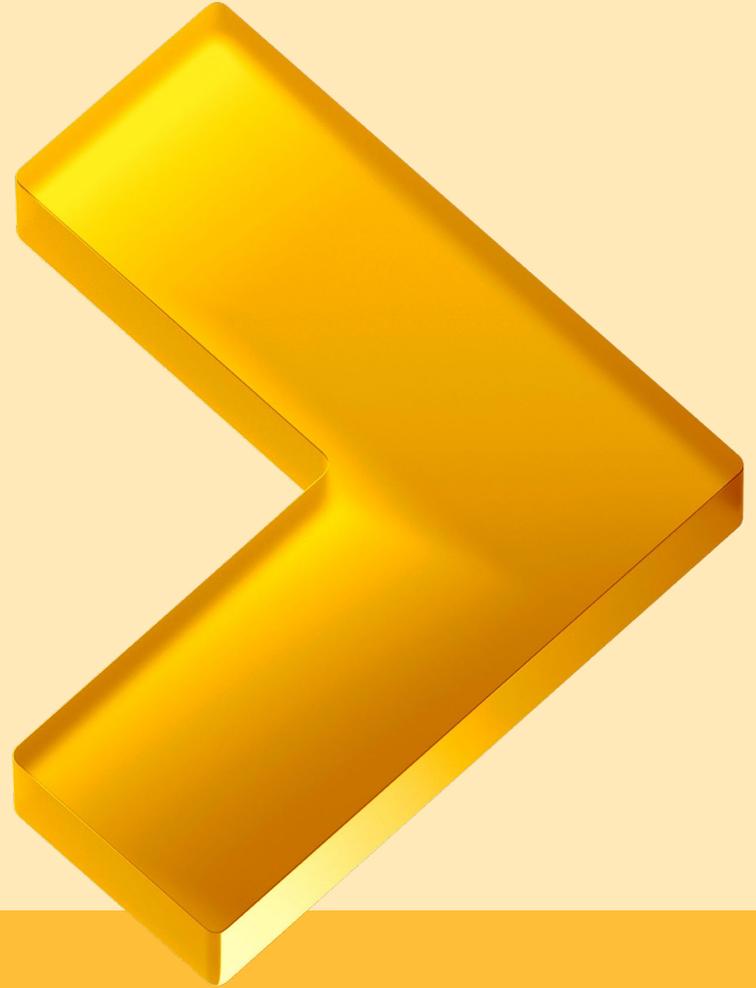


# Guide to Retirement





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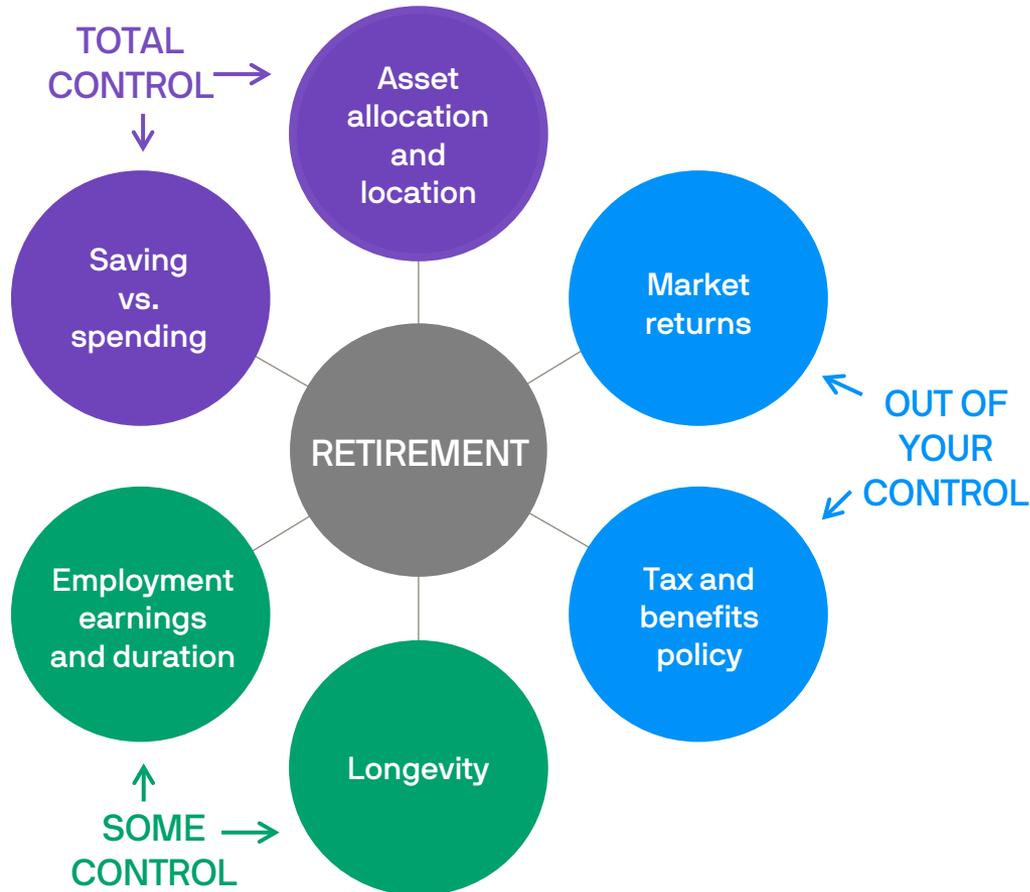
44. Social Security timing trade-offs
45. Debunking Social Security solvency myths
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50. Rising health care costs in retirement
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52. Long-term care planning options

