SouthState

Meet Our Team

Donna S. Murray, CFP®, ChFC

Senior Vice President

Director of Financial Planning

Donna is the Director of Financial Planning for South State Wealth. She partners with clients to help them identify, monitor and achieve their goals by creating customized financial plans delivered in real-time. These plans serve as the foundation for the investment strategies we deploy in client portfolios.

Donna began her career in financial services at a boutique firm in Asheville, NC in 1992. She became a CFP® in 2001 and a Chartered Financial Consultant in 2002. Donna is a graduate of the University of North Carolina at Asheville with a Bachelor of Science degree in Management.

Donna serves as President for the Spartanburg Estate Planning Council and is a member of the Greenville Estate Planning Council. She is a former member of the advisory board for eMoney, the software we use for Financial Planning.

Donna lives in Asheville, NC with her husband, Jerry, and their three children. Donna is an avid runner and has participated in various races, including four marathons. She enjoys serving in various mission projects with her church, primarily focused on veterans and those in need.

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Meet Our Team

Jaclyn M Giglio, JD

Vice President

Wealth Advisor

Jacci is a Vice President and Wealth Advisor for South State Private Wealth, based in Columbia. Focused on developing client relationships, she is dedicated to providing high quality service at every level. Jacci develops comprehensive financial and estate planning solutions to meet her clients' needs, and cultivates long term relationships with her clients as she administers personal and institutional trusts, investment and retirement accounts.

Jacci began her career in Wealth Management and Trust Administration in 2011. Prior to joining South State, Jacci was a Senior Relationship Manager for a large, regional trust company serving South Carolina.

Jacci earned her Juris Doctor from Capital University in Columbus, OH, and her Bachelor of Science from the University of South Carolina. She is a graduate of Cannon Financial Institute.Originally from New York, Jacci is proud to call the Carolinas her home. When away from the office, Jacci enjoys spending time with family and friends, cycling, traveling, and spoiling her rescue dog, Jane Doe.

Retirement Income Planning

July 13, 2021

Women & Wealth

KEY STATISTICS

- The #1 fear across all demographics of American workers is the possibility of outliving their financial resources in retirement.[1]

- Only 17% of women are "very confident" that they will be able to retire with a comfortable lifestyle.[1]

- 24% of women say their confidence in their ability to retire comfortably has declined in light of the coronavirus pandemic. [1]

- 19% of women have a written retirement strategy, but 42% have an "unwritten" strategy.[1]

- Half of today's households will not have enough retirement income to maintain their pre-retirement standard of living, even if they work to age 65 and annuitize all their financial assets, including the receipts from a reverse mortgage on their homes. [2]

1) *"Women and Retirement: Risks and Realities Amid COVID-19" 10/2020 www.transamericacenter.org*
2) *Boston College Center for Retirement Research - National Retirement Risk Index (NRRI) 2021.*

Future Self

Research shows that we see our future selves almost as a different person.

- Visualize your future self
- Use Technology to “Age” Yourself
- Write a letter to your future self

How Much Money Will I Need for Retirement?

Women & Wealth

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Starting Point for Retirement Savings

- Most families need to save 10-15% of gross income per year.
- If you are living within your means now, you will need 60-70% of your final gross income at retirement.
- 4% rule to not outlive your money
- 25 times rule

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Steps to Calculate Retirement Income Needs

1) Estimate Your Gross Income in Final Working Year

Multiply current income by the inflation amount for the number of years until you retire.

Example with 15 years until retirement:

$100,000 gross income X 1.56 = $156,000 Final Income

Years Until Retirement	Inflation Factor
5	1.16
10	1.34
15	1.56
20	1.81
25	2.09
30	2.43
35	2.81
40	3.26

2) Multiply that number X 70% to get annual retirement income needed:

$156,000 x 70% = $109,000

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Steps to Calculate Retirement Income Needs

2) Estimate your Social Security Income

- www.ssa.gov/retire/estimator.html

Example: $100,00 gross income/15 years to retirement

$34,000 Social Security X 1.56 inflation factor = $53,000

Table 2 – Social Security Income								
Years to Retirement								
Current Salary	40	35	30	25	20	15	10	5
$20,000	29,500	27,000	25,000	22,500	20,500	19,000	17,500	16,000
30,000	32,500	30,000	27,500	25,000	22,500	21,000	19,000	17,500
40,000	35,500	32,500	30,000	27,000	25,000	23,000	21,000	19,000
50,000	38,500	35,500	32,500	29,500	27,000	25,000	22,500	21,000
60,000	41,500	38,000	35,000	32,000	29,000	26,500	24,500	22,500
70,000	44,500	41,000	37,500	34,000	31,000	28,500	26,000	24,000
80,000	47,500	43,500	40,000	36,500	33,500	30,500	28,000	25,500
90,000	50,500	46,500	42,500	39,000	35,500	32,500	29,500	27,500
97,500 +	53,000	48,500	44,500	40,500	37,000	34,000	31,000	28,500

