

PREPARING FOR RETIREMENT



PLANNING FOR THE FUTURE IN 2015







USAA ADVICE PRINCIPLES



**Protect your life, loved
ones and possessions.**

Spend less than you earn.

Save enough for emergencies.

Save now for retirement.

Prepare your will.

**Build your financial plan and
update it annually and with
significant life events.**

QUICK START:

FOUR THINGS YOU CAN DO RIGHT NOW.

These four things can help you stay on track for the retirement you want.

1 | REVIEW AND REASSESS WHERE YOU STAND.

See where you stand financially with our Financial Readiness Score. This online assessment tool gives you a score, helps identify potential retirement risks and provides an action plan for long-term financial security. Get your score and action plan at usaa.com/myfinancialscore.

2 | DEFINE YOUR VISION FOR RETIREMENT.

Once you have a vision of your future, take the necessary steps to help you achieve your goals. Let us help you build a strategy. Start by visiting usaa.com/retirement or calling a USAA Financial Advisor for help at **800-235-0482** today.

3 | ESTIMATE YOUR RETIREMENT NEEDS.

Our online retirement calculator can help you understand how your retirement savings are shaping up, giving you an idea of what adjustments you may need to make. Plan your retirement income strategy at usaa.com/retirementcalculators.

4 | PLAN YOUR ESTATE.

Because you care about what happens to your family and finances once you're gone, you'll want to create a plan for your estate including trusts, wills, life insurance and more. Get help from USAA professionals. Call **800-235-0482**.

PREPARING TO MAKE THE TRANSITION INTO RETIREMENT.

You've worked a long time and now retirement isn't just an abstract concept, it's a reality that's not far away. Or perhaps you're living it right now. During these critical years, it's important to watch your spending and manage risks to make sure you reach your goals. With USAA, you have tools and advice to help you plan for a more secure financial future.

USAA advises millions of members every year and provides a holistic approach to help meet their individual needs — from insurance to investing and daily money management. Inside you'll find hypothetical examples. While each one is different, you can learn from all of them. Take a look at the stories, and get a glimpse into our approach.

Everything we do is rooted in our core military values of service, loyalty, honesty and integrity — and decades of experience serving current and former military members who have honorably served and their eligible family members. We take the time to get to know you and your needs, and we help create a strategy that works for you.

➤ It starts with a big-picture view of your financial life.

See where you stand financially, and get a personalized score and action plan to help you feel more confident about your financial future. [Visit usaa.com/myfinancialscore](http://usaa.com/myfinancialscore).

MORE ADVICE IS ALWAYS JUST A CLICK AWAY.

Find personalized solutions, articles, tools, calculators and more based on where you are in your retirement planning. Visit usaa.com/retirement.



MEET “THE MUIRS”

Kevin is a commercial pilot and former military officer

Janet works in real estate

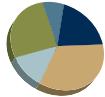
Ages: 61 and 52

They have two children, ages 14 and 17

Homeowners; caring for an aging parent

KEVIN AND JANET MUIR

With four years left until he reaches his company's mandatory retirement age of 65, Kevin and his wife Janet are concerned about having enough saved to continue living the way they are now once in retirement. Squeezed between raising kids and caring for Kevin's 90-year-old father, their family obligations are growing and competing. Finding money in the budget for both college costs and retirement can be tough. Janet is a part-time real estate agent but won't make enough to cover the monthly bills without Kevin's income. With everything going on in their lives, the Muirs need to agree on a plan and manage it.



SETTING FINANCIAL PRIORITIES

If your family is faced with competing obligations like the Muirs, setting priorities and adjusting your budget to match them is a must. Look at your spending and make some tough choices about what you need and where you can cut costs. Our online tool, USAA® Money Manager,¹ can show you how much you're spending across all your accounts in one place, so you can easily track your money and realign your budget.

➤ **Get started at usaa.com/moneymanager.**



¹USAA® Money Manager is not an investment advisory service of USAA. Information on non-USAA accounts is governed by the User Agreement. USAA's personal financial management services are not sponsored or endorsed by any third party.

²The fixed annuity guarantee is against principal loss and depends on the claims-paying ability of the issuer.

