FINANCIAL SYNERGIES®
WEALTH ADVISORS

When Can I Retire?

A Practical Guide to Planning Your Next Chapter with Confidence

FINANCIAL SYNERGIES WEALTH ADVISORS
FINANCIAL PLANNING | INVESTING | WEALTH MANAGEMENT

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INTRODUCTION

You're Asking the Right Question



"Do I have enough?" "When can I actually stop working?" "What if I run out of money?"

If you've picked up this guide, chances are you've been thinking some version of these questions. First, take a breath. The fact that you're asking puts you ahead of most people.

Here's the good news: **"When can I retire?" is an answerable question.** Not with a magic number pulled from a magazine headline, but with a thoughtful process that accounts for *your* life, your goals, and your resources.

That's what this guide is for. We'll walk you through a practical framework with no jargon, no scare tactics, no pressure to buy anything. Just the clearest thinking we can offer after decades of helping people navigate this transition.

By the time you finish, you'll:

- Understand the key building blocks of a retirement plan
- Know which ages and milestones matter most
- Have a realistic sense of your own readiness
- Know exactly what steps to take next

56%

of Americans haven't calculated how much they need to retire*

30+

years your money may need to last in retirement

5

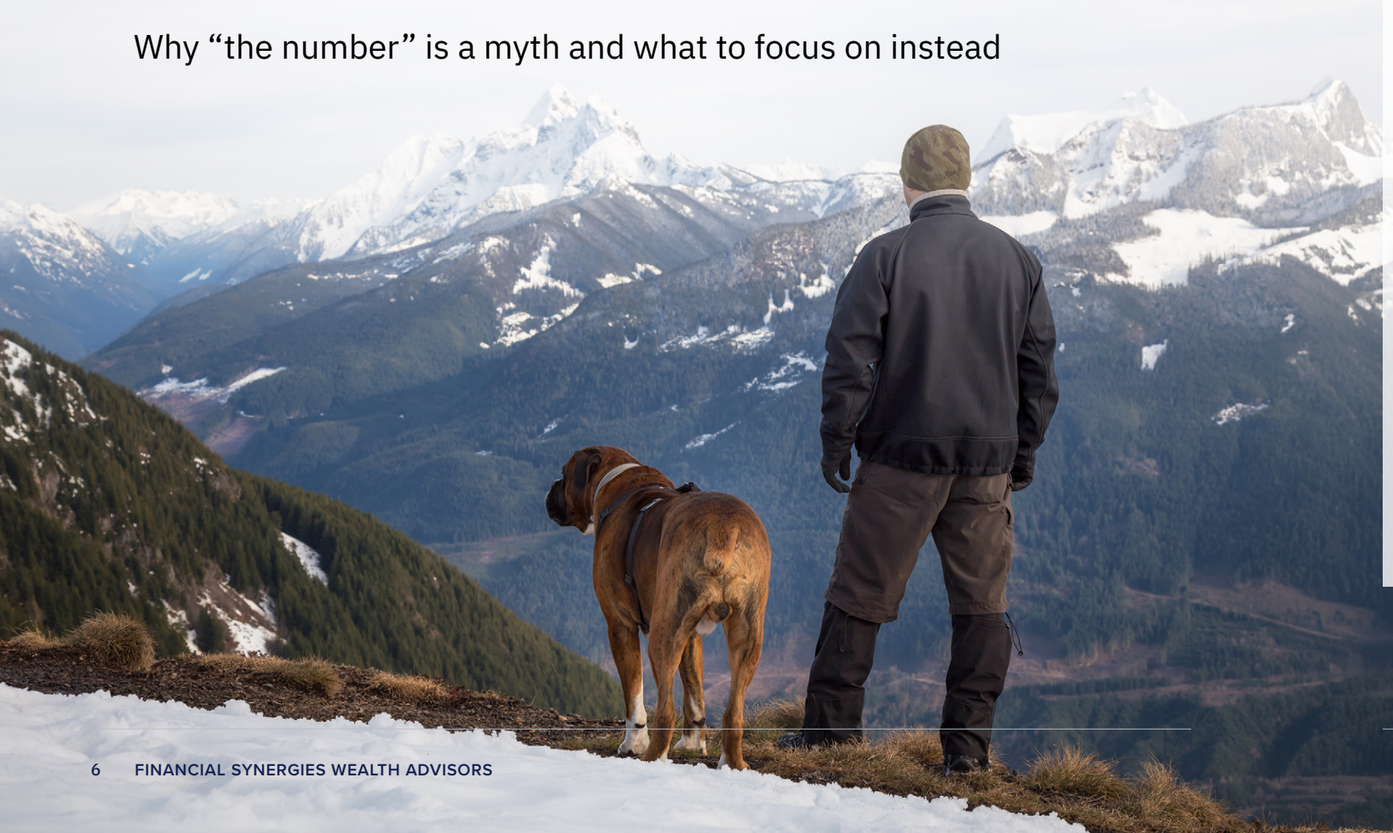
pillars every complete retirement plan should address