### Reference

53. Retirement plan contribution and deferral limits: 2025/2026
54. A closer look at tax rates: 2026
55. Disclosures



# The retirement equation



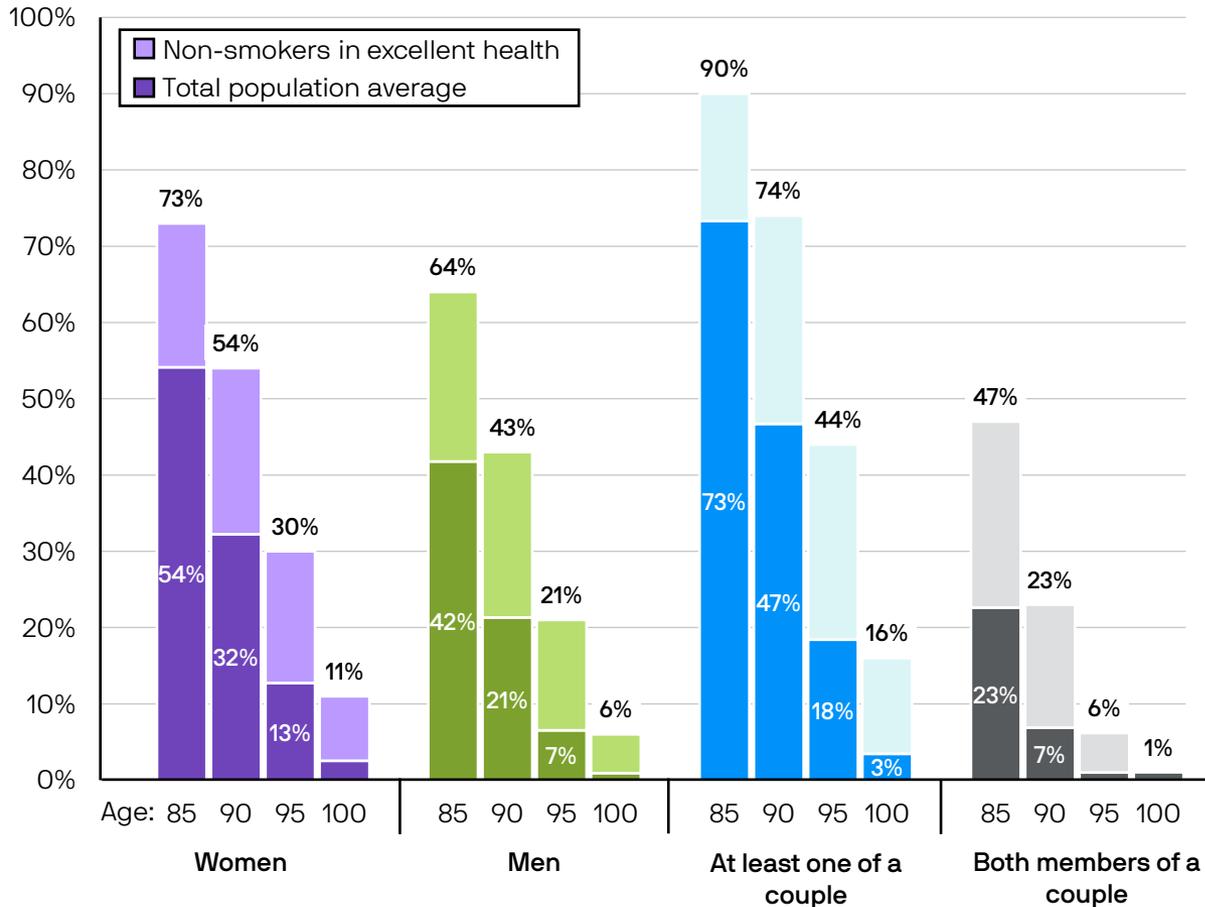
## A sound retirement plan

Make the most of the things that you can control but be sure to evaluate factors that are somewhat or completely out of your control within your comprehensive retirement plan.



