

RETIREMENT INCOME

Creating reliable income *in retirement*

During your working years, you relied on a steady paycheck. Once you retire, that paycheck stops — but your expenses don't. So how do you replace it with reliable income that can support your lifestyle for years to come?



01 Your retirement income checklist

Creating reliable income in retirement often means combining several different income sources. Some people rely heavily on guaranteed income, while others supplement it with withdrawals or other assets. Use this checklist to identify the sources that may help support your retirement paycheck.

- ☐ **Social Security benefits:** For many retirees, Social Security provides a foundational monthly income.
- ☐ **Pension income:** Some employer-sponsored plans provide guaranteed monthly payments.
- ☐ **Withdrawals from retirement savings:** Accounts such as 401(k)s, IRAs, and other investment accounts may provide income through structured withdrawals.
- ☐ **Personal investment income:** Dividends, interest, or other investment returns may contribute to retirement income.
- ☐ **Rental or real estate income:** Some retirees generate income through rental properties or other real estate investments.
- ☐ **Part-time work or consulting:** Working part-time during retirement may help supplement other income sources.
- ☐ **Annuity income:** For some retirees, annuities may provide a predictable stream of income designed to last for a specific period of time — or even for life.
- ☐ **Other assets or savings:** Additional savings or financial resources may help provide flexibility when unexpected expenses arise.

02 A retirement paycheck example

Imagine a retiree who estimates they'll need about \$5,000 per month to support their lifestyle. Some of that covers essential expenses; the rest supports more flexible spending. Here's how they might build that paycheck from a few sources.

One hypothetical \$5,000 monthly paycheck

HYPOTHETICAL EXAMPLE

WHAT THEY NEED

Essential expenses · \$3,200
Housing, groceries, healthcare, utilities, insurance

Lifestyle · \$1,800
Travel, dining, hobbies

WHERE IT COMES FROM

Social Security · \$2,200
Monthly benefit

Rental · \$1,000
Property income

Withdrawals · \$1,800
Retirement accounts

Steady income covers the essentials. Social Security and rental income together (\$3,200) line up with the retiree's essential monthly expenses.

Investments fund the flexibility. Withdrawals from retirement accounts support lifestyle spending and any additional needs.

Every retiree's situation is different, but the goal is often the same: a reliable retirement paycheck that supports both your essential needs and the lifestyle you want to enjoy.

03 Where annuities may fit

An annuity is a contract with an insurance company – you put in a sum of money, and in return they pay you income, either for a set period or for life.

For some retirees, annuities may serve as one piece of the overall income strategy. Rather than relying entirely on investment withdrawals and savings, some people choose to dedicate a portion of their savings to creating predictable income. In certain situations, annuities may help:

- ☐ Fill income gaps between expected income and monthly expenses
- ☐ Provide income that is not tied directly to market performance
- ☐ Create an additional stream of predictable income in retirement
- ☐ Support long-term income needs alongside Social Security and investments

There's a trade-off: annuities can add predictability, but money committed to one is generally less flexible if your needs change, and early withdrawals may carry surrender charges. They aren't a one-size-fits-all solution — but they may play a role in helping some retirees build a more balanced income strategy.

Design a strategy that works for you

Every retirement strategy looks a little different. The right mix of income sources depends on your goals, your lifestyle, and your comfort with risk. If you'd like help seeing how your income sources could work together — and whether an annuity deserves a place in the mix — we'll walk you through it. No jargon, no pressure.

YOUR NEXT STEP

See where you stand

Answer a few questions about your timeline, savings, and goals — it takes about three minutes. You decide if and when to talk with someone.

retireright.com/retirement-priorities-assessment

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