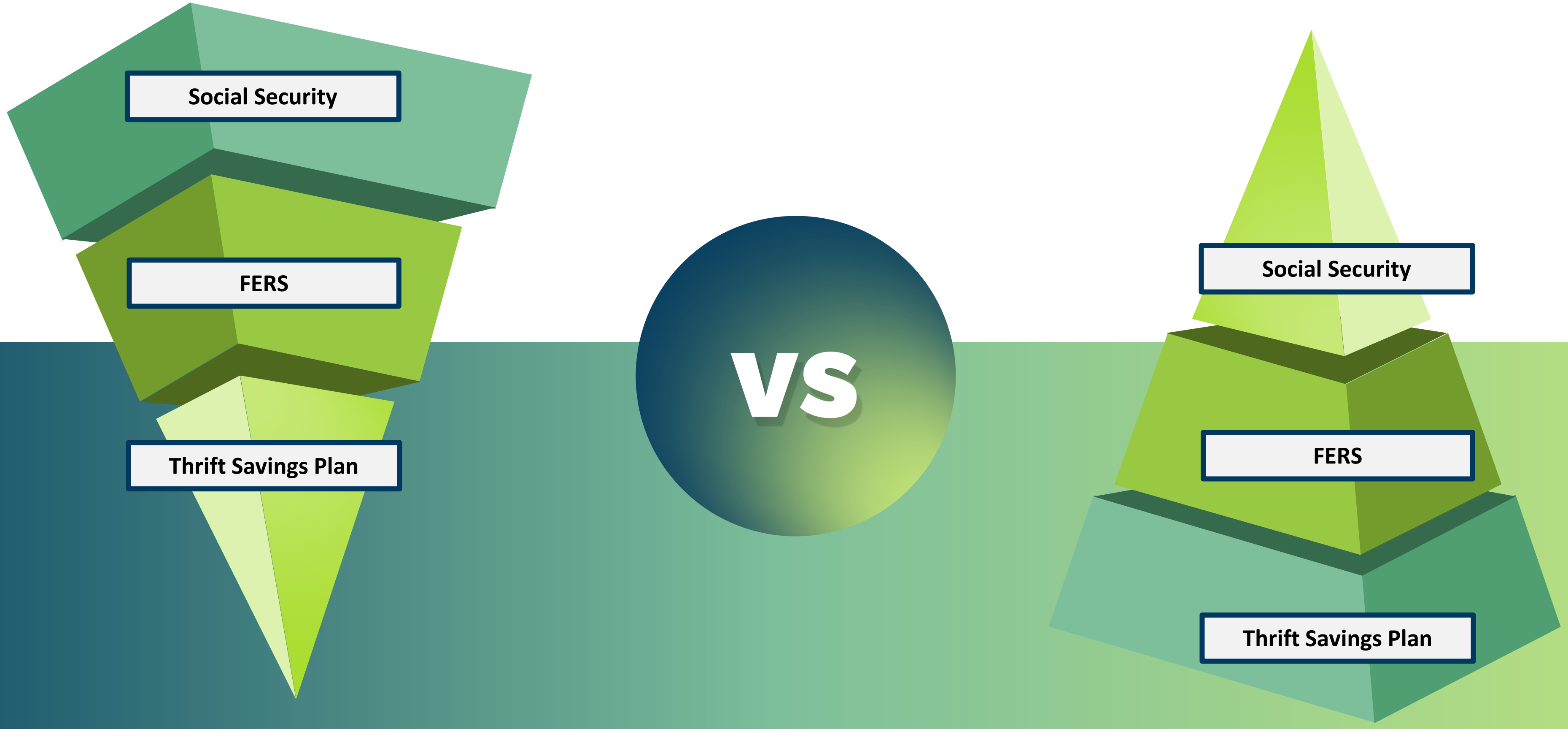
07

Thrift Savings Plan (TSP)

FERS

FERS who save like CSRS

With the US National Debt above $34 Trillion & continued Deficits forecasted, over-reliance on the Government in retirement may lead to a difficult balancing act...



