

KNOW YOUR NUMBERS



Whether you're monitoring your account balance or your daily step count, numbers are critical to creating a sound strategy for achieving your retirement goals.

Your retirement income gap is one of the most important numbers to keep in mind as you plan for and adjust to life after full-time work. The income gap is the difference between essential fixed monthly expenses and reliable sources of income. Fixed monthly expenses such as housing, food, and healthcare will continue throughout retirement, while discretionary expenses such as leisure and entertainment may change.

As life expectancy increases, the retirement income gap takes on more significance. Estimating your monthly expenses in retirement is the first step toward creating a sound strategy. Keep in mind, your expenses in retirement may differ from your pre-retirement expenses. Some may decrease (like commuting costs) while others may increase (think travel, recreation, hobbies). Inflation will likely cause your monthly expenses to increase over time. The goal is to estimate your expenses before you retire — and update them as you navigate retirement.

The next step is to consider your sources of income during retirement, such as Social Security or a pension from work. For many people, this income won't be enough to meet their essential expenses. Your Transamerica advisor can discuss strategies to help bridge the gap.

BUDGETING TIPS



SOCIAL SECURITY

To help protect yourself against fraud, you should create an account at ssa.gov/myaccount. This also allows you to view your estimated Social Security benefit, which will vary depending on when you claim. Your Social Security statement will estimate your benefit at age 62, at your full retirement age, and at age 70. If you have a spouse who didn't work, a spousal benefit should be available. Be sure to include any spousal benefit in your Social Security income. If you work in retirement, your Social Security benefits could be reduced depending on your age and earnings. Once you reach full retirement age, you can collect full benefits regardless of how much you earn, but up to 85% your benefit could be subject to federal income tax.

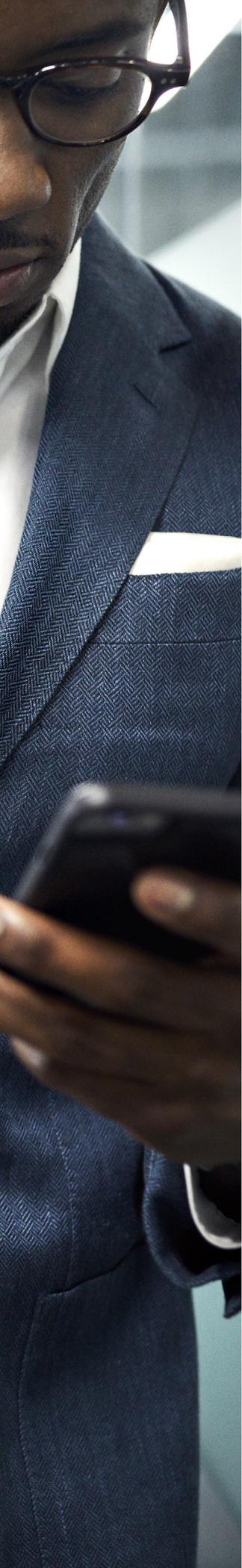


PUBLIC PENSIONS

If you receive (or expect to receive) a pension from a public employer (e.g. a state, local, or municipal government) it may impact your anticipated Social Security benefit. The Windfall Elimination Provision (WEP) may reduce your Social Security benefit when you also receive a public pension. The Government Pension Offset (GPO) may reduce a spousal benefit when you also receive a pension. For more information about the WEP and the GPO, visit ssa.gov.



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HEALTHCARE

Many people have their Medicare Part B premium deducted from their monthly Social Security payment, so be sure to consider that when entering your Social Security income. In 2024 this amount can range from \$174.70 to \$594, depending on your modified adjusted gross income.¹ Supplemental health insurance options may also involve a monthly premium that should be included as a fixed monthly expense. You can find monthly premium information for Medicare and supplemental health insurance options at **Medicare.gov**.



RETIREMENT INCOME STRATEGIES

An annuity can help fill the retirement income gap by providing guaranteed income for life.* Annuities also can help manage tax liability or offer protection for loved ones once you're gone.

NOW WHAT?

Use the following worksheet to help determine the extra monthly income you'll need to address your retirement income gap. Remember, this gap represents the minimum monthly income you'll need to generate from your retirement accounts (such as IRAs and 401(k)s) to help cover your total expenses.

Once you've completed the worksheet, talk to your Transamerica financial professional about retirement income options. They can discuss various strategies to address your retirement income gap and help find the one that may work best for you.

Address your income gap.

Talk to a Transamerica financial professional today.



Contact: 866-368-0566



Email: advisor@transamerica.com

*Guarantees are based on the claims paying ability of the issuing insurance company.

¹"2024 Medicare Parts A & B Premiums and Deductibles," CMS, October 2023

MY SPENDING PLAN

Enter your estimated total monthly spending in retirement.

ESSENTIAL SPENDING

HOUSING/LIABILITIES

MONTHLY

Mortgage or rent + all fees \$

Property taxes \$

Other taxes \$

Homeowners insurance \$

Repairs/maintenance \$

Education \$

Utilities (energy, cable, phone, etc.) \$

Other \$

NECESSITIES

MONTHLY

Groceries \$

Clothing \$

Other \$

HEALTHCARE & INSURANCE

MONTHLY

Health insurance \$

Out-of-pocket (prescriptions and co-pays) \$

Dental insurance \$

Medicare premiums \$

Vision insurance \$

Long term care insurance \$

Life insurance \$

Family/parental care \$

TRANSPORTATION

MONTHLY

Auto loan \$

Auto insurance \$

Fuel/maintenance \$

Other (rideshare/public) \$

Auto registration/fees \$

TOTAL ESSENTIAL SPENDING

\$

DISCRETIONARY SPENDING

MONTHLY

Dining out \$

Vacation/travel \$

Club memberships \$

Hobbies \$

Charitable giving \$

Other \$

TOTAL DISCRETIONARY SPENDING

\$

TOTAL SPENDING

MONTHLY

ANNUAL

Housing \$ \$

Necessities \$ \$

Healthcare & insurance \$ \$

Transportation \$ \$

Discretionary \$ \$

TOTAL SPENDING

\$ \$

RELIABLE INCOME

MONTHLY

ANNUAL

Social Security (self) \$ \$

Social Security (spouse) \$ \$

Pension \$ \$

Other (Annuities, retirement accounts, rental properties, etc.) \$ \$

TOTAL RELIABLE INCOME

\$ \$

RETIREMENT SPENDING ANALYSIS

MONTHLY

ANNUAL

TOTAL ESSENTIAL SPENDING \$ \$

TOTAL RELIABLE INCOME \$ \$

ESSENTIAL SPENDING INCOME GAP \$ \$

TOTAL SPENDING (ESSENTIAL AND DISCRETIONARY) \$ \$

TOTAL RELIABLE INCOME \$ \$

TOTAL RETIREMENT INCOME GAP \$ \$

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