Women & Retirement:
Holistic planning for your retirement
Important things to know

This material is not a recommendation to buy, sell, hold, or rollover any asset, adopt a financial strategy or use a particular account type. It does not take into account the specific investment objectives, tax and financial condition or particular needs of any specific person. Clients should work with their financial professional to discuss their specific situation.

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About Nationwide

33% of the board of directors is made up of women.


Contributed $50 million to the Nationwide Foundation Pediatric Innovation Fund at Nationwide Children’s Hospital.

Ranked 19th in Fortune’s 2017 Best Workplaces for Diversity.

Source: ^ Fortune, 2017
Today’s Agenda

• Women’s Retirement Journey
• Social Security Considerations
• Health Care and Long-term Care Planning
• Your Holistic Retirement
The biggest hurdle standing in the way of her successful retirement: uncertainty
American women are breaking down barriers in the workforce

Women are estimated to account for
- 57.5% of all bachelor’s degrees,
- 61% of all master’s degrees and
- 52.7% of all doctor’s degrees awarded this year\(^1\)

Women make up
- 46.8% of the workforce,\(^2\) including
- 52% of professional and managerial occupations\(^3\)

Women own
- 9.9 million businesses\(^4\)

Sources:
\(^1\) National Center for Education Statistics, June 2012.
\(^4\) U.S. Census Bureau, March 23, 2016.
Women still face hurdles in preparing for retirement

Women still earn only **81 cents** for every dollar earned by men\(^1\)

Every year spent out of the workforce costs families **3X** the parent’s annual salary in lifetime income\(^2\)

2 to 1

the approximate ratio of American women to men age 85+\(^3\)

Sources:
\(^1\) U.S. Census Bureau, September 2017
\(^2\) Center for American Progress, June 21, 2016
\(^3\) U.S. Census Bureau, June 2017
With a longer life comes greater expenses

2 to 1
the approximate ratio of American women to men age 85+¹

And high health care costs

30%
of women 50+ are confident they can pay for health care beyond what Medicare covers²

And a potential need for long-term care

80%
of women outlive their husbands – leaving them with no spouse to provide them with care in the U.S.³

Sources:
¹ U.S. Census Bureau, June 2017
² Nationwide 2017 Health Care and Long-term Care Survey
³ U.S. Census Bureau, 2016
Knowledge builds confidence

How comfortable are you with the topic of Social Security?

Only 29% of women feel confident/very confident about their knowledge.¹

Uncertainty can make it stressful to plan for retirement — and lead to choices that reduce monthly benefits.

Source:
¹Nationwide Social Security Survey, 2017
Social Security is a key part of retirement planning

Everyone needs income to cover the basics. Here are a few options to consider:

- Social Security
- Pension
- Bond portfolio
- CD
- Annuity

Other funds and assets can cover discretionary expenses

43% of your retirement income may be from Social Security\(^1\)

Source:
\(^1\)Fact Book on Retirement Income, LIMRA, 2016
Women rely heavily on Social Security for retirement income

Social Security is the main income source in retirement

- 62% of females age 50+
- 41% of males age 50+

On average, women at or near retirement expect Social Security to pay for 58% of all expenses

Source: Nationwide Social Security Survey, 2017
Deciding when to file

Source: Nationwide as of November 2017. Based on an individual with full retirement age of 66, comparing early filing at age 62 and receiving reduced benefits of 75% of primary insurance amount versus delayed filing at age 70 and receiving credits to increase benefits by 32% of primary insurance amount.
On average, women file earlier and expect to collect less than men.

<table>
<thead>
<tr>
<th>Expected age to draw social security</th>
<th>Expected monthly payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female 64.6</td>
<td>$1,212</td>
</tr>
<tr>
<td>Male 65.6</td>
<td>$1,834</td>
</tr>
</tbody>
</table>

Source: Nationwide Social Security Survey, 2017
Delaying benefits may lower taxes

Fully taxable income
- Pension income
- Traditional retirement accounts – 401(k), IRA
- Interest and dividend income

Partially taxable income
- Social Security – at most, 85% taxed
- Immediate annuity income
- Cash-value of life insurance

Tax-free retirement income
- Roth IRAs and Roth 401(k)s
- Interest from municipal bonds
- Loans from life insurance policies

Source: Nationwide as of November 2017. Based on an individual with full retirement age of 66, comparing early filing at age 62 and receiving reduced benefits of 75% of primary insurance amount versus delayed filing at age 70 and receiving credits to increase benefits by 32% of primary insurance amount.