*Based on various industry surveys. Your situation is unique.

CHAPTER ONE

Retirement Isn’t a Number — It’s a Plan

Why “the number” is a myth and what to focus on instead



The Myth of "The Number"

You've probably heard someone say, "I need $1 million to retire." These headlines get clicks, but they're misleading. Retirement readiness isn't determined by a single number. It's determined by the **relationship between your resources and your needs over time.**

What Increases Your Need

- Higher annual spending habits
- Early retirement (before 65)
- No pension or guaranteed income
- Significant healthcare needs
- High-cost-of-living area
- Outstanding debt

What Reduces Your Need

- Modest lifestyle and spending
- Pension or other guaranteed income
- Paid-off mortgage
- Part-time work in early retirement
- Low-cost-of-living area
- Good health and insurance coverage

Think “Cash Flow,” Not “Net Worth”

The most useful shift you can make right now is to stop thinking about retirement as a pile of money and start thinking about it as a **cash flow problem**:

Will I have enough reliable income from all sources to cover my expenses for the rest of my life?

KEY TAKEAWAY

Retirement readiness is not about hitting a magic number. It’s about building a sustainable income plan that matches your lifestyle for the rest of your life.

CHAPTER TWO

The Five Pillars of Retirement Readiness

The interconnected foundation of every solid plan



Five Pillars. One Solid Foundation.

Every solid retirement plan rests on five interconnected pillars. If any one is weak, the whole structure is less stable. If all five are strong, you can retire with confidence.



★ **Pillar 1: Income Planning**
Where will your money come from each month once your paycheck stops? Most retirees draw from Social Security, pensions, personal savings, part-time work, and other sources.

★ **Pillar 2: Expense Planning**
Your expenses will likely shift: housing costs may decrease, healthcare almost always increases, travel may spike early then slow later, and daily costs stay relatively steady.

★ **Pillar 3: Investment Strategy**
In retirement, goals shift from growth to a balance of preservation, income generation, and measured growth to keep pace with inflation over 20–30+ years.

★ **Pillar 4: Tax Planning**
Up to 85% of Social Security benefits can be taxable. Strategic decisions about which accounts to draw from and when can meaningfully affect how long your money lasts.

★ **Pillar 5: Risk Management**
A good plan accounts for longevity risk, inflation risk, market risk (especially early in retirement), health risk, and policy risk.

CHAPTER THREE

How Much Will You Actually Need?

