

AI-01257 Planning Retirement At Minimal Savings

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| ⋮ Tags | Investing |
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Given: Married couple Age 62 contemplating retirement, combined SSA income per year of \$3000, no mortgage, \$200000 401K savings. What is their best next move?

It sounds like you're in a good position with no mortgage and some savings. Here are some steps to consider for a smooth retirement:

1. **Budgeting:** Assess your monthly expenses to ensure your combined Social Security income and any withdrawals from your 401(k) will cover your needs.
2. **401(k) Withdrawals:** Plan your withdrawals carefully to minimize taxes and ensure your savings last. You can start taking penalty-free withdrawals from your 401(k) at age 59½, but required minimum distributions (RMDs) start at age 73.
3. **Investment Strategy:** Review your 401(k) investments. A balanced portfolio with a mix of stocks and bonds can help manage risk and provide growth. Consider consulting a financial advisor to tailor your strategy.
4. **Healthcare:** Plan for healthcare costs, including Medicare and any supplemental insurance. Healthcare can be a significant expense in retirement.
5. **Emergency Fund:** Maintain an emergency fund separate from your 401(k) to cover unexpected expenses. This should be easily accessible and cover 3-6 months of living expenses.
6. **Estate Planning:** Ensure your estate plan is up to date, including your will, power of attorney, and healthcare directives.

7. Enjoy Retirement: Make sure to enjoy your retirement! Engage in hobbies, travel, and spend time with loved ones.

Would you like more detailed advice on any of these areas?

\$200000 Invested at 12% rate with a withdrawal of \$-2000 per month in 30 years stayed at \$200000 after 30 years.

| Years | Future Value (12.00%) | Total Contributions |
|---------|-----------------------|---------------------|
| Year 0 | \$200,000.00 | \$200,000.00 |
| Year 1 | \$200,000.00 | \$176,000.00 |
| Year 2 | \$200,000.00 | \$152,000.00 |
| Year 3 | \$200,000.00 | \$128,000.00 |
| Year 4 | \$200,000.00 | \$104,000.00 |
| Year 5 | \$200,000.00 | \$80,000.00 |
| Year 6 | \$200,000.00 | \$56,000.00 |
| Year 7 | \$200,000.00 | \$32,000.00 |
| Year 8 | \$200,000.00 | \$8,000.00 |
| Year 9 | \$200,000.00 | \$-16,000.00 |
| Year 10 | \$200,000.00 | \$-40,000.00 |
| Year 11 | \$200,000.00 | \$-64,000.00 |
| Year 12 | \$200,000.00 | \$-88,000.00 |
| Year 13 | \$200,000.00 | \$-112,000.00 |
| Year 14 | \$200,000.00 | \$-136,000.00 |
| Year 15 | \$200,000.00 | \$-160,000.00 |
| Year 16 | \$200,000.00 | \$-184,000.00 |
| Year 17 | \$200,000.00 | \$-208,000.00 |
| Year 18 | \$200,000.00 | \$-232,000.00 |
| Year 19 | \$200,000.00 | \$-256,000.00 |

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|----------------|---------------------|----------------------|
| Year 20 | \$200,000.00 | \$-280,000.00 |
| Year 21 | \$200,000.00 | \$-304,000.00 |
| Year 22 | \$200,000.00 | \$-328,000.00 |
| Year 23 | \$200,000.00 | \$-352,000.00 |
| Year 24 | \$200,000.00 | \$-376,000.00 |
| Year 25 | \$200,000.00 | \$-400,000.00 |
| Year 26 | \$200,000.00 | \$-424,000.00 |
| Year 27 | \$200,000.00 | \$-448,000.00 |
| Year 28 | \$200,000.00 | \$-472,000.00 |
| Year 29 | \$200,000.00 | \$-496,000.00 |
| Year 30 | \$200,000.00 | \$-520,000.00 |

\$200000 Invested at 12% rate with a withdrawal of \$-1000 per month in 30 years becomes \$3,095,992 after 30 years.

| Years | Future Value (12.00%) | Total Contributions |
|----------------|------------------------------|----------------------------|
| Year 0 | \$200,000.00 | \$200,000.00 |
| Year 1 | \$212,000.00 | \$188,000.00 |
| Year 2 | \$225,440.00 | \$176,000.00 |
| Year 3 | \$240,492.80 | \$164,000.00 |
| Year 4 | \$257,351.94 | \$152,000.00 |
| Year 5 | \$276,234.17 | \$140,000.00 |
| Year 6 | \$297,382.27 | \$128,000.00 |
| Year 7 | \$321,068.14 | \$116,000.00 |
| Year 8 | \$347,596.32 | \$104,000.00 |
| Year 9 | \$377,307.88 | \$92,000.00 |
| Year 10 | \$410,584.82 | \$80,000.00 |
| Year 11 | \$447,855.00 | \$68,000.00 |
| Year 12 | \$489,597.60 | \$56,000.00 |
| Year 13 | \$536,349.31 | \$44,000.00 |
| Year 14 | \$588,711.23 | \$32,000.00 |

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|----------------|-----------------------|----------------------|
| Year 15 | \$647,356.58 | \$20,000.00 |
| Year 16 | \$713,039.37 | \$8,000.00 |
| Year 17 | \$786,604.09 | \$-4,000.00 |
| Year 18 | \$868,996.58 | \$-16,000.00 |
| Year 19 | \$961,276.17 | \$-28,000.00 |
| Year 20 | \$1,064,629.31 | \$-40,000.00 |
| Year 21 | \$1,180,384.83 | \$-52,000.00 |
| Year 22 | \$1,310,031.01 | \$-64,000.00 |
| Year 23 | \$1,455,234.73 | \$-76,000.00 |
| Year 24 | \$1,617,862.89 | \$-88,000.00 |
| Year 25 | \$1,800,006.44 | \$-100,000.00 |
| Year 26 | \$2,004,007.21 | \$-112,000.00 |
| Year 27 | \$2,232,488.08 | \$-124,000.00 |
| Year 28 | \$2,488,386.65 | \$-136,000.00 |
| Year 29 | \$2,774,993.05 | \$-148,000.00 |
| Year 30 | \$3,095,992.21 | \$-160,000.00 |