Compound Interest – Story of Jack & Blake

Jack

Saved $200/mo from age 21-30

Jack invested $0 after age 30

Plans to Retire at age 67

Jack

21 30 67

Blake

Saved $200/mo from age 30-67

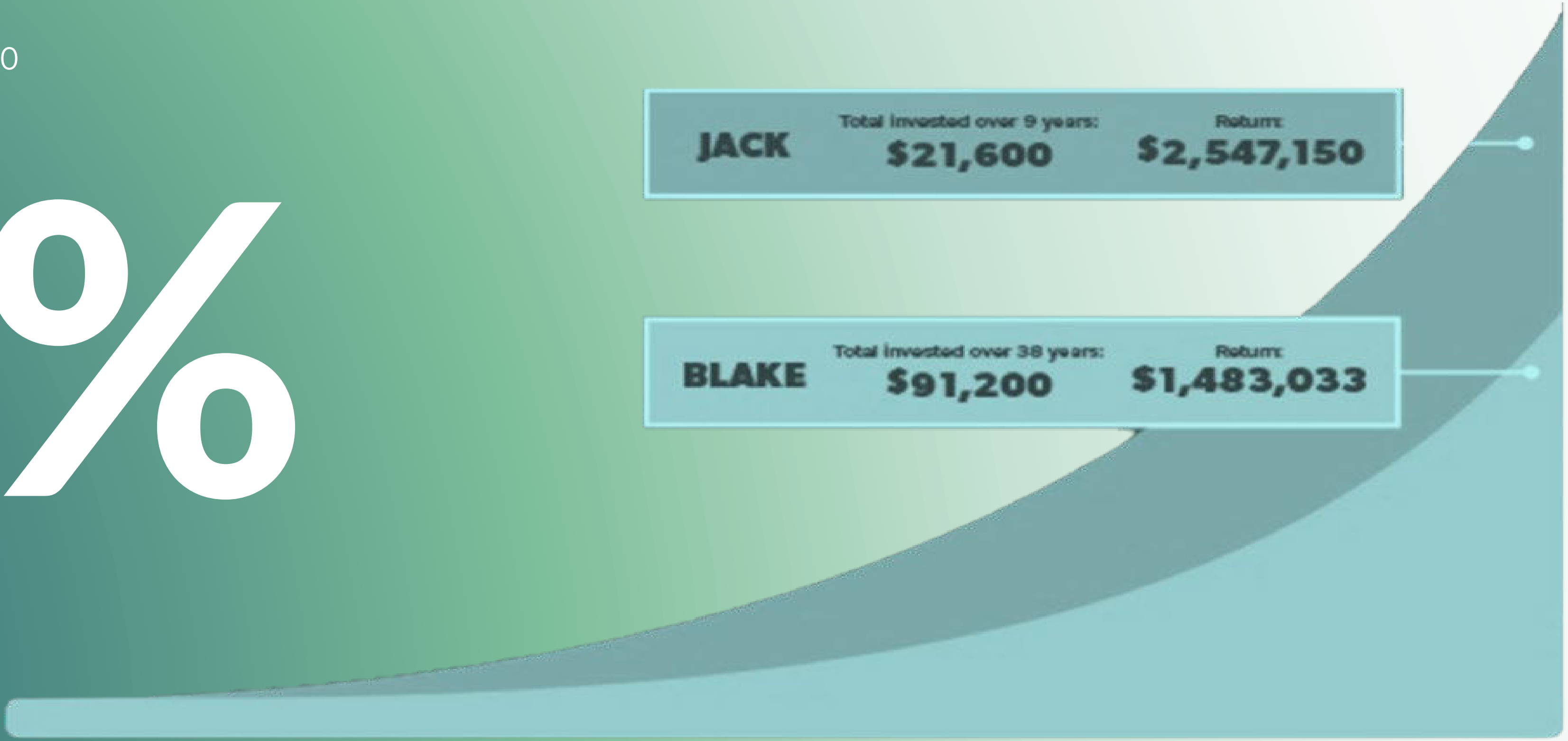
Jack invested $90,000+ after age 30

Plans to Retire at age 67

Blake

21 30 67

72%



DON'T TRADE WHAT YOU WANT MOST FOR WHAT YOU WANT RIGHT NOW

TSP Matching Contributions

Thrift Savings Plan Match

Never miss out on FREE MONEY

You put in:	Your agency puts in: Automatic (1%) Contribution	Your agency puts in: Agency Matching Contribution	And the total contribution is:
0%	1%	0%	1%
1%	1%	1%	3%
2%	1%	2%	5%
3%	1%	3%	7%
4%	1%	3.5%	8.5%
5%	1%	4%	10%
More than 5%	1%	4%	Your contribution + 5%

First 5% is guaranteed a 100% "return" (via Agency Matching Contribution)

TAX-WISE SAVINGS HIERARCHY

01

1st Level - Free Money

TSP/401(K) Matching Contributions
Gifts/Inheritance

02

2nd Level – Tax-Free Money

Roth TSP/Roth IRA
Permanent Life Insurance

03

3rd Level - Tax-Deferred Money

Traditional TSP/IRA Contrib.

04

4th Level - Taxable Money

Income/Short-Term Cap Gains (CD's & MF)
Long-Term Cap Gains (NonQual'd Accts)

CONTRIBUTION LIMITS 2024

The combination allows a saver over the age of 50 to contribute:

$38,500 per year

TSP (EMPLOYER PLAN)

BASE CONTRIBUTIONS

$23,000 (any age)

CATCH UP CONTRIBUTIONS

$7,500 (age 50+)

**TSP matches bi-weekly contributions up to 5%*

IRA (INDIVIDUAL ACCT)

BASE CONTRIBUTIONS

$7,000 (any age)

CATCH UP CONTRIBUTIONS

$1,000 (age 50+)

Pt. 1 – “What to buy”

Allocation Options

Where to plant the **Seeds**
VS
How to position the **Harvest**

PLANTING THE SEEDS

- **Investment Election**
  - Allocation for new contributions
  - Previously referred to as “Contribution Allocation”
  - Reoccurring investment each pay pd

POSITION THE HARVEST

- **Reallocations***
  - Select the % in each of the TSP funds for the money already in your account
- **Fund Transfer***
  - Moves $ from one or more specific funds to another specific fund without affecting rest of the account

**Only 2 moves per month (+ free move to G Fund)*

Pt. 2 – "When to pay taxes"

Allocation Options & the IRS

Pay tax on the **Seeds**
VS
Pay tax on the **Harvest**

TRADITIONAL TSP

- **Traditional Contributions**
  - Tax Deferred = Lowers current year tax bill
  - Contributions + earnings = Taxable In Retirement
    - At what rate? Future Tax Rates

ROTH TSP

- **Roth Contributions**
  - After Tax = Taxable as Income at today's rates
    - Reported on current year's 1040
  - Contributions + Earnings = Tax Free in Retirement
    - Even if tax rates double, you pay 0%*
      - *So long as Roth Seasoning Rules are followed

TSP KEY QUESTIONS GUIDE

CONTRIBUTION AMOUNT

HOW MUCH ARE YOU GOING TO SAVE?

Spread contributions over 26 pay periods to maximize 5% matching contributions

INVESTMENT ELECTION

WHAT DO YOU WANT NEW $$ TO BUY?