Please note that Nationwide, its affiliated companies and their representatives do not give legal or tax advice. Please consult your attorney or tax advisor for answers to your specific tax questions.
Careful planning can lock in higher lifetime income

Key factors to consider

• When to file — this can impact your monthly benefit

• Family circumstances — family members who depend on you may be eligible for benefits based on your work record — and vice versa
Married couples should be aware of spousal benefits

**Eligibility**

- 62
- Married for at least one year
- One spouse must file for the other to claim benefits

**Benefits**

- **Up to 50%** of spouse’s Primary Insurance Amount
Deciding when to file

Start SS benefits @ age

Source: Nationwide as of November 2017. Based on an individual with full retirement age of 66, comparing early filing at age 62 and receiving reduced benefits of 75% of primary insurance amount versus delayed filing at age 70 and receiving credits to increase benefits by 32% of primary insurance amount.
There are also important benefits for surviving spouses

Eligibility

• Married for at least nine months
• Benefits can be taken as early as age 60
• Currently unmarried, or remarried after age 60

Benefits

• Up to 100% of spouse’s benefit, including delayed retirement credits
• One-time death benefit
Divorced individuals may be eligible for benefits

**Eligibility**
- Married for at least 10 years
- Currently unmarried
- Ex-spouse does not have to file beyond two years after divorce

**Benefits**
- Spousal then survivor benefits
- No impact on ex-spouse’s benefits
- Not subject to the family maximum
Make an informed Social Security decision

Your personalized Social Security report, powered by Social Security Timing® — Compare your options and choose for your future

Jim & Linda Smith

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Social Security 360 Analyzer®
Social Security 360 Analyzer®
Social Security 360 Analyzer®
Jim and Linda both maximize their benefits.

After Jim passes away, Linda begins her survivor benefit.
Considering health care and long-term care costs in retirement

Planning for your future
But, what will my health care cost?
Affording health expenses in retirement

Top sources?

- Medicare
- Benefits from previous employer
- Medigap plans
- Your personal savings

Source: EBRI estimates from the 2014 Medical Expenditure Panel Survey.
Health care costs can erode retirement income

80% of women list health care costs going out of control as a top fear in retirement

75% of the portion of the average woman’s Social Security paycheck filing at 62 that could be spent on health expenses

Source:
2 Analysis from the Nationwide Retirement Institute Social Security 360 Analyzer® and Health Care Cost Assessment, 2017. Assumptions used were: a 62-year-old female, living in Ohio, life expectancy of 88, filing at age 62, primary insurance amount of $1,300 and total estimated health care costs in retirement of $309,382. Individual results will vary.
Understanding health care

Cost of Medicare Premiums

<table>
<thead>
<tr>
<th></th>
<th>Monthly</th>
<th>Annually</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicare Part A</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Medicare Part B</td>
<td>$135.50*</td>
<td>$1,626.00¹</td>
</tr>
<tr>
<td>Medicare Part D</td>
<td>$32.50</td>
<td>$390.00²</td>
</tr>
<tr>
<td>Medigap Policy G</td>
<td>169.00</td>
<td>$2,028.00³</td>
</tr>
<tr>
<td><strong>Total per person</strong></td>
<td><strong>$337.00</strong></td>
<td><strong>$4,044.00</strong></td>
</tr>
</tbody>
</table>

*If protected with the hold-harmless provision, it's $130.

This grid shows you the actual cost of premiums based on a retiree’s Modified Adjusted Gross Income below $85,000, filed individually. This is for illustrative purposes only.

¹ Medicare.gov, October 2018.
² Center for Medicare & Medicaid Services, CMS.gov, October 2018.
Let’s talk about long-term care.
What is long-term care?

Long-term care is a range of services and support you may need to assist you with basic personal tasks of everyday life.

Long-term care insurance is one of the few solutions designed to cover these costs.

You should know

- Medicare only provides limited long-term care coverage for a defined period of time.
- Majority of long-term care falls into the “out-of-pocket” expense category.

