

# Retirement Checklist

We care about your well being and want to ensure you are prepared for this next stage in life. Here are a number of things you will want to do heading into retirement

## Things to do now that you're retired, or soon to be retired:

- ✓ Create Retirement Plan
- ✓ Consolidate Investment Accounts
- ✓ Establish Tax Efficient Withdrawal Strategy
- ✓ Align Investments According to Retirement Plan
- ✓ Estimate Monthly and Annual Budgets
- ✓ Consult with Attorney on Estate Plan – Wills and Trusts, POA and HCP
- ✓ Understand Benefit Options through Social Security
- ✓ Plan for Pre-Medicare Health Insurance and/or Medicare Enrollment
- ✓ Evaluate Insurance Needs and Coverage – Life, Disability, and Long-Term Care

Questions on how to get started? I'm here to help.



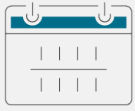
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# Social Security

When anticipating retirement, you may think of the first work-free years of pursuing hobbies or traveling. However, your years in retirement may be longer than you think. Knowing when to claim benefits can give you a better chance of making your retirement money last.

## Full Retirement Age isn't always 67

Your Full Retirement Age (FRA) depends on when you were born. <sup>1</sup>



1943 - 1954 ➤ Age 66

1955 - 1959 ➤ Age 66 + 2 months for every year after 1954

1960 and after ➤ Age 67

## Social Security is not a given

You have to work (enough) to earn it. Once you earn it, your family can also receive benefits based on your earnings.



1. 2023 wages / self-employment income; Source: How You Earn Credits - ssa.gov

## Drawing Social Security early may not be the best

You can start before your Full Retirement Age, but doing so will mean a reduction in your amount. Delaying your benefits lets you collect more.<sup>2</sup>

If you start at age...

62 75%

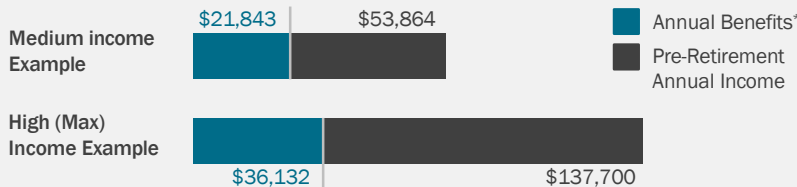
67 100%

70 124%

2. Assumes FRA is 67. Increased benefits for delaying Social Security max out at age 70.

## Everyone doesn't earn the same

What you made won't be what you earn



Social Security will not replace your current wages, However, it should be part of your overall retirement strategy.

Your benefit:

- is based on a three-part calculation and an average of the best 35 years of your earnings.
- receives an annual cost of living adjustment (2.5% in 2025).
- may be decreased if you are still working or if you are entitled to a government pension.
- may be higher if claiming based on the earnings history of your spouse, ex-spouse, or deceased spouse
- may be subject to income tax (on up to 85% of the benefit amount).

## Online access and application

Create an online "my Social Security" account\*\* to access your Social Security Statement to check earnings and receive benefit estimates. Check your statement at least annually to verify your information is correct.

### Applying for benefits

Apply for benefits four months before the date you want your benefits to start in one of the following ways:

- » Online at [www.ssa.gov](http://www.ssa.gov)
- » Call the Social Security Office at 1-800-772-1213
- » Make an appointment to visit a Social Security office to apply in person

### Choosing when to receive benefits

Base your decision on when to receive benefits by analyzing cash flow needs, current health, and anticipated life expectancy.

\*Annual replacement rates in 2022 for retired worker, age 66 and 4 months. Source: January 2023-Social Security Administration | Publication No. 05-10035. SSA.gov.

\*\*If you do not have a my Social Security account set up, you must first use ID.me or Login.gov to authenticate your user's ID. Once clearance is received you can set up your my Social Security account. If you set up a my Social Security account before September 2021, do not have to do this.

## Eligibility and Enrollment

You become eligible for Medicare at age 65. Your initial enrollment period begins 3 months before you turn 65.

If you have health insurance through your employer or spouse's employer, contact your human resources office to find out how your coverage will work with Medicare plans. Make certain that signing up for Medicare plans won't cause you to lose any employer health or prescription drug coverage.

Be certain to sign up if required when you are first eligible to avoid a late enrollment penalty for as long as you have Medicare. Sign up at [ssa.gov/benefits/medicare](https://ssa.gov/benefits/medicare) or call Social Security at 1-800-772-1213.