You may elect to invest new money in a different way than your existing TSP account holdings

ACCOUNT ALLOCATION

WHAT FUND(S) IS YOUR EXISTING $$ ALREADY IN?

Balancing Risk & Reward with the allocation of your TSP savings

TAX TREATMENT OF CONTRIBUTION

WHEN DO YOU WANT TO PAY TAXES ON YOUR TSP?

Are you going to pay taxes at today's known rates on the seeds?

Are you going to pay taxes at an unknown future rate on the harvest?

TSP BENEFICIARY FORMS

WHO DO YOU WANT TO LEAVE THE TSP TO?

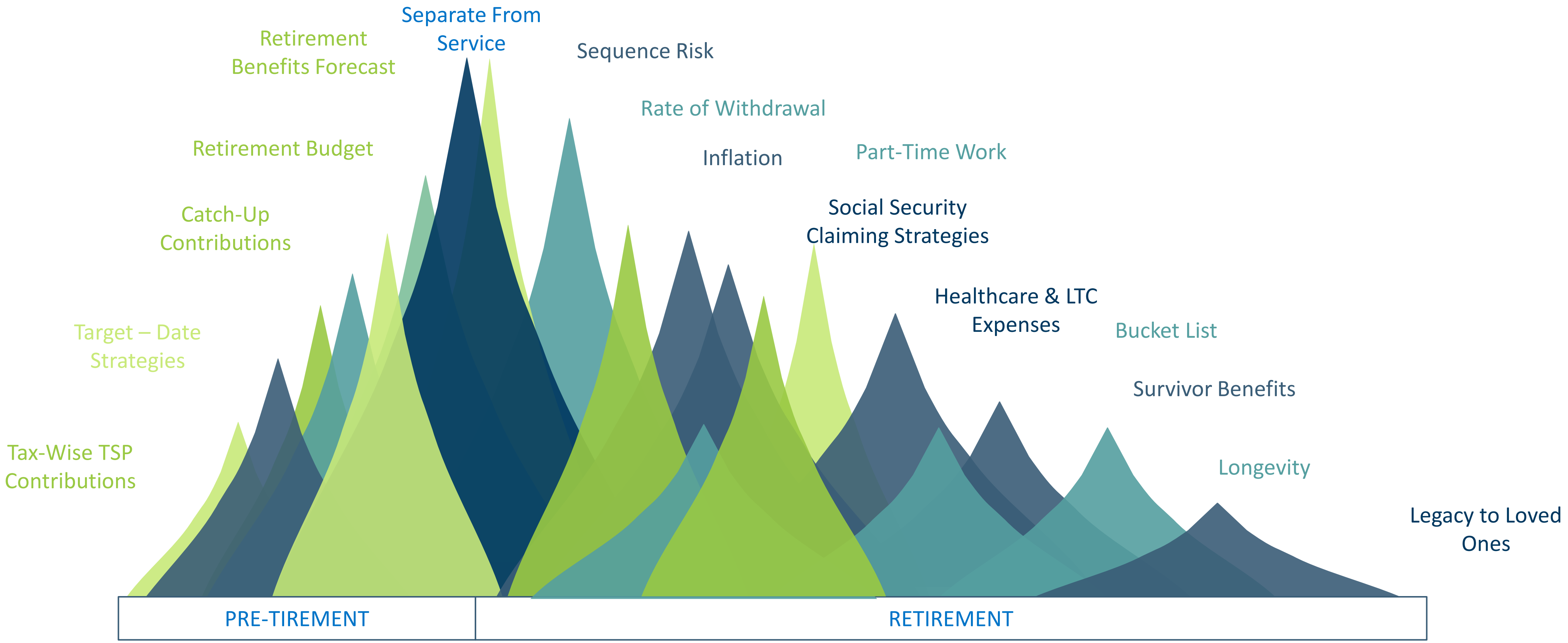
Most recent beneficiary form supersedes all previous TSP-3

Spousal Beneficiaries retitle TSP account

08

Federal Retirement Case Study

Pre-tirement Vs Retirement Risks



In retirement planning, as in mountain climbing…

Most of the risk is on the decent

FEDucated Case Study

The Question At Hand

- *How much time can your TSP savings efforts shave off of your career?*

<u>Consider:</u>

- Triplets who all got hired into the same FERS role on the same exact day
- They have the same exact risk tolerance & identical TSP allocations & returns
- They have the same exact retirement lifestyle in mind, meaning all 3 brothers have identical retirement budgets

The SERBUS Triplets

Fred Serbus

Values = Time & Freedom

Prioritized savings early in career in order to be able to travel the world with his wife Wanda once the kids are grown and his J-O-B is out of the W-A-Y. By budgeting, Fred told his money where to go with intention rather than retroactively wondering where it went…

Milton Serbus

Values = Family

Prioritized helping loved ones realize their potential early in his career. Whether it be coaches, tutors or tuition – Milton was willing to put others first with the intention to save aggressively once the kids were on their own.