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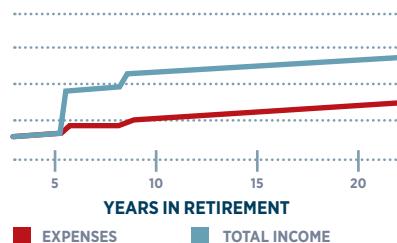
DETERMINING HOW MUCH MONEY YOU MAY NEED

If you're nearing retirement too, it's important to stay on top of your savings and make sure you'll have enough for the retirement you want. Annuities can help shore up your income strategy and offer a source of income for life.²

➤ **Estimate your retirement income needs at usaa.com/retirementcalculators.**

How much you'll need in retirement.

Our online Retirement Income Advisor lets you compare expected retirement income vs. expenses and shows you how long your savings may last.



Examples given are hypothetical illustrations and not necessarily an indication of the benefits or features of any USAA product.

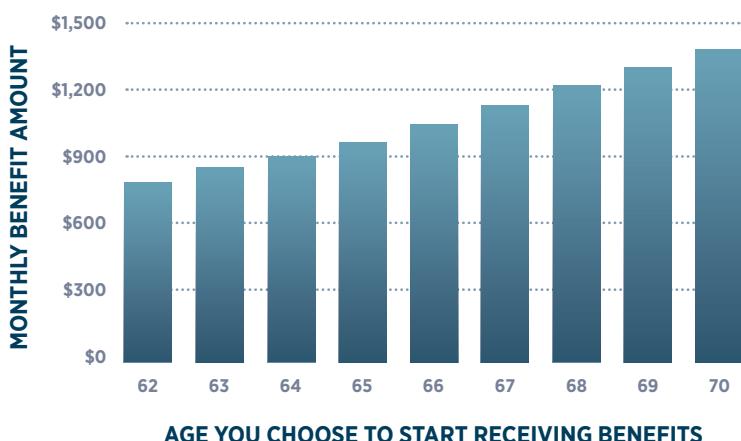


GETTING SMART ABOUT SOCIAL SECURITY BENEFITS

Kevin is counting on Social Security to supplement his retirement income, but understanding how it works and when he should apply for it isn't as simple as it may seem. He's eligible to start receiving benefits as early as next year, but will only get a portion of his payout. If he delays it until his full retirement age, he could receive larger monthly payments and increase Janet's survivor benefit. For members grappling with the same issue, we can help answer your questions and help you figure out when to apply for benefits.

➤ **Call a USAA Financial Advisor at 800-235-0482.**

Monthly benefit amounts based on the age you decide to start receiving benefits.

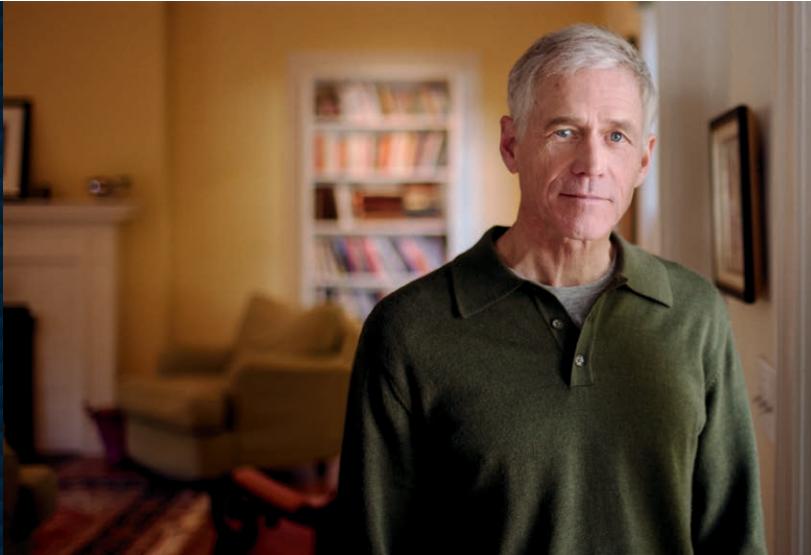


AGE YOU CHOOSE TO START RECEIVING BENEFITS

This example assumes a benefit of \$1,000 at a full retirement age of 66. Chart based on current Social Security benefits. Examples given are hypothetical illustrations and not an indication of the benefits or features of any USAA product.

➤ WHAT'S NEXT?

With so many obligations, a helping hand from a professional can be just what's needed to sort it all out. A USAA Financial Advisor can help map out a strategy to **catch up on retirement goals, build a stream of guaranteed income** and even **plan for family members' care costs**. Call us at **800-235-0482**.