Source: medicare.gov
The Care Giver Effect

75% of unpaid caregivers are women\(^1\)

1 in 3 women over 75 years old has a spouse to care for her\(^2\)

67% of affluent women don’t know what long-term care for her could cost each year\(^3\)

Sources:
\(^1\) American Association for Long-term Care Insurance, 2015
\(^2\) U.S. Census Bureau, 2017.
\(^3\) Nationwide Health Care and Long-term Care Survey, 2018.
Solutions that may help

• Guaranteed Income Sources
• Long-term care focused life insurance solutions
How will you bridge the gap?

76% of women are concerned about not having money to cover unplanned medical expenses in retirement.

85% of women can’t estimate what their annual long-term care costs for themselves could be.

So let’s plan for you:

• Picture your retirement
• Talk to an advisor about likely scenarios and solutions
• Model and estimate what your holistic retirement could cost – including health care and long-term care expenses

Source: Nationwide Health Care/Long-term Care Survey, 2017
Health Care / Long-term Care Cost Assessment

Be prepared for health care costs

A personalized estimate of retirement health care costs to help you plan for the future

Personalized Health Care Cost Assessment
Inclusive Medicare, out-of-pocket and long-term care expense estimates

Designed for Jim Smith and Linda Smith
Monday, January 1, 2018

Prepared by Sample Producer

The information collected on the Nationwide Health Care Cost Assessment will be kept confidential and used to provide an estimate of a client's potential health care costs in retirement. The estimate is based on a client's specific financial situation and goals, as well as their current health condition. The client's financial situation and health conditions may change over time and this may affect their future changes. Please keep in mind that the estimates resulting from this fact finder are for hypothetical purposes only and are not guaranteed.

This material is not a recommendation to buy, hold or sell any asset, adopt an investment strategy, retain a specific investment manager or use a particular account type. It does not take into account the specific investment objectives, tax and financial condition or particular needs of any specific person. Investors should work with their financial professional to discuss their specific situation.

- Not a deposit • Not FDIC or NCUA insured • Not guaranteed by the institution
- Not insured by any Federal government agency • May lose value
# Health Care / Long-term Care Cost Assessment

## Client Facts

<table>
<thead>
<tr>
<th></th>
<th>Jim Smith</th>
<th>Linda Smith</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Age/Gender:</strong></td>
<td>Male, Age 60</td>
<td>Female, Age 60</td>
</tr>
<tr>
<td><strong>Retirement Age:</strong></td>
<td>65</td>
<td>65</td>
</tr>
<tr>
<td><strong>Life Expectancy:</strong></td>
<td>80</td>
<td>90</td>
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<tr>
<td><strong>State:</strong></td>
<td>OH</td>
<td>OH</td>
</tr>
<tr>
<td><strong>Income Level:</strong></td>
<td>Married Filing Jointly — $170,000 or less</td>
<td>Includes Medicare, out-of-pocket, and long-term care expense estimates</td>
</tr>
<tr>
<td><strong>Medicare Coverage:</strong></td>
<td>Includes Medicare, out-of-pocket, and long-term care expense estimates</td>
<td></td>
</tr>
<tr>
<td><strong>Need to purchase private health insurance prior to 65:</strong></td>
<td>No</td>
<td>No</td>
</tr>
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</table>

### Current Health

<table>
<thead>
<tr>
<th></th>
<th>Jim Smith</th>
<th>Linda Smith</th>
</tr>
</thead>
<tbody>
<tr>
<td>High blood pressure:</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>High cholesterol:</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Type 1 diabetes:</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Type 2 diabetes:</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Cardiovascular disease:</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Cancer:</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Multiple Sclerosis:</td>
<td>No</td>
<td>No</td>
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</table>

### Lifestyle & health history

<table>
<thead>
<tr>
<th></th>
<th>Jim Smith</th>
<th>Linda Smith</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tobacco user:</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Cardiovascular/Diabetes family history:</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Dependency on cane, walker, or wheelchair:</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>

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1 American Association for Long-Term Care Insurance (AALTCI) 2015 Sourcebook.
Health Care / Long-term Care Cost Assessment

Average Annual Expenses per 5-Year Period

The following graph shows the average estimated annual cost of health care in retirement.