Sybil Serbus

Values = Experiences

Prioritized filling the memory bank with spectacular experiences throughout his entire career. Sybil always maxed out vacation time, took the family on adventures, & had the best stories to share at the holiday parties

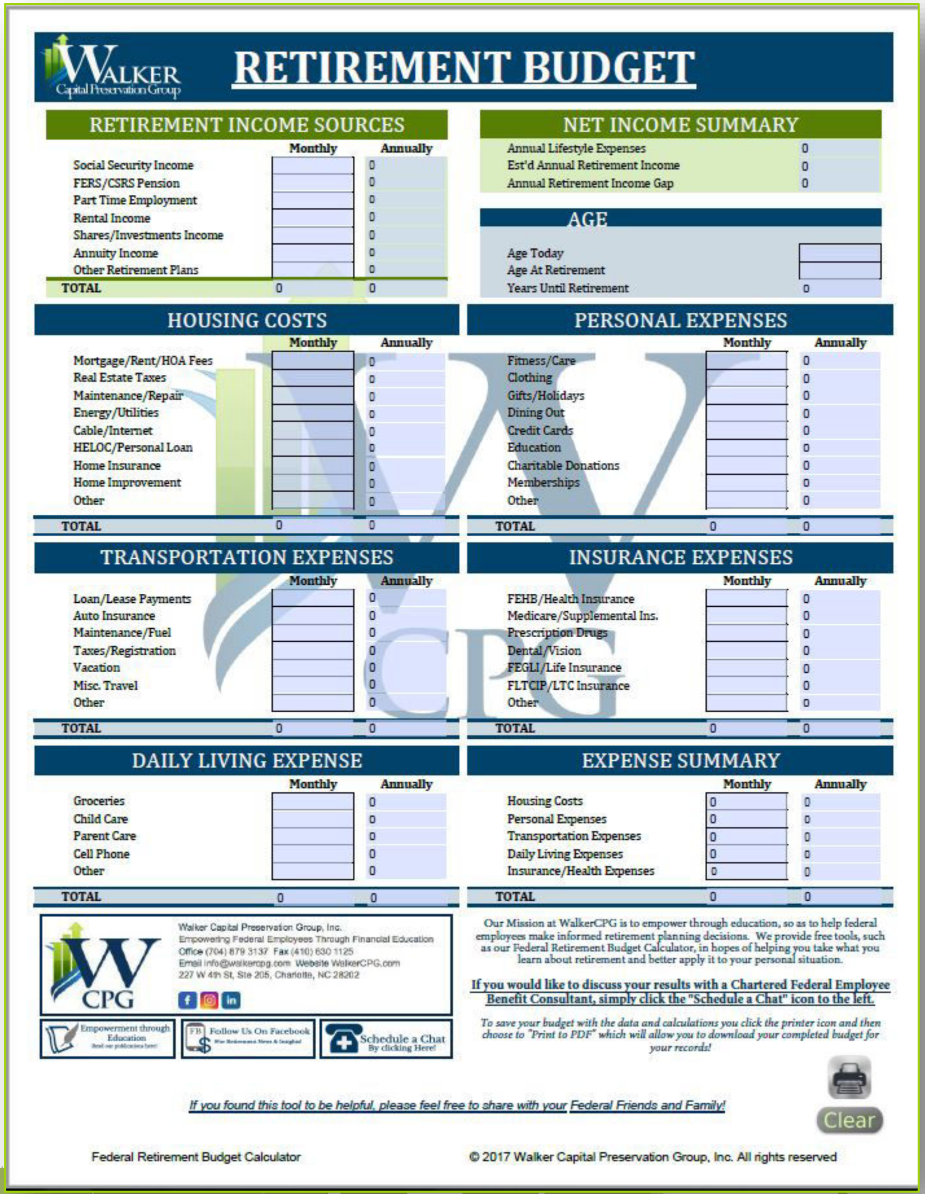
FEDucational Case Study

Comparing Federally Employed TRIPLETS with identical careers EXCEPT for their TSP Funding Efforts

	FRED & WANDA SERBUS	MILTON & MARY SERBUS	SYBIL & SALLY SERBUS
PRIORITIES	Values TIME	Values FAMILY	Values EXPERIENCES
DOB + AGE HIRED	9/1/88 (30)	9/1/88 (30)	9/1/88 (30)
SALARY + SPOUSE	$110,000 + $50,000	$110,000 + $50,000	$110,000 + $50,000
TSP CONTRIB	MAXED @ 30 y/o	5% 30-50, MAX 50+	5% FOREVER
TSP AVG GROWTH	6%	6%	6%
GOAL RET. AGE	Age 60	Age 60	Age 60
Actual Retirement Age	TBD	TBD	TBD
RETIREMENT BUDGET	$10,000/mo	$10,000/mo	$10,000/mo

BUDGET CALCULATOR

1. Establish cost of todays lifestyle
2. Adjust for changes to lifestyle in retirement
3. Project Pension & Social Security Benefits
4. Establish short-fall or “gap” between budget & incomes that TSP must fill
5. Evaluate whether you are on the right path by looking at the “Net Income Summary” in the top-right corner of the calculator
6. Project the sustainability of your nest egg to maintain lifestyle



RETIREMENT BUDGET

RETIREMENT INCOME SOURCES	Monthly	Annually
Social Security Income		0
FERS/CSRS Pension		0
Part Time Employment		0
Rental Income		0
Shares/Investments Income		0
Annuity Income		0
Other Retirement Plans		0
TOTAL	0	0

NET INCOME SUMMARY	
Annual Lifestyle Expenses	0
Est'd Annual Retirement Income	0
Annual Retirement Income Gap	0

AGE	
Age Today	
Age At Retirement	
Years Until Retirement	0

HOUSING COSTS	Monthly	Annually
Mortgage/Rent/HOA Fees		0
Real Estate Taxes		0
Maintenance/Repair		0
Energy/Utilities		0
Cable/Internet		0
HELOC/Personal Loan		0
Home Insurance		0
Home Improvement		0
Other		0
TOTAL	0	0

PERSONAL EXPENSES	Monthly	Annually
Fitness/Care		0
Clothing		0
Gifts/Holidays		0
Dining Out		0
Credit Cards		0
Education		0
Charitable Donations		0
Memberships		0
Other		0
TOTAL	0	0