MEET “DAN”

Dan is a physician in a group practice

Age: 58

Widower

Plans to retire at 65

Father served as a physician in the military

DAN MOSHIER

Dan is a widower with two adult children and two grandkids. While he enjoys a substantial income and has saved for years, Dan isn't sure how much he'll need to retire. He's concerned that he won't be able to retire as soon as he'd prefer, with the lifestyle he wants. Dan has managed his own investments up to now, but as he gets closer to retirement, there's less time or room to recover from error. So he has a choice to make: continue to manage his money himself or turn some or all of his portfolio over to a professional money manager.



CONTINUING TO INVEST ON YOUR OWN

If you're comfortable continuing to call your own shots, remember, it's still important to create a formal financial plan, review it annually and make updates as your life changes. Keep tabs on your savings — and if you find gaps, we can help you find ways to fill them. Our online Retirement Planner tool can help you track how your savings are coming along.

➤ **Get started at usaa.com/retirementcalculators.**

See how much you need to save.

Tell us what you have saved, what you're saving right now and when you want to retire. We'll help show you where you are in relation to your goals and how much more you may need to save for the retirement you want.

For Example:

You may need \$2,068,800

You may have \$1,653,266

You may have a shortfall of \$415,534.

There may be tax consequences associated with the transfer of assets. Indirect transfers may be subject to taxation and penalties. Consult with your own advisors regarding your particular situation.

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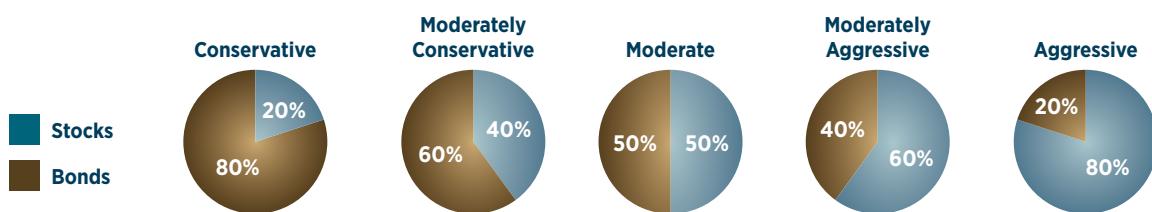


TAKING THE GUESSWORK OUT OF INVESTING

Work and family keep Dan plenty busy, so there's not much time in his schedule to monitor his investments too. Finding time to watch the market, research investments and manage day-to-day portfolio activity can be a challenge for any investor. Escape the pressure of managing your own money with USAA Managed Portfolios.™ Starting with an initial investment of \$25,000 or more, our professional money managers will track your investments and make adjustments based on your risk tolerance, time horizon and goals.

➤ **Take a closer look at USAA Managed Money at usaa.com/investments.**

Choose your risk comfort level, and we'll put you into an investment strategy to match it.



SEEKING PROFESSIONAL GUIDANCE

When you have substantial assets and multiple generations of family to think about, planning and making all the decisions on your own can be challenging. That's where USAA Wealth Management comes in. We have a team of dedicated wealth managers who take the time to get to know you, your family and your needs and work together to provide comprehensive solutions based on your entire financial picture.

➤ **To make an appointment with a USAA Wealth Manager, call 877-633-3312 or visit usaa.com/wealth.**

Our USAA Wealth Managers can advise you on a full range of financial issues, including:

- Financial Planning
- Retirement Planning
- Estate Planning and Wealth Transfer
- Trust Services
- Asset Management
- Risk Management and Protection

➤ WHAT'S NEXT?

Retiring is about more than your savings. It's about knowing you've done all that you can to ensure your assets will care for your loved ones today and for generations to come. Let us help you **craft a personalized enduring legacy.** Start now at usaa.com/wealth.



MEET “ELMAR”

Elmar owns a veterans publication and is retired from the military

Age: 53

Divorced

Homeowner

ELMAR STEWART

After retiring from the military, Elmar created a publication for veterans. This second career keeps him busy while affording him the opportunity to travel for business and pleasure. Along with his military retirement, Elmar has accumulated \$350,000 in savings, yet he still worries about having enough money. He owns his home, has no debt and knows his military retirement check will cover his basic living expenses, but it may not provide him the retirement he wants. Elmar has never invested in the stock market because he's afraid of the risk, but he knows he's not getting a big return on the cash in his savings account.