## Part A (Hospital Insurance) & B (Medical Insurance)

### COSTS AND SERVICES COVERED

Part A coverage usually doesn't have a premium if you or your spouse paid Medicare taxes while working for a certain amount of time, however there is a deductible (\$1,676 per year in 2023) and coinsurance (per day after a 60-day hospital stay).

Part A helps cover inpatient care in a hospital, inpatient care in a skilled nursing facility (Not custodial or long-term care), hospice care, home health care, and inpatient care in a religious nonmedical health care institution.

The standard Part B premium amount in 2025 is \$185 per month, an increase of \$10.30 in 2024. If your modified adjusted gross income from two years ago is above a certain amount (\$212,000 per year if filing jointly and \$106,000 if filing individually) you will pay the standard premium amount plus an Income Related Monthly Adjustment (IRMAA).

- If you disagree with the extra amount because of a life event that lowers your income, visit [socialsecurity.gov](https://socialsecurity.gov) to file Form SSA-44.

The Part B deductible is \$257 in 2025. After your deductible is met you typically pay 20% of the Medicare-approved amount for most doctor services, outpatient therapy, and durable medical equipment.

Part B helps cover medically necessary doctors' services, outpatient care, home health services, durable medical equipment, mental health services, and preventative services.

Once you enroll in Medicare Part A or B, you may no longer contribute pre-tax dollars to a Health Savings Account (HSA). If you are retiring after age 65 and you have delayed Medicare enrollment, be sure to stop contributing to your HSA at least six months prior to when you plan to enroll in Medicare. This is because when you enroll in Medicare Part A, you receive up to six months of retroactive coverage, and you may incur a tax penalty for HSA contributions made during that time.

## Part C (Medicare Advantage Plans)

A Medicare Advantage Plan is another way to get your Medicare coverage. These plans are offered by Medicare-approved private companies that must follow rules set by Medicare. Most of these plans offer coverage for things that aren't covered by Original Medicare such as vision, hearing, dental, and wellness programs. These plans generally include prescription drug coverage (Part D) as well.

## Part D (Prescription Drug)

### COSTS

Part D premiums will vary by plan. If your modified adjusted gross income from two years ago is above a certain amount (\$212,000 per year if filing jointly and \$106,000 if filing individually) you will pay the standard premium amount plus an Income Related Monthly Adjustment (IRMAA).

Deductibles will vary between Medicare drug plans, but no Medicare drug plan may have a deductible higher than \$590 in 2025. Some plans don't have a deductible. After your deductible is met, you will pay either a copayment or coinsurance for your prescription drugs.

After you and your plan have spent a certain amount for covered drugs (\$2,000 in 2025) you will enter the coverage gap. While in the coverage gap, you pay no more than 25% of the cost for your prescription drugs.

Once you've spent \$2,000 out-of-pocket in 2025 for prescription drugs, you're now in "catastrophic coverage". This assures you only pay a small coinsurance or copayment for covered drugs for the remainder of the year.

## Medicare Supplement Insurance (Medigap) Policies

Original Medicare pays for much, but not all, of the cost for covered health care services and supplies. Medigap policies, sold by private companies, can help pay some of the remaining health care costs for covered services and supplies (such as copayments, coinsurance, and deductibles). Generally, these policies don't cover long-term care, vision or dental care, hearing aids, eyeglasses, or private-duty nursing.

### Questions?

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As you transition to retirement, protecting the assets you accumulated and fulfilling your legacy are two priorities. An effective estate plan acts like a roadmap for your heirs by providing directions on how to settle your financial and personal affairs while ensuring your wishes are being honored so you leave the legacy that you envision. Taking the time to educate yourself about the estate planning process now can mean the difference between clarity and confusion later.



While the current estate tax laws don't cause many individuals to pay the estate tax, there are still many important reasons to implement an estate plan. The purpose and goals of estate planning involve avoiding probate, structuring the distribution of your assets, naming fiduciaries (the people who act on your behalf to manage your affairs), and minimizing tax liability. While these are important objectives, making sure your assets are passed to the right people or organizations are critical. Having no estate plan can be costly and time consuming so consulting with a professional is critical to achieving your objectives.