TRANSPORTATION EXPENSES	Monthly	Annually
Loan/Lease Payments		0
Auto Insurance		0
Maintenance/Fuel		0
Taxes/Registration		0
Vacation		0
Misc. Travel		0
Other		0
TOTAL	0	0

INSURANCE EXPENSES	Monthly	Annually
FEHB/Health Insurance		0
Medicare/Supplemental Ins.		0
Prescription Drugs		0
Dental/Vision		0
FEGLI/Life Insurance		0
FLTCIP/LTC Insurance		0
Other		0
TOTAL	0	0

DAILY LIVING EXPENSE	Monthly	Annually
Groceries		0
Child Care		0
Parent Care		0
Cell Phone		0
Other		0
TOTAL	0	0

EXPENSE SUMMARY	Monthly	Annually
Housing Costs	0	0
Personal Expenses	0	0
Transportation Expenses	0	0
Daily Living Expenses	0	0
Insurance/Health Expenses	0	0
TOTAL	0	0

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Our Mission at WalkerCPG is to empower through education, so as to help federal employees make informed retirement planning decisions. We provide free tools, such as our Federal Retirement Budget Calculator, in hopes of helping you take what you learn about retirement and better apply it to your personal situation.

If you would like to discuss your results with a Chartered Federal Employee Benefit Consultant, simply click the "Schedule a Chat" icon to the left.

To save your budget with the data and calculations you click the printer icon and then choose to "Print to PDF" which will allow you to download your completed budget for your records!

Clear

If you found this tool to be helpful, please feel free to share with your Federal Friends and Family!

Federal Retirement Budget Calculator

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POLL QUESTION

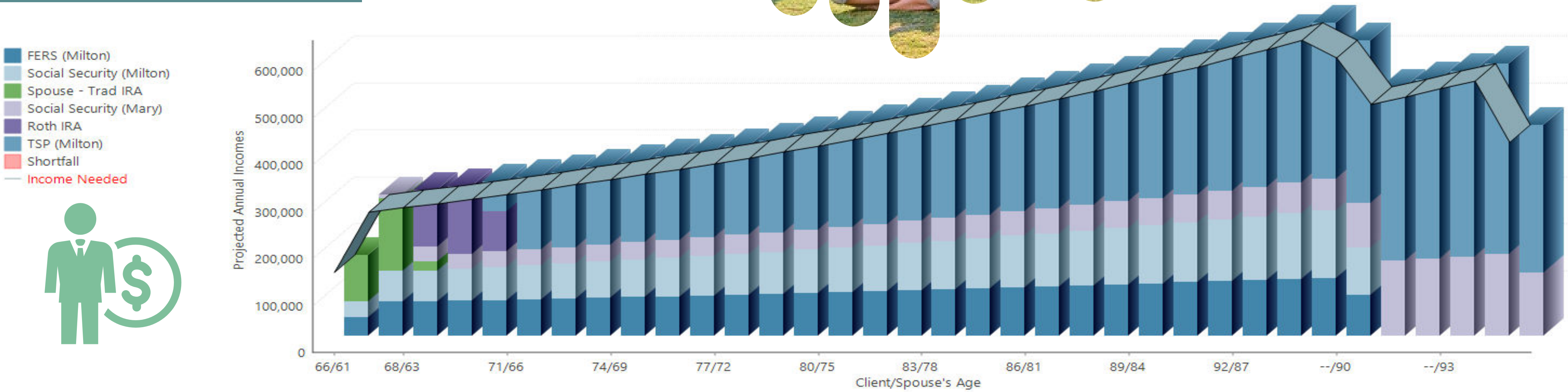
Based on the difference in savings efforts made between Fred & Sybil Serbus, how much earlier do you think Fred can retire than Sybil (assuming all other factors are equal)?