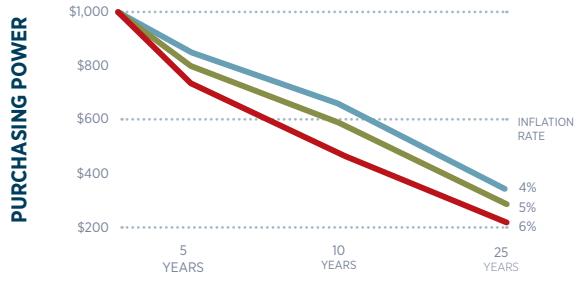
STAYING OUT OF THE MARKET HAS RISKS TOO

If you share Elmar's fear about investing, saving money in low-yield savings or money market accounts may calm anxiety. While that may seem like a safe way to go, taxes and inflation can reduce your purchasing power. Creating an investment strategy can help you offset these negative forces. Your strategy should reflect your risk and return profile and allow you to put your savings to work without sacrificing your financial security.

➤ **Get help from a USAA Financial Advisor at 800-235-0482.**

Inflation is the silent killer of retirement.

What will \$1,000 be worth when you retire?



Examples given are hypothetical illustrations and not necessarily an indication of the benefits or features of any USAA product.

The fixed annuity guarantee against principal loss depends on the claims-paying ability of the insurance company. An annuity is a long-term insurance contract sold by an insurance company designed to provide an income, usually after retirement, that cannot be outlived. There are fees, expenses and surrender charges that may apply. You may wish to seek independent legal or financial advice before selling or liquidating any assets and prior to the purchase of any life or annuity products. *According to the Department of Health and Human Services, 2013. *Genworth 2014 Cost of Care Survey. Cost of 365 days of in-home care, 4.5 hours per day, by a home health aide at the average 2014 hourly cost of \$20 is \$32,850 per year. Average 2014 cost of care in an assisted living facility is \$42,000 a year. Average 2014 cost of care in a private room at a skilled nursing facility is \$87,600 a year. All costs are national averages. Costs depend on duration of care, providers and location. Source: Genworth 2014 Cost of Care Survey, March 2014. *Rate based on a quote from John Hancock Life Insurance Company's Custom Care III featuring Benefit Builder, TX 5/14, male age 55, preferred risk class, \$150 per day benefit, 4-year benefit period, 90-day elimination period, Customer Price Index (CPI) Compound Inflation Option, and 5% Sponsored Group Discount. Premiums will vary based on benefits selected, risk class, age, sex and state.

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WORKING WITH YOUR MILITARY RETIREMENT

Elmar's military retirement will cover some but not all of his living expenses when he retires for good. If you're in a second career too, it's important to continue putting money away to supplement your military retirement check and Social Security benefits. Since Elmar is over 50, he can benefit from catch-up contributions and tax advantages for many investments, like an Individual Retirement Account (IRA), to help maximize his savings. Our online Retirement Planner can help you determine how much more you may still need to save for the retirement you want.

➤ **Test-drive the planner at usaa.com/retirementcalculators.**

Money not previously taxed is taxed as income when withdrawn. Withdrawals before age 59½ may be subject to a 10% federal tax penalty.

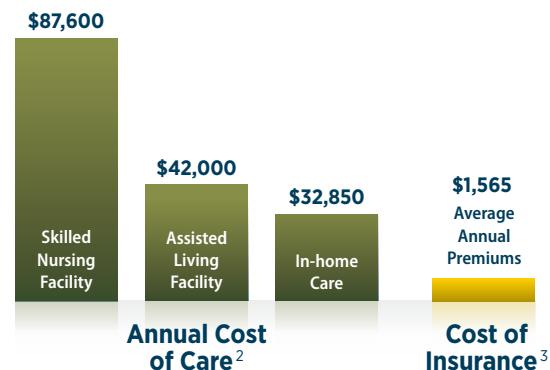


CONSIDERING LONG-TERM CARE

At this point in his retirement planning, Elmar is very concerned about managing risk. But risk goes beyond investing. Many people nearing or living in retirement ignore the threat long-term care costs can have on retirement savings. But the risk is real: 70% of people now turning 65 can expect to need some form of long-term care in their lifetime.¹ These costs can get expensive and put your savings in jeopardy. Long-term care insurance can help you avoid those risks and protect your savings.

➤ **To find out more about long-term care insurance, call 800-531-5321.**

Long-term care insurance may save you thousands of dollars.



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➤ WHAT'S NEXT?

