

Planning to retire? Plan to join SLOCREA: San Luis Obispo Retirees' Association. Everyone who receives a pension from Pension Trust is eligible to join. First year is free. Then dues are \$15.00 per year or \$40.00 for 3 years. Such a deal!

Wishing Everyone a **HAPPY INDEPENDENCE DAY!**

The 2nd of July is the mid-point of year 2024, so July is a good time to re-assess several things.

First: since this is an election year, please check your voter registration status, especially if you have moved since the last time you voted. Or if you have not updated your address with voter registration since the last time you moved. Don't remember? Checking is super easy! Simply go to:

Voter Status Search - SLO County



California State Portal (.gov)
<https://clerk.slocounty.ca.gov> > voterstatus

and follow the prompts. You'll need your birthdate, the last 4 digits of your California Driver's License, and your the house number part of your address.

Second: This is a good time to re-assess your financial planning for retirement. You know you already have 2 of the 4 legs to the retirement stool covered.

- The 1st is Pension Trust. The amount you'll earn in retirement depends upon your formula: how many years of service times your age percentage (based upon which tier you are in) and your highest income year or average of your highest consecutive 3 years, again depending upon which tier you are in. Get those specifics from Pension Trust.
- The 2nd is Social Security. SSA should be sending you a statement every year: pay attention to it.
- The 3rd leg is Deferred Compensation. You are in control of stipulating how much you want taken out of your bi-weekly paycheck for that and what vehicle you want that money in: mutual funds or a steady low yield, but guaranteed yield vehicle. I encourage everyone to contribute *something*, no matter what the amount, to Deferred Comp regularly: you'll see immediate tax savings, almost equal to the amount you have deducted from your check. Whatever amount you decide upon is automatically deducted from your paycheck and you can change the amount later as needed. It's easy. CPA Tax Accountant can help you figure out what sized contributions to be making. A Certified Financial Advisor can help you decide where to put your Deferred Comp monies (mutual funds, bonds, CDs, etc.).
- The 4th leg is the IRA and it is also in your control. There are 2 types of IRAs: Traditional and Roth. The advantage of Traditional is that the tax savings (if your income is sufficiently low to qualify) are seen each calendar year when you file

your income tax return. The advantage of the Roth IRA is that you never pay income taxes on withdrawals. It's usually the one of choice if you make more than the threshold for the tax deduction of a Traditional IRA. An IRA can be a CD at a bank or credit union, or invested into Mutual Funds or Bonds. Again CPA Tax Accountants and Certified Financial Planners/Advisors can help you decide where to best invest your money and which type of IRA is best for you at any given time. There are rules about IRAs that are good to know. Some rules change over time. There was such a rule change in the past few years. It's best to check on the IRS website about these matters &/or consult with either a Tax Accountant &/or a Certified Financial Planner.

The latter 2 legs are a nice supplement to the 1st two. If you have a high income and work for the county long enough, your 1st two legs may be sufficient for general support. Your 2nd two legs would then be for extras and emergencies. If you are not in that category, you'll need the 2nd two legs to supplement your income. Having all four of those legs puts you in good financial shape for retirement.

I am neither a Tax Accountant or a Certified Financial Advisor/Planner. The above are simply suggestions from my own and vicarious experience.

Next General SLOCREA Lunch Meeting: Thursday July 11th. It'll be a BBQ & potluck at El Chorro Regional Park at 12 Noon. Free for SLOCREA Members. \$25.00 per non-member. Contact me at mikigillman@gmail.com if you would like to attend, or have questions.

Next SLOCREA Board Meeting: By Zoom TBD (we are retired). Contact me as above if you are interested in attending.

~~~~~*The opinions expressed in this article are solely those of its author and are subject to change w/o notice.*~~~~~