Welcome

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*Securities and investment advisory services offered through Voya Financial Advisors, member SIPC.
Retirement Review
Building your retirement saving plan
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The definition of retire

Retire

1: To go away, retreat, recede
2: To give up one’s work, business, career due to advanced age
3: To remove from circulation
4: To move to a place of privacy or seclusion
5: To withdraw from contact with others
What does retirement mean to you?

hobbies... new career... travel... family...
What retirement might look like

Longer life
Better health

Early/late retirement
Second career

Leisure activities

Fewer pensions

Less Social Security

More personal savings

Higher healthcare costs
Your time in retirement

How long do you expect to live in retirement... the next 1/3 of your life?

65-year old female: 1 in 2 chance of living past age 84
65-year old male: 1 in 2 chance of living past age 81

Employer’s Checks

Your Age | 25 | 35 | 45 | 55 | 65 | 75 | 85 | 95

The truth is, you may need to live without a paycheck, as long as you have lived with one. How much will you need?

How much will your current income be worth in 20 years?

Assumes $30,000 annual salary and 3% annual rate of inflation.

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## Healthcare costs

<table>
<thead>
<tr>
<th>In Home Elder Care</th>
<th>Homemaker Services $18 per hour</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Home Health Aide $19 per hour</td>
</tr>
<tr>
<td>Assisted Living</td>
<td>Adult Day Health Care $65 per day</td>
</tr>
<tr>
<td></td>
<td>Assisted living (private room) $3,450 per month</td>
</tr>
<tr>
<td>Nursing Home Care</td>
<td>Private Room $230 per day</td>
</tr>
<tr>
<td></td>
<td>Semi Private Room $207 per day</td>
</tr>
</tbody>
</table>

Source: Genworth 2013 Cost of Care Survey. Costs illustrate national average median rates. This slide is for illustrative purposes only. Actual costs may vary across different regions of the country. You should consult with an attorney or an elder care professional before making any decisions.
A significant portion comes from your own resources

- 35.3% Social Security
- 33.9% Earnings
- 17.1% Pension
- 10.5% Asset Income
- 3.0% Other

Organize your resources

1. Create an emergency fund to cover at least 6 months’ expenses
2. Separate remaining assets
3. Short-term money for necessities
4. Mid-term money for discretionary expenses
5. Long-term money for growth and replenishment
Short-term

Have a steady stream of cash to pay your basic expenses

What goes in:
Social Security
Pension
Part-time income
Rental income
Investment income

What it covers:
Housing
Food
Utilities
Taxes
Healthcare
Insurance
Emergencies
Mid-term

Mid-term money niceties funds **niceties**

Conservative investments not subject to unnecessary financial risk.

Less volatile or income producing investments to replenish your short term bucket over time.
Long-term

How do you keep your portfolio growing?

1. Withdrawal of a percentage that is less than the growth of the portfolio

2. Keep a piece of your portfolio in reserve

3. Additional income in order to continue the growth of your portfolio

Rates of return are hypothetical and not indicative of any actual investment, which will fluctuate and may lose value.
An employer-sponsored retirement plan is a convenient way to save for retirement.

Generally, contributions to an employer-sponsored retirement plan are automatically deducted from your pay pre-tax -- before Federal income tax is withheld.

You choose how much you want to save, up to an annual maximum of $18,000 (for 2016).

There is opportunity to save more if you’re age 50 or older—up to $24,000 annually.

Taxes are due upon withdrawal. That’s usually at retirement when you may be in a lower tax bracket. Withdrawals prior to age 59\(\frac{1}{2}\) may be subject to an IRS 10% premature distribution penalty tax.
The power of tax-deferred saving

<table>
<thead>
<tr>
<th></th>
<th>After-Tax Example</th>
<th>Before-Tax Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Pay</td>
<td>$30,000</td>
<td>$30,000</td>
</tr>
<tr>
<td>Annual Plan Contributions</td>
<td>N/A</td>
<td>$1,200</td>
</tr>
<tr>
<td>Income Subject to Tax</td>
<td>$30,000</td>
<td>$28,800</td>
</tr>
<tr>
<td>Federal Taxes*</td>
<td>-$4,500</td>
<td>-$4,320</td>
</tr>
<tr>
<td>Net Income</td>
<td>$25,500</td>
<td>$24,480</td>
</tr>
<tr>
<td>After-tax Contributions</td>
<td>-$1,200</td>
<td>N/A</td>
</tr>
<tr>
<td>Spendable Income</td>
<td>$24,300</td>
<td>$24,480</td>
</tr>
</tbody>
</table>

15% total tax rate assumed (for all salaries) - represents, state, federal, and FICA / Medicare taxes.