- **Also include other income sources such as pensions and rental income**

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Steps to Calculate Retirement Income Needs

4) Subtract Income in Step 3 from total income need in Step 2:

Final Net Income	$109,000
Less Social Security	$ 53,000
Remaining Annual Income Need:	$ 56,000

4) Multiply that amount by 25

$56,000 X 25 = $1.4 Million Retirement Savings Needed at Retirement

Great Calculator to Determine How to Get There:

Savings Goal Calculator | Investor.gov

Savings Goal Calculator

Calculate how much money you need to contribute each month in order to arrive at a specific savings goal.

*** DENOTES A REQUIRED FIELD**

Step 1: Savings Goal

Savings Goal *

Desired final savings.

$1,400,000

Step 2: Initial Investment

Initial Investment *

Amount of money you have readily available to invest.

$200,000

Step 3: Growth Over Time

Years to Grow *

Length of time, in years, that you plan to save.

15

Step 3: Growth Over Time

Years to Grow *

Length of time, in years, that you plan to save.

15

Step 4: Interest Rate

Estimated Interest Rate *

Your estimated annual interest rate.

6

Step 5: Compound It

Compound Frequency

Times per year that interest will be compounded.

Monthly

The Results Are In

If you contribute **$3,296.28** every month over the next **15** years towards your goal, you will have **$1,400,000.00** in savings.

Source: www.investor.gov

Free Retirement Income Calculators

https://smartasset.com/retirement/retirement-calculator

https://www.calculator.net/retirement-calculator.html

https://financialmentor.com/calculator/best-retirement-calculator

Sources of Retirement Income

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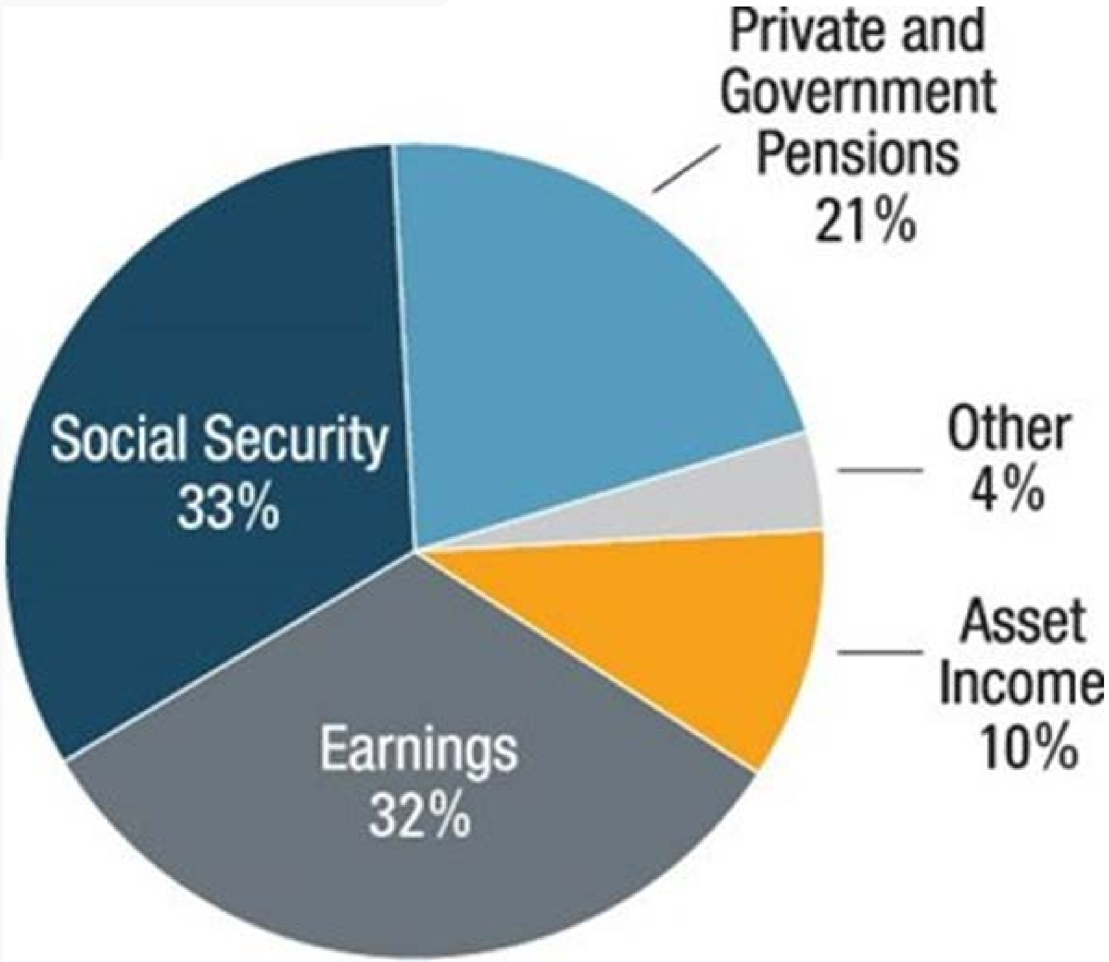
Income Sources for Current Retirees



