

# Retirement

## Making the Most of Your Retirement Income: Savings

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As you prepare for retirement, remember that [Social Security](#)<sup>1</sup> provides secure lifetime income – but benefits are modest. You can use your savings to add income on top of your monthly Social Security benefit.

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### How can I make the most of my 401(k) or IRA?

- **You can withdraw a certain amount per year** – and invest the rest until you need it.
  - Generally, you can withdraw 4-5% per year (or more, the later you start.)
  - If you take money out of a 401(k) or IRA before age 59 ½, you will be subject to a tax penalty, but you must start making withdrawals by age 70.
- You can use some (or all) of your account balance to ensure lifetime income.
- You need to research annuities or other financial instruments very carefully and know the terms – but they can increase your income and add to your Social Security benefits.
  - You can buy a fixed annuity or a variable annuity from an insurance company.
  - Different options are available, including term, survivor benefits, the age when benefits start, or even if some amount can go to a beneficiary.
  - Look for a strong insurance company. You can research them at AM Best, [ambest.com](http://ambest.com), Standard & Poor's, [standardpoor.com](http://standardpoor.com), or Moody's, [moody.com](http://moody.com).
  - To find out more, visit [annuity.com](http://annuity.com) or [immediateannuities.com](http://immediateannuities.com).
- You withdraw savings to cover living expenses while you let your Social Security benefit grow.
  - To find out more, see "[Social Security: It Pays to Wait](#)."<sup>2</sup>

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### I don't have much saved—what else can I do to improve my retirement security?

- Continue to work (and save).
- Other things you can consider (besides taking out):
  - Downsizing, sharing your home, or reverse mortgages (research carefully).
  - Try to delay claiming your Social Security benefits if possible. [Even a year or two helps!](#)<sup>3</sup>

### More information and resources:

- NWLC, Social Security and Retirement: <http://www.nwlc.org/our-issues/social-security-%2526-retirement>
- WISER, National Education and Resource Center on Women and Retirement Planning: [www.wiserwomen.org](http://www.wiserwomen.org)
- AARP, Work & Retirement: [www.aarp.org/work](http://www.aarp.org/work)
- National Council on Aging, Benefits Checkup: [www.benefitscheckup.org](http://www.benefitscheckup.org)
- NASI, Social Security, <http://www.nasi.org/WhenToTakeSocialSecurity>

1 NWLC, Making the Most of Your Retirement Income: Social Security (May 2014), available at <http://www.nwlc.org/resource/making-most-your-retirement-income-social-security>.

2 NASI, Social Security: It Pays to Wait (Feb. 2014), available at <http://www.nasi.org/research/2014/fact-sheet-social-security-it-pays-wait>.

3 NWLC, Making the Most of Your Retirement Income: Social Security (May 2014), available at <http://www.nwlc.org/resource/making-most-your-retirement-income-social-security>.