## A comprehensive approach to estate planning includes the following:



**Living trust** – manages assets in times of incapacity and death. Avoids probate in most cases.



**Power of attorney** – appoints fiduciaries to act on your behalf should you become incapacitated.



**Advance Health Care Directives** – Pre-emptively make medical decisions. Appoints agents to make other medical decisions.



**Pourover Will** – acts as a back-up to the trust. Also appoints guardians over minor children.



**Corollary Documents** – supports and provides additional protection for the rest of the plan. Examples include Assignment of Property, Marital Property Agreement, Certificate of Trust, etc.

## Checklist for Implementing an Estate Plan



### **Determine your estate planning objectives and goals:**

Review who you want to receive your assets upon your passing. Many people simply leave their money to children or other relatives, while others have charitable wishes that need to be satisfied. This is an opportunity to consider what you want your legacy to look like.



### **Make a List of Your Current Assets and Debts:**

Provide an easy reference for your surviving family members with a list that shows all banking, retirement, and investment accounts with their numbers, locations, and values. Include debt from credit cards or loans.



### **Review Account Ownership:**

Review who is listed on your property deeds and vehicle ownership forms.



### **Review Beneficiary Designations:**

Many accounts, such as those for retirement and insurance policies, transfer to the named beneficiaries immediately upon your death. It's critical that you review these beneficiaries *annually* to ensure the proper person is inheriting your wealth.



### **Make a Copy of Important Documents:**

Make copies of your important documents to share with the attorney.

This checklist will give you a head start on your estate plan prior to meeting with an attorney. An estate planning attorney will help you create documents and will take you through the estate planning process. As your goals may change over time, your documents should be reviewed to make sure that the individuals designated to receive assets and assist with administering the estate are still current. SageView can assist with answering questions and finding the right people to be involved with developing a plan that makes sense for you.

# 2025 Annual Limits

## RETIREMENT PLANS

Elective deferrals 401(k), 403(b), 457, and SARSEPs	\$23,500
Catch-up contribution	\$7,500
Age 60-63 catch-up contribution	\$11,250
Defined contribution (§415(c)(1)(A))	\$70,000
Defined benefit (§415(b)(1)(A))	\$280,000
SIMPLE plan	\$16,500
Age 50+ catch-up contribution	\$3,500
Age 60-63 catch-up contribution	\$5,250
Maximum includable compensation	\$350,000
<b>Highly compensated employee</b>	
Lookback to 2024	\$155,000
Lookback to 2025	\$160,000
Key employee (top-heavy plan)	>\$230,000
SEP participation limit	\$750
IRA or Roth IRA contribution limit	\$7,000
IRA or Roth IRA catch-up	\$1,000
<b>IRA deduction phaseout for active participants</b>	
Single	\$79,000 - \$89,000
Married filing jointly	\$126,000 - \$146,000
Married filing separately	\$0 - \$10,000
Non-active participant married to active participant	\$236,000 - \$246,000
<b>Roth IRA phaseout</b>	
Single	\$150,000 - \$165,000
Married filing jointly	\$236,000 - \$246,000

## SOCIAL SECURITY

SS wage base	\$176,100
FICA tax rate – employee <sup>3</sup>	7.65%
SECA tax rate – self-employed	15.3%
<b>Earnings limitation</b>	
Below FRA (\$1 for \$2)	\$23,400
Persons reaching FRA (\$1 for \$3) (Applies only to earnings for months prior to attaining FRA)	\$62,160
Social Security cost-of-living adjustment	2.5%
Quarter of coverage	\$1,810
Maximum benefits: worker retiring at FRA	\$4,018
Estimated average monthly benefit	\$1,976

## SOCIAL SECURITY FRA

Year of Birth	Social Security FRA
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

## ESTATE AND GIFT TAX

Annual gift tax exclusion	\$19,000
Estate & gift tax basic exclusion	\$13,990,000
Applicable credit amount	\$5,541,800
Generation skipping exemption	\$13,990,000
Maximum estate tax rate <sup>4</sup>	40%

- The Part A premium of \$518 per month applies to persons who have fewer than 30 quarters of coverage under Social Security. For those having 30-39 quarters, the Part A Premium is \$285 per month.
- Beneficiaries not subject to the “hold harmless” provision includes persons not receiving Social Security, those who enroll in Part B for the first time in 2025, dual eligible beneficiaries who have their premiums paid by Medicaid, and beneficiaries who pay an additional income-related premium. See Premium rates (Figure 1)
- The FICA tax rate is comprised of two separate payroll taxes: Employer portion—6.20% for Old-Age, Survivors, and Disability Insurance (OASDI), and 1.45% for Hospital Insurance (HI); Employee portion—6.20% for Old-Age, Survivors, and Disability Insurance (OASDI), and 1.45% for Hospital Insurance (HI). For self-employees, the SECA is 12.40% for OASDI and 2.90% for HI.
- A deceased spouse’s unused credit amount is portable to a surviving spouse.

