



# National Plus Plan

INVESTING FOR A BRIGHTER FUTURE

## Retirement Planning Newsletter

For participants of the National Plus Plan

January - 2023

### ACCESS YOUR NPP ACCOUNT ONLINE



By visiting the NPP website: [www.NationalPlusPlan.com](http://www.NationalPlusPlan.com) members have direct access to plan specific information including secure balance and account info, plan specific forms and documents, fund information and much more.

#### How to Access Your Account Online via the NPP Website:

From the home page under the word "WELCOME" simply click on the blue John Hancock "MY LIFE NOW" box to access the account login page.

If you know your user name and password enter it here to gain access. If you are a new user, simply click the gray REGISTER NOW box to complete account set up. Should you need to update or reset your user name or password click on the FORGOT NAME & PASSWORD LINK to update your user name & password information.

#### Access NPP Forms Online:

From the home page click on the PLAN FORMS tab to gain access to plan distribution forms and other plan info.



## Frequently Asked Retirement Income Questions

**When should I begin thinking about utilizing my retirement assets and how should I go about doing so?** The answer to this question depends on when you expect to retire. Assuming you expect to retire between the ages of 62 and 67, you may want to begin the planning process in your mid- to-late 50's. A series of meetings with the Plan's financial advisor, J.W. Thompson Investments, may help you make important decisions such as: how your portfolio should be invested; when you can afford to retire; and how much you will be able to withdraw annually for living expenses. If you anticipate retiring earlier, or enjoying a longer working life, you may need to alter your planning threshold accordingly.

**How much annual income am I likely to need?** While studies indicate that many people are likely to need between 60% and 80% of their final working year's income to maintain their lifestyle after retiring, low-income and wealthy retirees may need closer to 90%. Because of the declining availability of traditional pensions and increasing financial stresses on Social Security, future retirees may have to rely more on income generated by personal investments than today's retirees.



**How much can I afford to withdraw from my assets for annual living expenses?** As you age, your financial affairs won't remain static: Changes in inflation, investment returns, your desired lifestyle, and your life expectancy are important contributing factors. You may want to err on the side of caution and choose an annual withdrawal rate somewhat below 5%. Of course, this depends on how much you have in your overall portfolio and how much you will need on a regular basis. The best way to target a withdrawal rate specific for your individual need is to discuss your retirement goals and objectives with the Plan's financial advisor J.W. Thompson Investments.

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**When planning portfolio withdrawals, is there a preferred strategy for which accounts are tapped first?** You may want to consider utilizing taxable accounts first to maintain the tax benefits in your National Plus Plan account or consider withdrawing money from tax-deferred accounts to which non-deductible contributions have been made. These include after-tax contributions to the Plan or eligible ROTH IRA contributions. If you maintain a traditional IRA, a 401(k), 403(b), or 457 plan, in most cases, you must begin taking required minimum distributions (RMDs) after age 72. The amount of the annual distribution is determined by your life expectancy and, potentially, the life expectancy of a beneficiary. RMDs don't apply to Roth IRAs.

**Investing for the long-term, especially when living in retirement.** When crafting a retirement portfolio, you need to make sure it is positioned to generate enough growth to prevent running out of money during your later years. You may want to maintain an investment mix with the goal of earning returns that exceed the rate of inflation. Dividing your portfolio among stocks, bonds, and cash investments may provide adequate exposure to some growth potential while trying to manage possible market setbacks.

**COUNTDOWN TO RETIREMENT**

**12 MONTHS FROM RETIREMENT**

- ✓ Estimate what your pension would be
- ✓ Review other retirement income (Social Security, deferred compensation, IRAs, etc.)
- ✓ Review your health insurance coverage
- ✓ Prepare a post-retirement budget

## Nearing Retirement?

Have you begun your countdown to retirement? If so, the following are some critical areas to address a few years before you expect to retire. Determine what retirement will cost. Many people enter retirement without the slightest clue as to what they want to do with their time – or whether they have enough money to do it. Will you continue to work part time? Travel? Maintain a second residence? Make improvements to your existing home? Be sure you plan how you'll spend your time – because that decision will have a direct impact on how much retirement will cost you.

Arrive at a spending limit. Once you have a handle on expected income and expenses, calculate how much you can withdraw from your accounts each year without spending down your principal. J.W. Thompson Investments can create various withdrawal scenarios based on forecasted investment returns, inflation expectations, and other practical financial planning considerations to help guide you with these important retirement decisions.

## National Plus Plan Contact Information

For information about the administration of the National Plus Plan, contact the Fund Office toll free at: **1-800-452-4155 EXT: 78305**

Information about the National Plus Plan, including access to your account balance and quarterly statements are available online at: **[www.NationalPlusPlan.com](http://www.NationalPlusPlan.com)**

Para informacion sobre el Plan Nacional Mas en espanol, contacte a la oficina del Plan de Pension al **1-800-452-4155 EXT: 78305**