<table>
<thead>
<tr>
<th>Year</th>
<th>Expenses</th>
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</thead>
<tbody>
<tr>
<td>2023-27</td>
<td>$14,732</td>
</tr>
<tr>
<td>2028-32</td>
<td>$20,457</td>
</tr>
<tr>
<td>2033-37</td>
<td>$28,279</td>
</tr>
<tr>
<td>2038-42</td>
<td>$22,104</td>
</tr>
<tr>
<td>2043-47</td>
<td>$25,475</td>
</tr>
<tr>
<td>2048-49</td>
<td>$30,237</td>
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</tbody>
</table>

Amounts for under age 65 assume 100% member responsibility for private health insurance premiums and other associated medical costs unless otherwise indicated. Amounts for age 65 and older assume coverage by Medicare Part A and include insurance premiums for Medicare Parts B, D, and supplemental insurance, plus additional associated medical costs.
**Health Care / Long-term Care Cost Assessment**

<table>
<thead>
<tr>
<th>Year</th>
<th>Age</th>
<th>Health Care</th>
<th>Long-term Care</th>
<th>Total</th>
<th>Average</th>
</tr>
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<tbody>
<tr>
<td>2035</td>
<td>77</td>
<td>$3,713</td>
<td>$8,560</td>
<td>$14,801</td>
<td>$2,983</td>
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<tr>
<td>2036</td>
<td>78</td>
<td>$3,927</td>
<td>$9,192</td>
<td>$15,724</td>
<td>$3,145</td>
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<tr>
<td>2037</td>
<td>79</td>
<td>$4,155</td>
<td>$9,863</td>
<td>$16,703</td>
<td>$3,312</td>
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<tr>
<td>2038</td>
<td>80</td>
<td>$4,395</td>
<td>$10,582</td>
<td>$17,746</td>
<td>$3,497</td>
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<tr>
<td>2039</td>
<td>81</td>
<td>$4,649</td>
<td>$11,345</td>
<td>$17,328</td>
<td>$3,655</td>
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<tr>
<td>2040</td>
<td>82</td>
<td>$4,918</td>
<td>$12,165</td>
<td>$17,083</td>
<td>$3,819</td>
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<tr>
<td>2041</td>
<td>83</td>
<td>$5,203</td>
<td>$13,053</td>
<td>$18,256</td>
<td>$3,995</td>
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<tr>
<td>2042</td>
<td>84</td>
<td>$5,503</td>
<td>$14,002</td>
<td>$19,505</td>
<td>$4,179</td>
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<tr>
<td>2043</td>
<td>85</td>
<td>$5,822</td>
<td>$15,014</td>
<td>$20,836</td>
<td>$4,368</td>
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<tr>
<td>2044</td>
<td>86</td>
<td>$6,159</td>
<td>$16,095</td>
<td>$22,254</td>
<td>$4,561</td>
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<tr>
<td>2045</td>
<td>87</td>
<td>$6,515</td>
<td>$17,249</td>
<td>$23,764</td>
<td>$4,758</td>
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<tr>
<td>2046</td>
<td>88</td>
<td>$6,892</td>
<td>$18,368</td>
<td>$25,258</td>
<td>$4,962</td>
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<tr>
<td>2047</td>
<td>89</td>
<td>$7,290</td>
<td>$19,493</td>
<td>$26,783</td>
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<td>2048</td>
<td>90</td>
<td>$7,712</td>
<td>$20,663</td>
<td>$28,375</td>
<td>$5,392</td>
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<td>Total</td>
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<td>$47,725</td>
<td>$103,928</td>
<td>$151,653</td>
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<tr>
<td>Average</td>
<td></td>
<td>$2,983</td>
<td>$6,496</td>
<td>$9,479</td>
<td>$3,983</td>
</tr>
</tbody>
</table>
Health Care / Long-term Care Cost Assessment

Complete this assessment and have your advisor return it to the Retirement Institute Income Planning Team.

Have questions? Call 1-877-245-0763
Your holistic retirement
Funding your holistic retirement

Common income sources
• Social Security
• Retirement Accounts e.g. 401(k), IRA, Roth
• Pensions
• Home equity or rent
• Annuities
• Insurance
• Inheritance
• “Second Act” careers

Top costs
• Caring for children/grandchildren
• Entertainment
• Food
• Health Care
• Housing
• Taxes
• Transportation
• Travel
Your Next Steps

• Evolve the Women’s Retirement Journey
• Review your Social Security options
• Plan for Health Care and Long-term Care
• Your Holistic Retirement
Let’s get started

Roberta Eckert, CRPC, CLTC, RICP
Vice President, Nationwide Institute