MEDICARE	
<b>Monthly premium:</b>	
Part A <sup>1</sup>	\$518
Part B <sup>2</sup>	\$185
<b>Part A:</b>	
First 60 days – patient pays a deductible	\$1,676
Next 30 days – patient pays per day	\$419
Next 60 days (lifetime reserve days) patient pays per day	\$838
<b>Skilled nursing benefits</b>	
First 20 days – patient pays per day	\$0
Next 80 days – patient pays per day	\$209.50
Over 100 days – patient pays per day	All costs
<b>Part B:</b>	
Deductible	\$257
Coinsurance	20%
<b>Part D (Prescription Standard Benefit Model):</b>	
Deductible	\$590
Out-of-pocket (OOP) threshold	\$2,000
Once the beneficiary reaches their \$2,000 limit, they will qualify for catastrophic coverage and pay no additional out-of-pocket costs.	

HEALTH SAVINGS ACCOUNT	
<b>Minimum Deductible Amount</b>	
Single	\$1,650
Family	\$3,300
<b>Maximum Out-of-Pocket Amount</b>	
Single	\$8,300
Family	\$16,600
<b>HSA Statutory Contribution Maximum</b>	
Single	\$4,300
Family	\$8,550
Catch-up contributions (age 55 or older)	\$1,000

MISCELLANEOUS ITEMS	
Qualified Longevity Annuity Contract	Max \$200,000
Health Care Flexible Spending Account	Max \$3,300
Health Care FSA Carryover Amount	Max \$660

**FIGURE 1**

2025 MEDICARE PART B PREMIUM RATES:			
YOU PAY		If your 2023 income was:	
Premium	Part D Surcharge	SINGLE	MARRIED COUPLE
\$0	\$0	\$106,000 or less	\$212,000 or less
\$74.00	\$13.70	\$106,001 - 133,000	\$212,001 - \$266,000
\$185.00	\$35.30	\$133,001 - \$167,000	\$266,001 - \$334,000
\$295.90	\$57.00	\$167,001 - \$200,000	\$334,001 - \$400,000
\$406.90	\$78.60	\$200,001 - \$500,000	\$400,001 - \$750,000
\$432.00	\$85.80	Above \$500,000	Above \$750,000
YOU PAY	Part D Surcharge	If you are married filing separately and your 2023 income was:	
\$0	\$0	\$106,000 or less	
\$406.90	\$78.60	\$106,001 - \$394,000	
\$443.90	\$85.80	Above \$394,000	



## 2025 TAX RATE SCHEDULES

If Taxable Income Is Then the Gross Tax Payable Is:

Over But Not Over Amount Plus (percent) Of the Amount Over

### SINGLE TAXPAYERS (other than surviving spouses and heads of households)

\$0	\$11,925	----- 10% of taxable income -----		
\$11,925	\$48,475	\$1,193	12%	\$11,925
\$48,475	\$103,350	\$5,579	22%	\$48,475
\$103,350	\$197,300	\$17,651	24%	\$103,350
\$197,300	\$250,525	\$40,199	32%	\$197,300
\$250,525	\$626,350	\$57,231	35%	\$250,525
\$626,350	–	\$188,769.75	37%	\$609,350

### HEADS OF HOUSEHOLDS

\$0	\$17,000	----- 10% of taxable income -----		
\$17,000	\$64,850	\$1,700	12%	\$17,000
\$64,850	\$103,350	\$7,442	22%	\$64,850
\$103,350	\$197,300	\$15,912	24%	\$103,350
\$197,300	\$250,500	\$38,460	32%	\$197,300
\$250,500	\$626,350	\$55,484	35%	\$250,500
\$626,350	–	\$187,031.50	37%	\$626,350