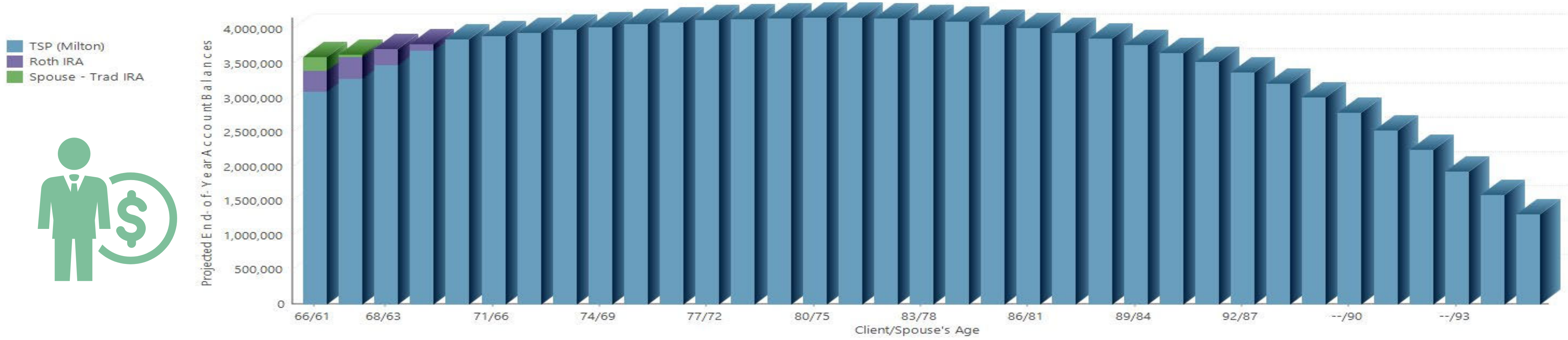
MILTON & MARY SERBUS

Goal Ret Age & Budget: Age 60 + $10,000/mo

TSP Contrib: 5% 30-50, Max @ 50+

Retired at 65yrs 8mo



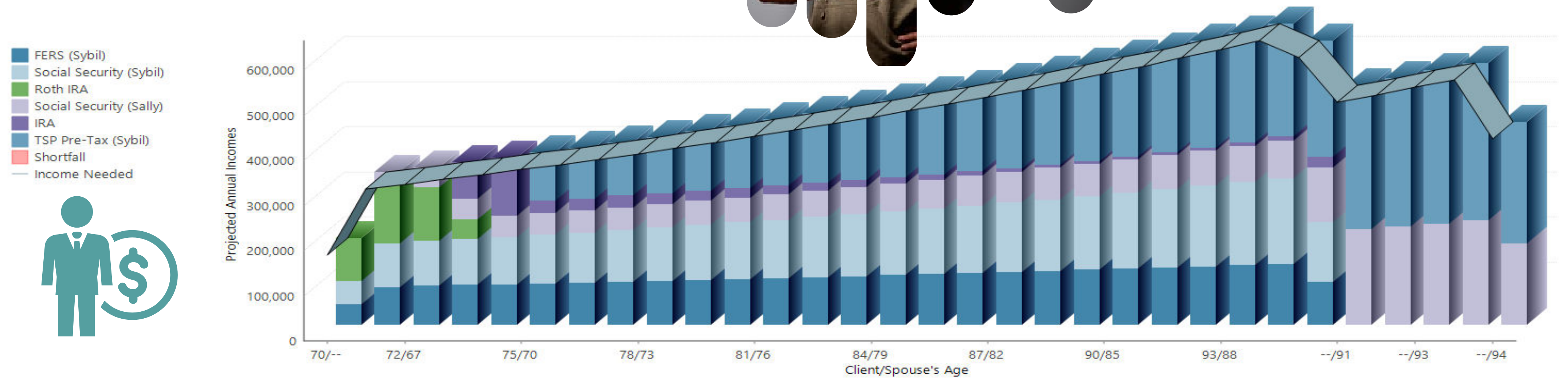


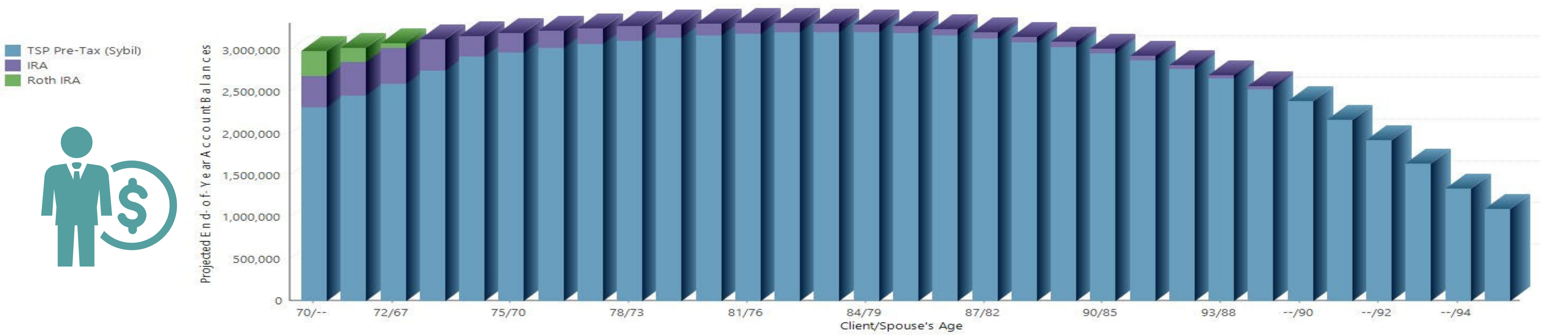
SYBIL & SALLY SERBUS

Goal Ret Age & Budget: Age 60 + $10,000/mo

TSP Contrib: 5% Contribution (whole career)