# Life expectancy probabilities

If you're age 65 today, the probability of living to a specific age or beyond



## Plan for longevity

Average life expectancy is a mid-point not an end-point. You may need to plan on the probability of living much longer – perhaps 35 years in retirement – particularly if you are a non-smoker in excellent health.

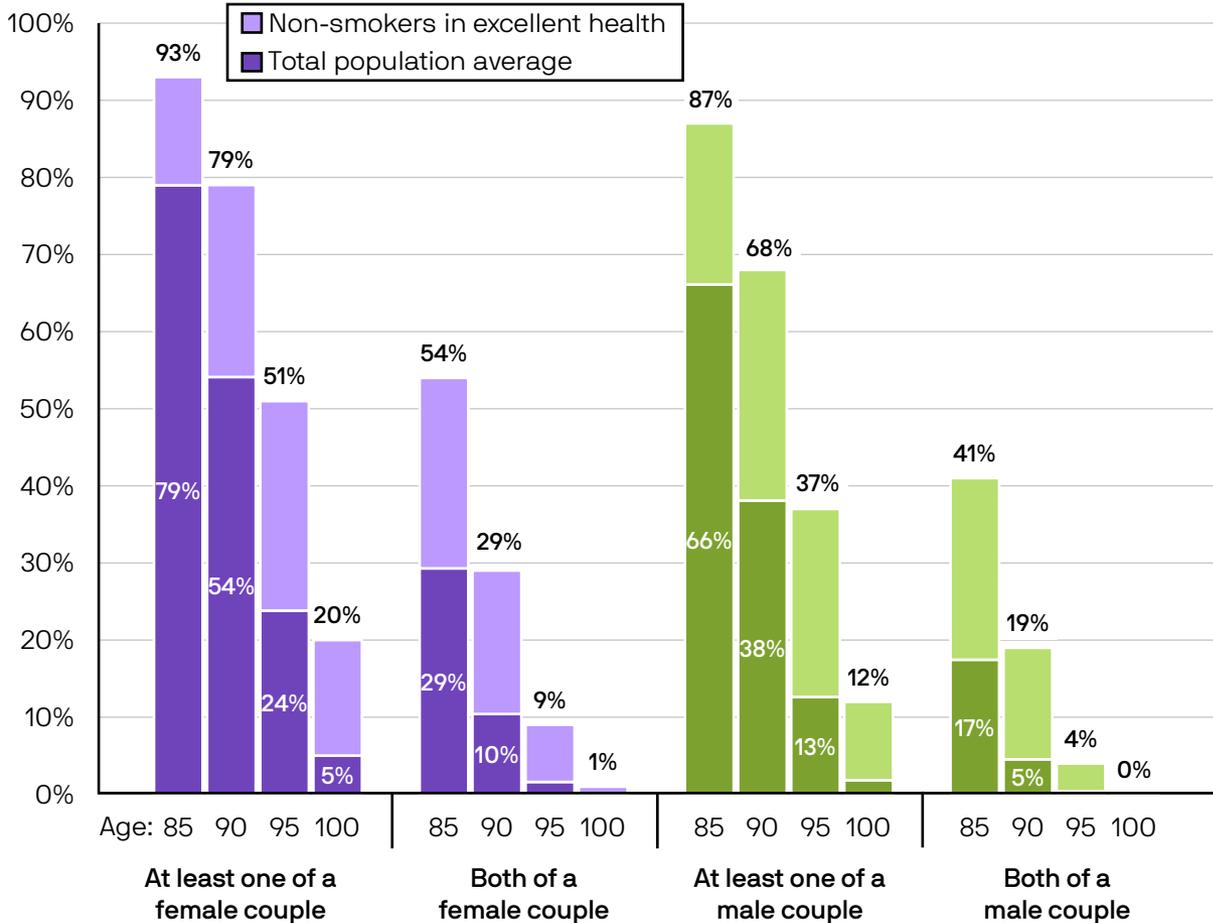
Investing a portion of your portfolio for growth is important to maintain your purchasing power over time.