### MARRIED INDIVIDUALS (and surviving spouses) FILING JOINT RETURNS

\$0	\$23,850	----- 10% of taxable income -----		
\$23,850	\$96,950	\$2,385	12%	\$23,850
\$96,950	\$206,700	\$11,157	22%	\$96,950
\$206,700	\$394,600	\$35,302	24%	\$206,700
\$394,600	\$501,050	\$80,398	32%	\$394,600
\$501,050	\$751,600	\$114,462	35%	\$501,050
\$751,600	–	\$202,154.50	37%	\$751,600

### MARRIED INDIVIDUALS FILING SEPARATE RETURNS

\$0	\$11,925	----- 10% of taxable income -----		
\$11,925	\$48,475	\$1,193	12%	\$11,925
\$48,475	\$103,350	\$5,579	22%	\$48,475
\$103,350	\$197,300	\$17,651	24%	\$103,350
\$197,300	\$250,525	\$40,199	32%	\$197,300
\$250,525	\$375,800	\$57,231	35%	\$250,525
\$375,800	–	\$101,077.25	37%	\$375,800

### FIDUCIARY (estates and trusts) TAXPAYERS

\$0	\$3,150	----- 10% of taxable income -----		
\$3,150	\$11,450	\$315	24%	\$3,150
\$11,450	\$15,650	\$2,307	35%	\$11,450
\$15,650	–	\$3,777	37%	\$15,650

## ALTERNATIVE MINIMUM TAX (AMT)

Exemption

Phaseout

Single	\$88,100	\$626,350 - \$978,750
Married filing jointly	\$137,000	\$1,252,700 - \$1,800,700
Married filing separately	\$68,500	\$626,350 - \$900,350
Trusts and estates	\$30,700	\$102,500 - \$225,300

## AMT RATES

26% up to \$239,100 of AMT base (\$119,550 MFS)

28% over \$239,100 of AMT base

## LTCG RATES BASED ON TAXABLE INCOME

### Filing Status

### 0% Rate

Single	up to \$48,350
Head of household	up to \$64,750
Married filing jointly	up to \$96,700
Married filing separately	up to \$48,350
Estates and trusts	up to \$3,250

## LTCG RATES BASED ON TAXABLE INCOME

### Filing Status

### 15% Rate

Single	\$48,351 - \$533,400
Head of household	\$64,751 - \$566,700
Married filing jointly	\$96,701 - \$600,050
Married filing separately	\$48,351 - \$300,000
Estates and trusts	\$3,251 - \$15,900

## LTCG RATES BASED ON TAXABLE INCOME

### Filing Status

### 20% Rate

Single	over \$533,400
Head of household	over \$566,700
Married filing jointly	over \$600,050
Married filing separately	over \$300,000
Estates and trusts	over \$15,900

## INCOME TAX

### Standard deduction

Single	\$15,000
Married filing jointly	\$30,000
Head of household	\$22,500
Married filing separately	\$15,000
Kiddie tax limited standard deduction	\$1,350

Individual eligible to be claimed as dependent – greater of \$1,350 or earned income plus \$450, not to exceed full standard deduction of \$15,000.

### Elderly or blind additional deduction

Single	\$2,000
Married	\$1,600

### Section 179

Maximum election	\$1,250,000
Phaseout begins	\$3,130,000

### Adoption credit (nonrefundable)

Maximum	\$17,280
Phaseout	\$259,190 - \$299,190

### Medicare Contribution tax and additional Medicare tax

Single	\$200,000
Head of household	\$200,000
Married filing jointly	\$250,000

### Child tax credit

Dependent under age of 17	\$2,000
Other dependents	\$500
Phaseout (\$50 for every \$1,000 over)	
Single	\$200,000
Married filing jointly	\$400,000

## EDUCATION

### EE Bonds for education – exclusion phaseout

Single	\$99,500 - \$114,500
Married filing jointly	\$149,250 - \$179,250

### Coverdell Education Savings Account (\$2,000 limit) phaseout

Single	\$95,000 - \$110,000
Married filing jointly	\$190,000 - \$220,000

### Lifetime Learning Credit

20% of qualified expenses up to \$10,000

Single	\$80,000 - \$90,000
Married filing jointly	\$160,000 - \$180,000

### American Opportunity tax credit – maximum of \$2,500

100% up to \$2,000 of qualified expenses

**25% on next \$2,000 – phaseout:**

Single	\$80,000 - \$90,000
Married filing jointly	\$160,000 - \$180,000

### Education loan deduction (\$2,500) phaseout

Unmarried	\$85,000 - \$100,000
Married filing jointly	\$170,000 - \$200,000

Source: College for Financial Planning

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