

A Retirement Guide for ages 50+

It's time to start planning your retirement income strategy.

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As you enter your 50s, it's time to look at your assets and start planning your retirement income strategy.

You still have time to accumulate wealth, but now is a good time to review your portfolio.

Begin building realistic expectations for retirement, such as how much you should withdraw from your account each year to provide adequate funds to cover you throughout your retirement years.

4% rule is a starting idea.

The 4% rule helps determine what you can really withdraw from your account safely so not to run out of money during retirement. This is a balancing act between the income lifestyle you desire and the fund stability you need.

At RCB Bank, we use a software tool to calculate projections. By inserting a starting retirement age and predicted life span, we can see projections on safe withdrawal amounts that won't drain the account too early in your retirement.

As you withdraw money, you want your remaining balance to continue to compound interest at a level that sustains your wealth throughout your lifetime.

The 4% idea is that you can build a balanced asset allocation appropriate all the way through retirement that will achieve more than a 4% return. Thus as assets grow, the income can also grow to keep up with inflation.

Nothing in life is a guarantee.

The 4% idea is a projection, not a guarantee. There are a multitude of factors that may impact your account balance principal, which directly impacts the compound interest you depend on for sustainability.

You cannot do retirement income planning one time.

It is an ongoing, possibly annual, process of updating and adjusting to ensure you are covered throughout your retirement years.

Right now save, save, save!

You still have time to save for retirement. Take advantage of special catch-up IRA contributions for ages 50 and up.

2019 401(k) contribution limit - \$25,000 for 50+;
\$19,000 for 49-.

2019 Roth contribution limit - \$7,000 for 50+;
\$6,000 for 49-.

Talk to a financial advisor.

A wealth advisor can look at your current financial situation and walk you through different retirement options based on your goals, investments, risk tolerance and time horizon. Don't wait much later to start planning for your retirement, but know that you still have time to accumulate wealth with disciplined savings.

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