Retired at 69yrs 8mos



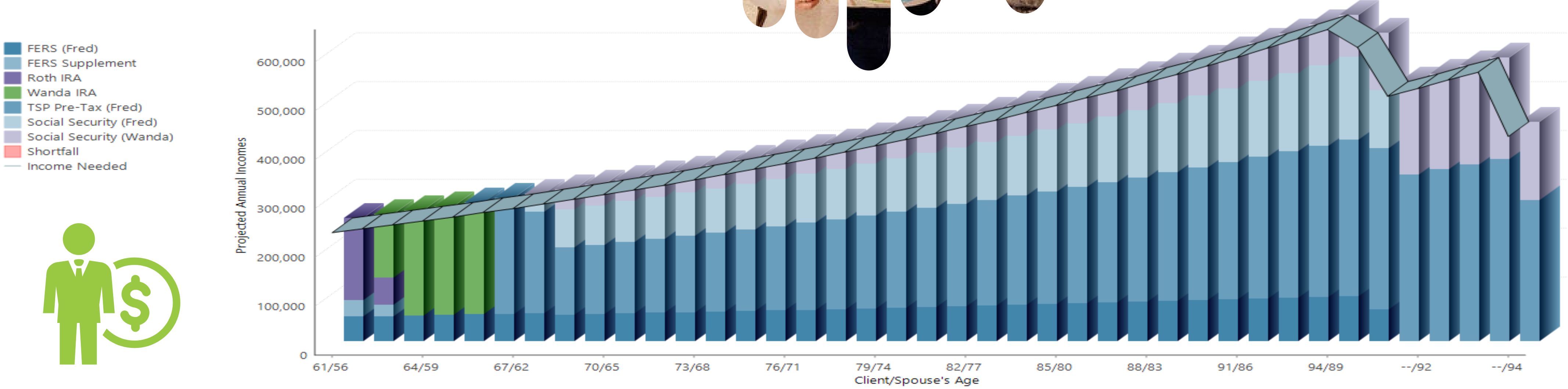


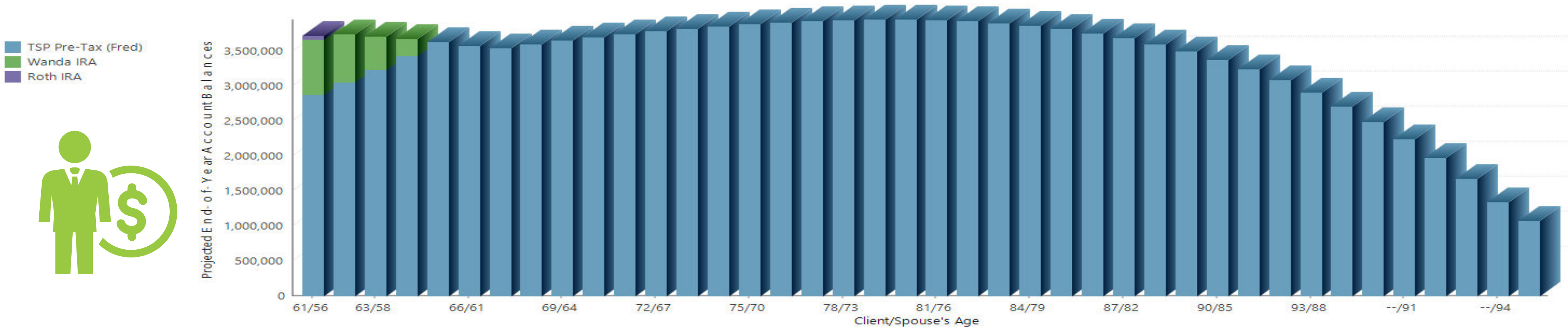
FRED & WANDA SERBUS

Goal Ret Age & Budget: Age 60 + $10,000/mo

TSP Contrib: Max Contributions (since age 30)

Retired at 60yrs 3mos





FEDucational Case Study

Only Variable Changed was TSP Contributions, Results Below

SYBIL & SALLY SERBUS

Values: MEMORIES

Prioritized: EXPERIENCES > RET SAVINGS

Retired at 69yrs 8mos

MILTON & MARY SERBUS

Values: FAMILY'S NEEDS

Prioritizes: FAMILY > RETIREMENT

Retired at 65yrs 8mo (4yrs less)

FRED & WANDA SERBUS

Values: TIME

Prioritizes: SHORTENING CAREER

Retired at 60yrs 3mos (9.5yrs less)

FEDucated Food for Thought

Benefits Building Blocks

Be sure to review your SF-50 to ensure your credited service is correct & request retirement estimates to begin forecasting

Forecast Your Financial Future

An investment into projecting your retirement income & budget is the single investment ALL successful retirees have in common

Thrift Savings Plan

Your degree of Financial Independence & retirement confidence stems from your ability to leverage the TSP & your assets

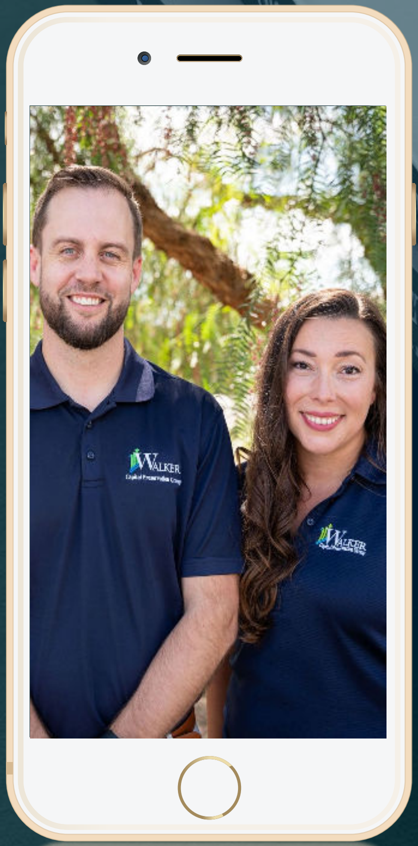
Stress Test Your Retirement Projection

Peace of mind is the dividend paid on time invested planning ahead & preparing for life's inevitable plot twists.