*Distributions will be taxed as ordinary income when distributed, and are subject to any tax penalties that may apply.
Sample portfolio allocations

Conservative
- Stability of Principal - 40%
- Bonds - 40%
- Large Cap Value - 10%
- Large Cap Growth - 10%

Moderately Conservative
- Stability of Principal - 25%
- Bonds - 30%
- Large Cap Value - 13%
- Large Cap Growth - 10%
- Small/Mid Specialty - 12%
- Global/International - 10%

Moderate
- Stability of Principal - 15%
- Bonds - 20%
- Large Cap Value - 20%
- Large Cap Growth - 20%
- Small/Mid Specialty - 15%
- Global/International - 10%

For illustrative purposes only. This example may not reflect your actual situation. May not be taken as investment advice.
Sample portfolio allocations

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Know your risk tolerance

**CONSERVATIVE**

Minimal risk. Willing to sacrifice upside potential. Seeking inflation-adjusted income to help pay living expenses in retirement.

**Moderately Conservative**

Tolerant of a little more risk for a little more return. Wants enhanced returns when the market is up, to cover inflation and taxes. Willing to be only partially involved in up markets, in order to gain additional protection in down markets.

**Moderate**

Interested in good returns and willing to take additional risk. Looking to gain greater returns, but should expect to lose when markets go down.

**MODERATELY AGGRESSIVE**

Planning to outperform indices when the market is up, but willing to accept more loss when the market is down. Expecting to gain much greater returns.

**Aggressive**

Looking to significantly outperform the markets, but willing to be exposed to an increased amount of risk. Striving for tremendous gains, but ready to take the risk of losing a larger percentage of assets.
Each sample asset class has its own investment return/risk characteristics.
Most financial experts say to avoid...

- Trying to pick one “right investment”
- Settling for just any mix of investments
- Trying to get in and out of the market at the “right time”

Using diversification/asset allocation as part of your investment strategy neither assures nor guarantees better performance and cannot protect against loss in declining markets.
Most financial experts suggest the following:

- Understand the investment options
- Become familiar with some basic risk management strategies, such as diversification, asset allocation, and dollar cost averaging*
- Understand dollar cost averaging
- Take steps to help maximize your retirement savings
- Revisit, review, rebalance periodically or as warranted by life events and changes.

*Note: Dollar cost averaging does not ensure a profit nor guarantee against loss. Investors should consider their financial ability to continue their purchases through periods of low price levels.

“The question isn't at what age I want to retire, it's at what income.

George Foreman
Portfolio performance variations

Factors that explain variation between portfolio performances

- Asset Allocation - 91.5%
- Security selection - 4.6%
- Market timing - 2.1%
- Other factors - 1.8%

Assets can shift over time

Portfolio Rebalancing

Original Allocation

Portfolio allocations shift with time

Reallocation back to original

Rebalancing your portfolio may have tax consequences. Please consult your tax professional. For illustrative purposes only.
Beneficiary information

Assets with Beneficiary Designation
- Life Insurance / Annuities
- Retirement Plan Assets

Verify Current Beneficiaries

Stretch Distributions
- Spousal Rollover
- Non Spousal- Inherited IRA
Critical documents

- Consult with a qualified Estate or Elder care attorney
- Identify your desired legacy to include in your retirement planning
- Make sure your Will is current (2011 Estate tax sunset)
- Consider Revocable Living Trust
- Power of Attorney
- Health Care Proxies
- Living Will

Voya does not offer legal or tax advice. Consult with your tax and legal advisors regarding your individual situation.
Take action

Research the topic – bookstores, the local library and the internet can help

Speak with professionals – a benefits manager or a financial professional can assist
Retirement Review
Building your retirement saving plan
Important Information

Variable annuities, group annuities or funding agreements are long-term investments designed for retirement purposes. If withdrawals are taken prior to age 59 1/2, an IRA 10% premature distribution penalty tax may apply. Money taken from the annuity will be taxed as ordinary income in the year the money is distributed. An annuity does not provide any additional tax deferral benefit, as tax deferral is provided by the plan. Annuities may be subject to additional fees and expenses to which other tax-qualified funding vehicles may not be subject. However, an annuity does provide other features and benefits, such as lifetime income payments and death benefits, which may be valuable to you.

Variable investments, of any kind, are not guaranteed and are subject to investment risk including the possible loss of principal. The investment return and principal value of the security will fluctuate so that when redeemed, it may be worth more or less than the original investment. In addition, there is no guarantee that any variable investment option will meet its stated objective.

For 403(b)(1) annuities, the Internal Revenue Code (IRC) generally prohibits withdrawals of 403(b) salary reduction contributions and earnings on such contributions prior to death, disability and age 50 ½, severance of employment, or financial hardship. Amounts held in a 403(b)(1) annuity as of 12/31/1988 are "grandfathered" and are not subject to these restrictions. For 403(b)(7) custodial accounts, the IRC generally prohibits withdrawals of any contributions and attributable earnings prior to death, disability, age 59 ½, severance of employment, or financial hardship. For both 403(b)(1) annuities and 403(b)(7) custodial accounts, the amount available for hardship is limited to the lesser of the amount necessary to relieve the hardship, or the account value as of 12/31/1988, plus the amount of any salary reduction contributions made after 12/31/1988 (exclusive of any earnings).

All Guarantees are based on the financial strength and claims-paying ability of the issuing insurance company, who is solely responsible for all obligations under its policies.

You should consider the investment objectives, risks, and charges and expenses of the investment options carefully before investing. Prospectuses containing this and other information can be obtained by contacting your Representative. Please read the prospectuses carefully before investing.

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