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Source: ChartSource®, DST Systems, Inc. Data is from Fast Facts & Figures About Social Security, published by the Social Security Administration, August 2016. Data is as of 2014.

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Social Security Basics

- To be eligible for SS Benefits, you must earn 40 credits over your lifetime at a maximum of 4 credits per year.
- Full Retirement Age: For people born between 1943 and 1954, full retirement age is 66. It gradually climbs toward 67 if your birthday falls between 1955 and 1959. For those born in 1960 or later, full retirement age is 67.
- Taking your benefits early can be costly – *permanent* reduction of 25 – 30%.
- Huge bonus for waiting to take Social Security until age 70 – 8% per year increase in monthly benefit!
- So when should you begin receiving your Social Security benefits? It depends…

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Social Security Basics
(continued)

- Social Security income is taxed!
- If you begin taking SS before your full retirement age and you're still working, it can be costly!
- If you are a non-working spouse, you are entitled to ½ your spouse's benefit.
- You are also entitled to spousal benefits if you are divorced but were married for 10 years or more.

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Pensions

- Provides a monthly benefit like Social Security.
- Employer is responsible for funding.
- Benefits are based on salary, years of employment and age at retirement.
- Benefits are fully taxable at your ordinary income tax rates.

401(k)s and other Employer-Sponsored Plans

- Employee is responsible for their retirement savings, sometimes with employer matching contributions.
- Not contributing enough to get the match is giving up part of your employment compensation.
- Tax-deferred contributions and growth
- Limited investment options
- Can be rolled over to an IRA at retirement or when you change jobs.
- Withdrawals are taxed at ordinary income tax rates.
- You can start withdrawals at age 59 ½ without penalty.
- You can also take a loan from your 401(k) under certain circumstances.

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Traditional IRAs versus Roth IRAs

	Traditional IRA	Roth IRA
Contributions	Pre-tax	After-tax
2021 limit	$6,000 + $1,000 for 50+ years old	$6,000 + $1,000 for 50+ years old
Income Limits	Limits on deductibility if you or your spouse also participate in a 401k	Ability to contribute is phased out at $140k for individuals and $208k for married couples
Growth	Tax-Deferred	Tax-Free Under Current Law
Withdrawals		
Before 59 1/2	Any withdrawals will be subject to a 10% penalty	Contributions can be withdrawn without penalty. Withdrawing earnings would incur a 10% penalty and may be subject to income tax.
During Retirement	Taxed at Ordinary Income Tax Rates	Tax-Free if account has been open 5 years
Required Minimum Distributions	Beginning @ Age 72	No

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Personal Savings or Investments

- Contributions are made with after-tax dollars.
- Earnings are taxed in the year they are received and will be taxed at either ordinary income or capital gain rates.
- You can take your money out at any time for any reason.

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Miscellaneous

- Annuities
- Life Insurance Cash Surrender Value
- Reverse Mortgages

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Earnings During Retirement

- Wages
- Rental Income

Now You're Ready to Retire

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Final Prep for the Big Day

- Review your budget once again
- What levers are you willing to pull to have a successful retirement financially?
- Review your asset allocation
- Social Security decision time
- Medicare and supplemental insurance
- Take advantage of employer coverage while you still have it

Decumulation

- Increase your emergency fund to 1-2 years of retirement income
- Consider balancing withdrawals from various account types for better overall income tax planning

Questions?

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I am middle-age and haven't really started saving for retirement.
What do I do?

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How do I balance saving for retirement and saving for college?

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What is one thing I should do today to get on track?

Important Disclosures

South State Wealth represents the collective departments and subsidiaries of South State Bank, N.A. that provide wealth management services. Products and services are not bank deposits, nor are they insured by the FDIC or any Federal Government Agency and are not backed or guaranteed by South State Bank, N.A. or its affiliates. Securities involve investment risks, including possible loss of principal.

Not Insured by FDIC or Any Other Government Agency	Not Bank Guaranteed	Not Bank Deposits or Obligations	May Lose Value