Start with your spending — everything else flows from there



Start with Your Spending

The single most important input in any retirement calculation is: **How much do you plan to spend each year?**

Worksheet: Estimating Your Annual Retirement Spending

CORE LIVING EXPENSES

CATEGORY	MONTHLY	ANNUAL
Housing (mortgage/rent, taxes, insurance, maint.)	$_____	$_____
Utilities & phone/internet	$_____	$_____
Groceries & household supplies	$_____	$_____
Transportation	$_____	$_____
Healthcare (premiums, out-of-pocket, dental)	$_____	$_____
Insurance (life, umbrella, LTC)	$_____	$_____
Debt payments	$_____	$_____
Subtotal: Core	**$_____**	**$_____**

LIFESTYLE EXPENSES

LIFESTYLE EXPENSES	MONTHLY	ANNUAL
Dining out & entertainment	$_____	$_____
Travel & vacations	$_____	$_____
Hobbies, fitness, recreation	$_____	$_____
Gifts & charitable giving	$_____	$_____
Personal care & clothing	$_____	$_____
TOTAL ANNUAL SPENDING	**$_____**	**$_____**

PRO TIP

A complete retirement plan addresses all five pillars: Income, Expenses, Investments, Taxes, and Risk. Focusing on just one or two can leave dangerous blind spots.

How Long Does Your Money Need to Last?

A reasonable planning horizon for most people is **age 90–95**, and many planners now model to age 100. If you're married, plan for the longer-lived spouse.

COMMON MISTAKE

Planning only to average life expectancy. If you're a healthy 60-year-old couple, there's a meaningful probability at least one of you will live into your 90s.

Back-of-the-Envelope Calculation

1	Estimated annual retirement spending	$_____
2	Minus annual Social Security income	$_____
3	Minus any pension or guaranteed income	$_____
4	**= Annual gap your savings must cover**	$_____
5	Multiply Step 4 × 25 (≈ 4% withdrawal rate)*	$_____
6	**= Approximate savings target**	$_____

*The "4% rule" is a widely referenced guideline, not a guarantee. Your actual sustainable withdrawal rate depends on your circumstances, allocation, and market conditions.

KEY TAKEAWAY

Start with your spending. Every other number in your retirement plan depends on a realistic understanding of what your life actually costs.

CHAPTER FOUR

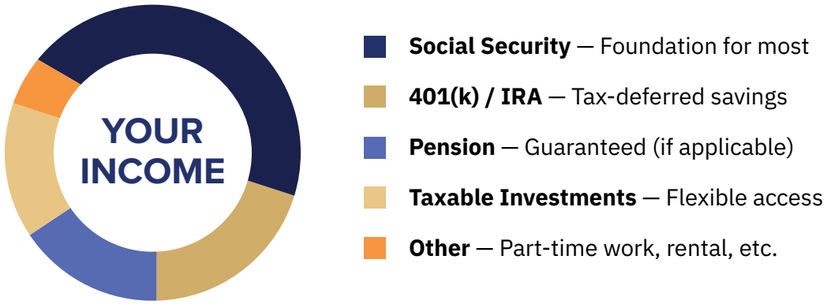
Where Will the Money Come From?

Understanding your retirement income sources



Your Retirement Income Sources

Most retirees draw from multiple income sources. Understanding the timing, tax treatment, and reliability of each is critical.



- **Social Security** — Foundation for most
- **401(k) / IRA** — Tax-deferred savings
- **Pension** — Guaranteed (if applicable)
- **Taxable Investments** — Flexible access
- **Other** — Part-time work, rental, etc.

Social Security: Timing Matters Enormously

You can claim as early as 62, but your benefit is permanently reduced. Waiting past Full Retirement Age increases your benefit ~ 8% per year until age 70.

SOCIAL SECURITY: IMPACT OF CLAIMING AGE



PRO TIP

Create an account at ssa.gov/myaccount to estimate your benefit and review your earnings record for accuracy.

Employer Plans & IRAs

Workers age 50+ are eligible for catch-up contributions above standard limits. Consider whether Roth contributions (tax-free withdrawals later) make sense alongside traditional (tax-deferred) contributions.

Verify current limits at irs.gov/retirement-plans. Estimate SS benefit at ssa.gov/myaccount.