You'll need to continue growing your nest egg — even after you quit working. Once that happens, you may want a regular monthly income to help cover essential expenses. Annuities can offer the **assurance of guaranteed income** that can last as long as you do. See if an annuity is right for you at usaa.com/annuities.

Investments/Insurance: Not FDIC Insured • Not Bank Issued, Guaranteed or Underwritten • May Lose Value

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Investments provided by USAA Investment Management Company and USAA Financial Advisors, Inc., both registered broker dealers.

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An investor in a managed portfolio will indirectly bear fees and expenses charged by the underlying funds in addition to direct fees and expenses charged by the portfolio as applicable.

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Trust Services offered by USAA Federal Savings Bank. Member FDIC.

Life insurance and annuities provided by USAA Life Insurance Company, San Antonio, TX, and in New York by USAA Life Insurance Company of New York, Highland Falls, NY. Each company has sole financial responsibility for its own products.

Health insurance solutions provided through USAA Life General Agency, Inc. (LGA) (known in CA and NY as USAA Health and Life Insurance Agency), which acts as an agent for select insurance companies to provide products to USAA members. LGA representatives are salaried and receive no commissions. However, LGA receives compensation from those companies, which may be based on the total quantity and quality of insurance coverage purchased through LGA. Plans not available in all states. Each company has sole financial responsibility for its own products.

A Financial Readiness Score should not be used as the primary basis for making investment or financial decisions. A Financial Readiness Score provides a basic assessment based upon your answers to questions, but it does not guarantee financial success or replace more detailed financial planning. Consider your own financial circumstances and goals carefully before investing or purchasing financial products. Before making any decision, consult your own tax, financial or legal advisors regarding your situation.

There may be tax consequences associated with the transfer of assets. Indirect transfers may be subject to taxation and penalties. Consult with your own advisors regarding your particular situation.

The contents of this document are not intended to be, and are not, legal or tax advice. The applicable tax law is complex, the penalties for non-compliance are severe and the applicable tax law of your state may differ from federal tax law. Therefore, you should consult your tax and legal advisors regarding your specific situation.

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CHECKLIST:

IT'S TIME TO TAKE ACTION.

Now that you've read the stories and thought about your own situation, it's your turn to take steps to prepare for retirement. Call a USAA Financial Advisor at 800-235-0482 to discuss your goals, and use this checklist to help guide you along the way.

- Talk to a USAA Financial Advisor
- Build a retirement income strategy
- Get your Financial Readiness Score and action plan
- Find out how much you need to save
- Realign your budget to fit your needs
- Decide when to apply for Social Security
- Figure out your military retirement
- Simplify by consolidating your assets
- Plan your estate
- Revisit life insurance needs
- Explore long-term care insurance

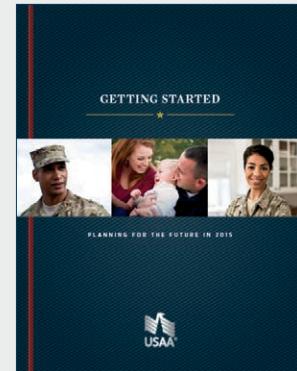
EXTRA STEPS TO PLAN FOR MEDICARE IN RETIREMENT:

- Research your Medicare choices
- Determine how TRICARE fits in with Medicare
- Talk to an advisor about your Medicare choices

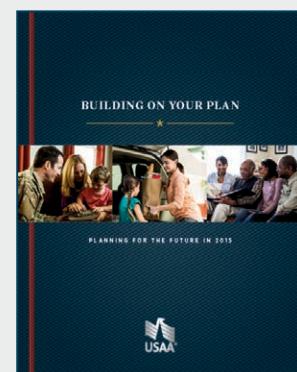
ADVICE FOR EVERY STAGE OF LIFE.

At USAA, we're here every step of the way to help you with your goals. For more advice about planning for the future, check out our other guides.

➤ [Visit usaa.com/planningguide or](http://usaa.com/planningguide)
call 800-235-0482 to get yours today.

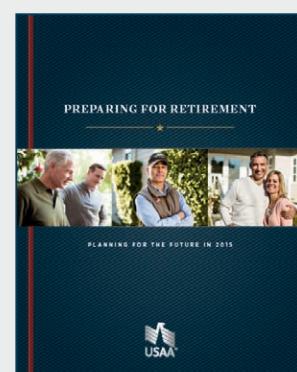


GETTING STARTED



**BUILDING
ON YOUR PLAN**

YOU
ARE
HERE



**PREPARING FOR
RETIREMENT**





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