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

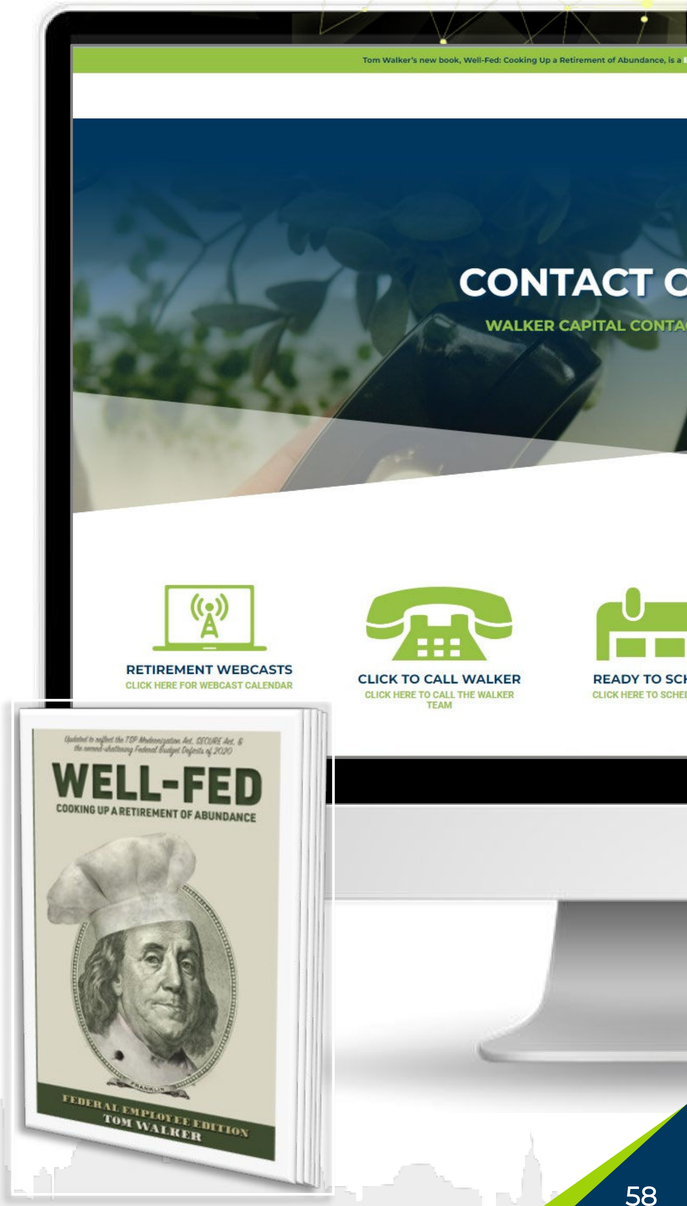
Brief phone call with a **WCPG Strategist** to chat & gather data for a personalized Retirement Benefits Forecast - reviewed with you during **Strategy Session**

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



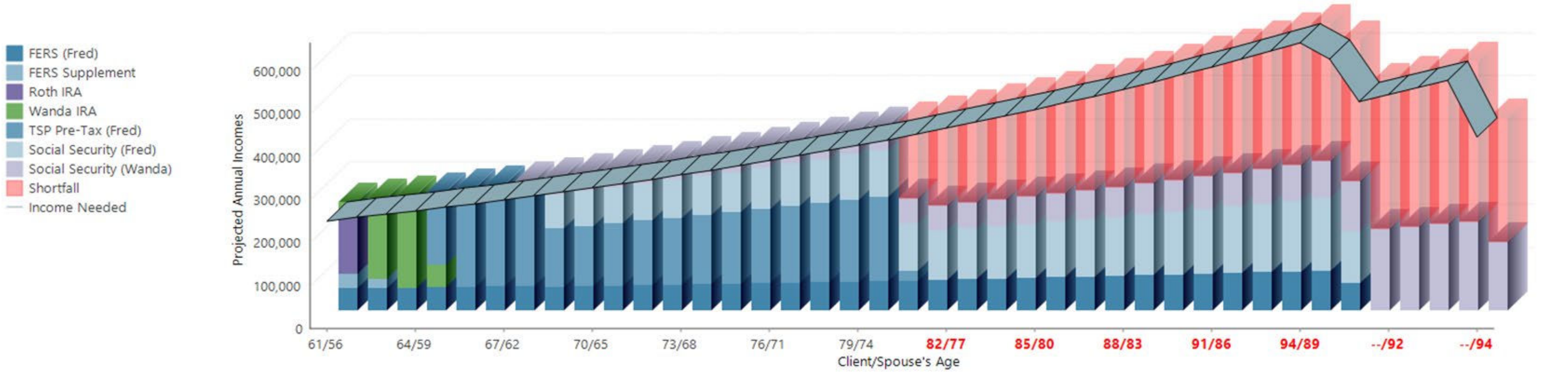
FRED & WANDA SERBUS

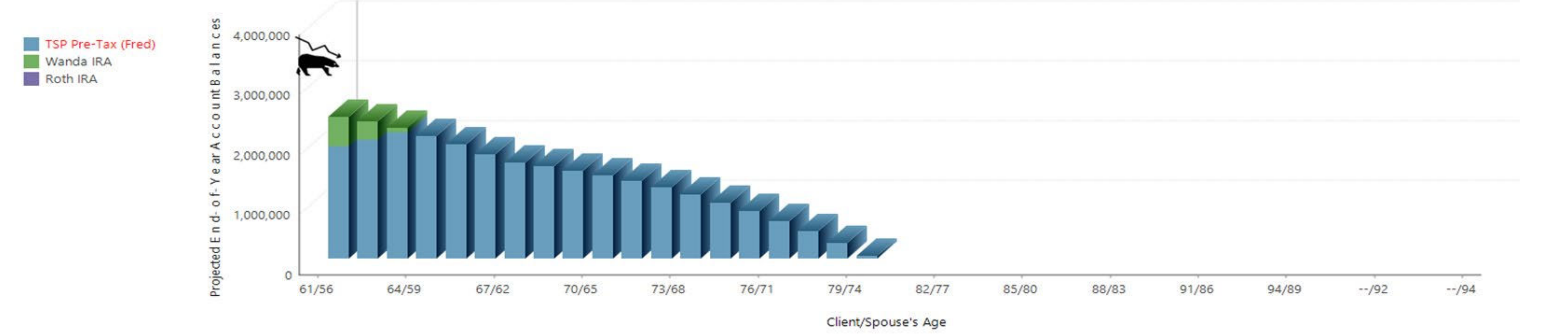
Average Bear Market ~35% Decline

Bear Icon Represents a -35% Return on Assets

What if there is a Bear Market immediately after Fred Retires?

Sequence of Returns Risk.





THE END!

SCHEDULE HERE

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FEDUCATED
FEDERAL RETIREMENT CURRICULUM

RETIREMENT IS A JOURNEY

Walker Capital Is Here To Help You Navigate