Worksheet: Your Retirement Income Inventory

FILL IN ALL SOURCES THAT APPLY TO YOUR SITUATION

INCOME SOURCE	ANNUAL AMOUNT	STARTS AT AGE	GUARANTEED?
Social Security (yours)	$_____	_____	Yes
Social Security (spouse)	$_____	_____	Yes
Pension	$_____	_____	_____
401(k) / IRA withdrawals	$_____	_____	Variable
Roth IRA	$_____	_____	Variable
Taxable investments	$_____	_____	Variable
Part-time work	$_____	_____	Variable
Other: _____	$_____	_____	_____
TOTAL	**$_____**		

KEY TAKEAWAY

Most retirees draw from multiple income sources. Understanding the timing, tax treatment, and reliability of each source is critical to building a plan that works.

CHAPTER FIVE

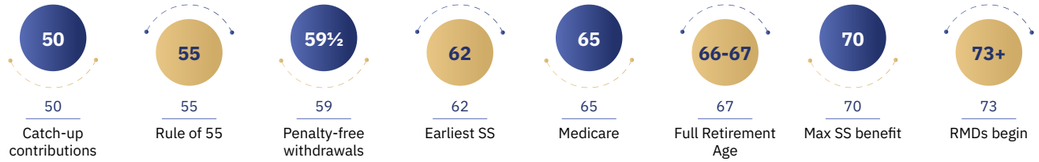
The Retirement Timeline

Key ages and milestones that affect your plan



Key Ages That Matter

Knowing these milestones and planning around them can save you thousands and help you avoid costly penalties.



Age 50: Catch-Up Contributions
Starting at 50, you can contribute additional money to your 401(k) and IRA above standard limits.

Age 55: The Rule of 55
If you leave your job at 55+, you may withdraw from that employer's 401(k) without the 10% penalty.

Age 59½: Penalty-Free Withdrawals
The 10% early withdrawal penalty generally no longer applies to traditional IRAs and 401(k)s.

Age 65: Medicare Eligibility
Missing the Initial Enrollment Period can result in **permanent late-enrollment penalties.**

COMMON MISTAKE

Forgetting the healthcare gap. Retiring before 65 means 1–3+ years without Medicare. Private insurance can cost $500–$1,500+/month per person.

Age 73+: Required Minimum Distributions

The IRS requires minimum withdrawals from traditional accounts. Roth IRAs are generally exempt during the owner's lifetime.

Verify RMD rules at **irs.gov/retirement-plans**. Medicare rules at **medicare.gov**

CHAPTER SIX

Common Mistakes That Derail Retirement Plans



Seven Mistakes to Avoid

None of these are fatal if caught early, but all can be costly if ignored.

1. Underestimating Healthcare
Even with Medicare, costs for premiums, deductibles, dental, vision, and long-term care add up significantly.

2. Claiming SS Too Early
Permanent benefit reduction costs many people dearly, especially the higher-earning spouse.

3. Ignoring Inflation
3% annual inflation means $50K today costs ~$90K in 20 years. Your plan must account for rising costs.

4. Wrong Investment Balance
Too conservative: inflation erodes you. Too aggressive: a downturn at the wrong time devastates your plan.

5. Forgetting About Taxes
A $1M traditional 401(k) ≠ $1M Roth IRA. The traditional account has an embedded tax bill.

6. Carrying High-Interest Debt
Credit card and car debt consume cash flow that should support your retirement.

7. Not Having a Plan at All
The biggest mistake isn't any single financial decision, it's avoiding the planning process entirely. A rough plan is infinitely better than no plan.

COMMON MISTAKE

Assuming your situation is "too complicated" or "too far behind" to plan. It's not. Every situation has options. The only scenario without options is the one you never examine.

CHAPTER SEVEN

Building Your Personal Retirement Blueprint

A step-by-step framework for putting it all together



Your 6-Step Blueprint

Step 1: Define Your Retirement Vision

WHAT DOES YOUR IDEAL RETIREMENT LOOK LIKE?

At what age would you ideally like to retire?

_____

What will a typical week look like?

_____

_____

Where do you want to live?

_____

Your top 3 priorities for retirement:

1. _____
2. _____
3. _____

What worries you most?

_____

Step 2: Calculate Annual Spending Need

Return to the Chapter 3 worksheet. **My estimated annual spending: $ _____**

Step 3: Inventory Your Income Sources

Return to the Chapter 4 worksheet. **My estimated annual income: $ _____**

Step 4: Identify the Gap

Estimated annual spending	$_____
Minus: Estimated annual income	– $_____
= Annual gap (or surplus)	$_____

Step 5: Stress-Test Your Plan

Ask yourself these questions:

- What if the market drops 30% in my first year of retirement?
- What if inflation runs higher than expected for several years?
- What if I or my spouse needs long-term care?
- What if one of us dies early? How does the survivor's income change?
- What if I live to 95 or 100?

If any of these make you uncomfortable, your plan needs more attention in that area.

Step 6: Your Top 3 Action Items

THE 3 MOST IMPORTANT THINGS TO DO IN THE NEXT 90 DAYS

#	ACTION ITEM	TARGET DATE	DONE?
1	_____	_____	☐
2	_____	_____	☐
3	_____	_____	☐

PRO TIP

Common action items: create a detailed budget, request your Social Security statement, review your investment allocation, meet with a financial planner, update estate documents, or pay down debt.

When to Get Professional Help

You don't have to do this alone. There's a difference between understanding the concepts and executing a coordinated plan.

★ Signs It Might Be Time

- Multiple income sources to coordinate
- Unsure about Social Security strategy
- Both pre-tax and Roth accounts
- Considering early retirement
- Health concerns affecting your timeline
- Complex tax situation
- Major life change (divorce, inheritance)
- You simply want peace of mind

★ What to Look For

Fiduciary
Legally bound to act in your best interest

Fee Transparency
Clear compensation, no hidden commissions

Credentialed
CERTIFIED FINANCIAL PLANNER®

What Financial Synergies Does

Financial Synergies Wealth Advisors is a 100% employee-owned, fee-only fiduciary Financial Advisor and Wealth Management firm in Houston, TX. We specialize in total wealth management services, including comprehensive financial planning and investment management.

For more than 40 years our Houston financial advisors have been serving the financial needs of individuals, families, and businesses in our area and around the country. Our primary goal is to Simplify Your Financial Life and provide you with financial peace of mind.

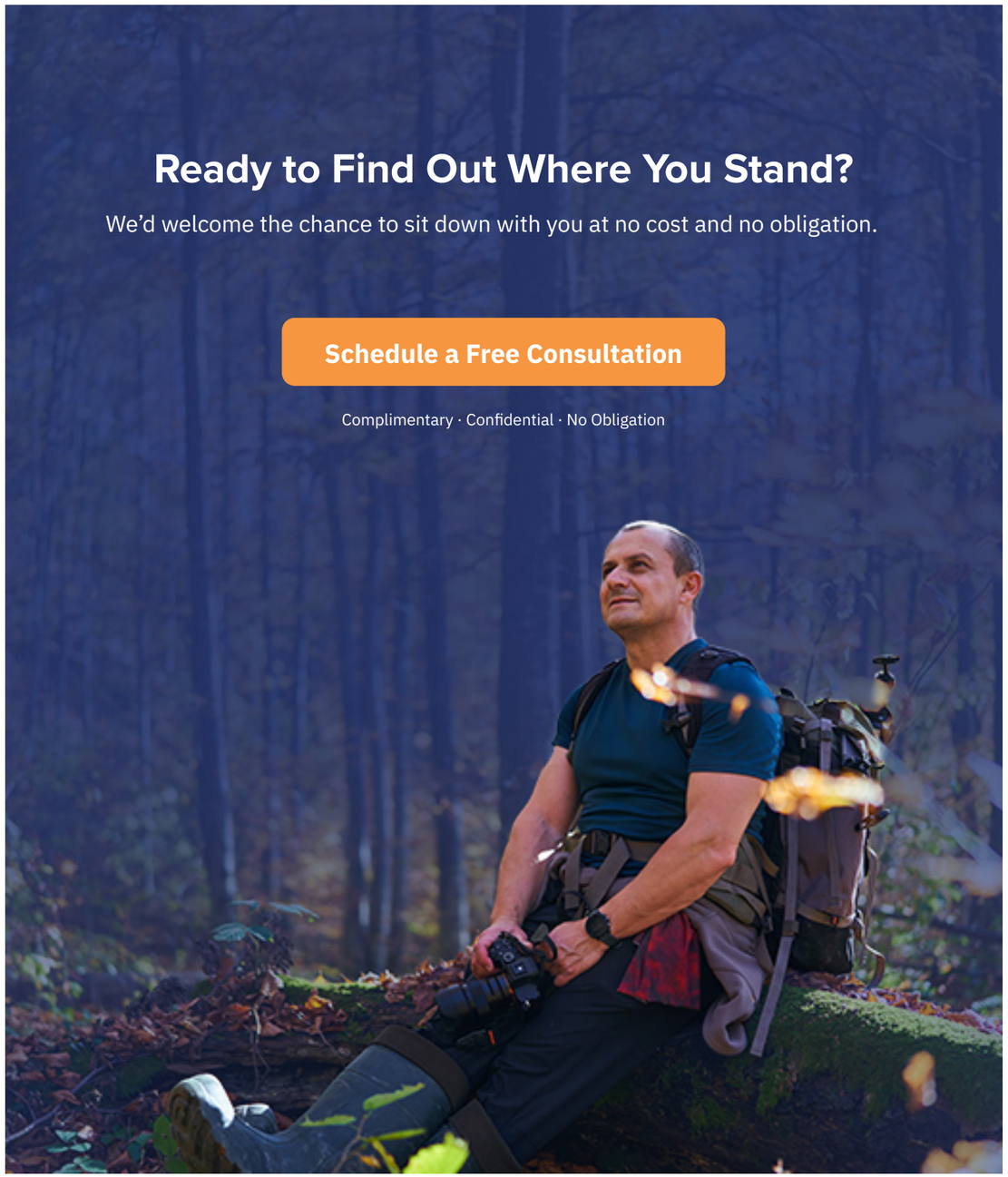
We begin every relationship by listening. What are your goals? What keeps you up at night? Together, we'll construct a financial game plan and investment strategy to meet your goals and manage your wealth, giving you greater confidence in your future.

Ready to Find Out Where You Stand?

We'd welcome the chance to sit down with you at no cost and no obligation.

Schedule a Free Consultation

Complimentary · Confidential · No Obligation



APPENDIX A

Retirement Readiness Scorecard



Rate Yourself: 1–5 Scale

1 = Strongly Disagree · 2 = Disagree · 3 = Neutral · 4 = Agree · 5 = Strongly Agree

1	I have a clear picture of how much I spend each year.	1	2	3	4	5
2	I have estimated my annual retirement expenses in detail.	1	2	3	4	5
3	I know approximately how much I'll receive from Social Security.	1	2	3	4	5
4	I understand when I plan to claim Social Security and why.	1	2	3	4	5
5	I have inventoried all of my retirement income sources.	1	2	3	4	5
6	I am maximizing retirement contributions (including catch-ups).	1	2	3	4	5
7	I have a plan for health insurance until Medicare.	1	2	3	4	5
8	I understand how my withdrawals will be taxed.	1	2	3	4	5
9	I have an appropriate investment strategy for my timeline.	1	2	3	4	5
10	I have an emergency fund (6–12 months of expenses).	1	2	3	4	5
11	I have little or no high-interest debt.	1	2	3	4	5
12	My estate documents are current.	1	2	3	4	5
13	I've considered how I'd handle long-term care.	1	2	3	4	5
14	I've thought about what daily life looks like in retirement.	1	2	3	4	5
15	I feel confident I have a plan or I'm actively building one.	1	2	3	4	5

TOTAL SCORE: _____ / 75

60–75: Strong Foundation
A professional review could optimize what you've built.

40–59: Good Progress
Focus on areas where you scored 1–2.

25–39: Getting Started
Use the worksheets in this guide to fill gaps.

15–24: Time to Act
Don't panic, but don't wait. Consider professional guidance.

APPENDIX B

Pre-Retirement Checklist

Use this in the 1–5 years before your target retirement date



Your Pre-Retirement Checklist

Financial Foundations

- ☐ Calculated detailed annual retirement expenses
- ☐ Created a retirement income inventory
- ☐ Determined annual gap between income and expenses
- ☐ Stress-tested plan against downturns, inflation, longevity
- ☐ Established emergency fund (6–12 months)

Social Security

- ☐ Created account at ssa.gov, reviewed earnings record
- ☐ Estimated benefit at ages 62, FRA, and 70
- ☐ If married, evaluated spousal/survivor strategies
- ☐ Decided on preliminary claiming age

Healthcare

- ☐ Understand Medicare enrollment timeline
- ☐ If retiring before 65, have gap coverage plan
- ☐ Researched Medigap / Medicare Advantage options
- ☐ Evaluated long-term care strategies

Investments & Withdrawals

- ☐ Reviewed allocation for retirement appropriateness
- ☐ Developed withdrawal strategy (accounts & order)
- ☐ Understand RMD rules and timing
- ☐ Considered Roth conversion opportunities

Tax Planning

- ☐ Understand how SS, pensions, withdrawals will be taxed
- ☐ Evaluated Roth conversions in lower-income years
- ☐ Consulted tax professional on retirement planning

Estate & Legal

- ☐ Will or trust is current
- ☐ Powers of attorney in place
- ☐ Beneficiary designations up to date
- ☐ Documents organized and accessible

APPENDIX C

Three Families, Three Paths

Hypothetical case studies illustrating different retirement situations



These case studies are entirely hypothetical and illustrate general planning concepts only.

G — The Garcias — "Can We Retire Early?"

Ages 57 & 55 · Combined savings: $1.1M · No pensions

Maria (57, $95K) wants to retire at 60. **David** (55, $110K) is flexible. Adult children are independent.

- **Healthcare bridge:** 5+ years before Medicare — $24K–$36K+/year
- **SS timing:** Delaying past 62 increases lifetime benefits significantly
- **Sequence risk:** 2–3 years of cash/bonds as a market buffer

LESSON:
Early retirement requires careful planning for the gap before Social Security and Medicare.

R — Robert — "I Got a Late Start"

Age 61 · Divorced · Savings: $320K · Mortgage: $190K

Robert (61, $130K) divorced at 50. Pays $800/mo alimony (4 years left), one child in college (2 years).

- **Declining obligations:** College and alimony end in 2–4 years, freeing cash flow
- **SS as foundation:** Delaying to 70 maximizes guaranteed income
- **Working longer:** Each year = more saving + less drawdown + higher SS

LESSON:
Starting late isn't starting never. Strategic use of remaining working years closes the gap more than expected.

S — The Smiths — "Are We Really Sure?"

Ages 63 & 64 · Combined: $1.8M · Pension + paid-off home

Linda (63, retired nurse, $2,800/mo pension) and **Tom** (64, engineer, $140K, retiring at 65). Multiple account types, family longevity, want to travel extensively early.

- **Tax optimization:** With pre-tax, Roth, and taxable accounts, withdrawal order can save tens of thousands
- **SS coordination:** Two-earner claiming strategy needs careful evaluation
- **Front-loaded spending:** More travel early, simpler lifestyle later. Plan should reflect this

LESSON:
Having "enough" money is only half the equation. A well-coordinated strategy for how to use it is just as important.

KEY TAKEAWAY

There is no single "right" path to retirement. Your plan should reflect your unique combination of savings, income sources, health, goals, and timeline. What matters most is having a plan at all.

What's Your Next Step?

Schedule a Free Consultation

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You've invested the time to read this guide. That puts you ahead of most people.

Now let's turn this knowledge into a personalized plan. We'd welcome the opportunity to sit down with you at no cost and with no obligation.

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