Source: Social Security Administration, Period Life Table, 2022 (published in the 2025 OASDI Trustees Report); American Academy of Actuaries and Society of Actuaries, Actuaries Longevity Illustrator, [longevityillustrator.org](http://longevityillustrator.org) (accessed January 2026); J.P. Morgan Asset Management.



# Life expectancy probabilities for same-sex couples

If you're age 65 today, the probability of living to a specific age or beyond



## Plan for longevity

Average life expectancy is a mid-point not an end-point. You may need to plan on the probability of living much longer – perhaps 35 years in retirement – particularly if you are a non-smoker in excellent health.

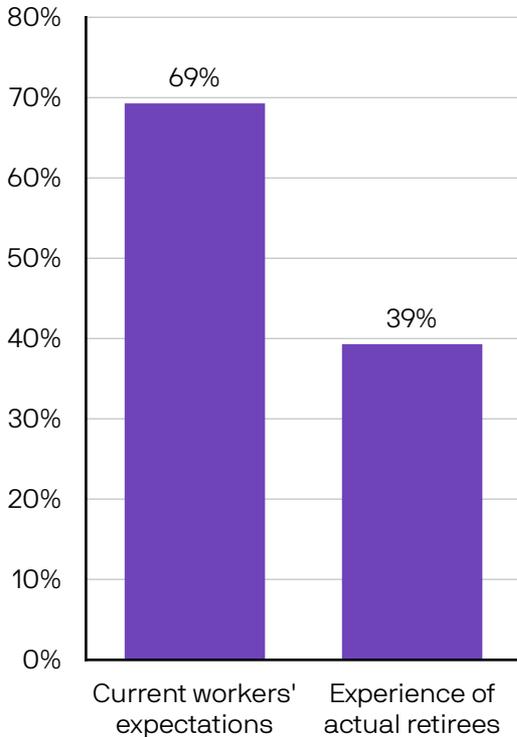
Investing a portion of your portfolio for growth is important to maintain your purchasing power over time.

Sex assigned at birth; categories available in standard Social Security life expectancy tables. Source: Social Security Administration, Period Life Table, 2022 (published in the 2025 OASDI Trustees Report); American Academy of Actuaries and Society of Actuaries, Actuaries Longevity Illustrator, [longevityillustrator.org](https://longevityillustrator.org) (accessed January 2026); J.P. Morgan Asset Management.



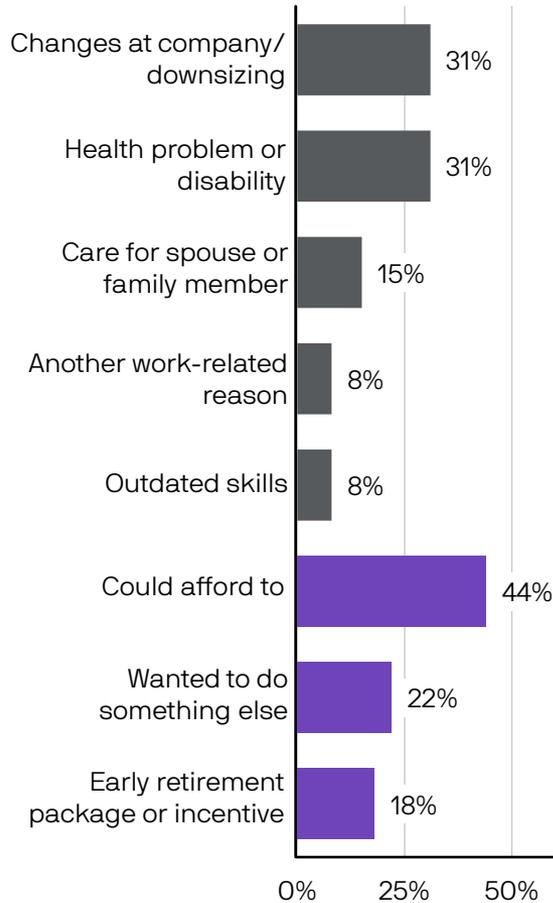
# Managing expectations of ability to work

## Expectations of workers vs. retirees Retirement at age 65 or older



Median retirement age:	
Expected:	65
Actual:	62

## Reasons for retiring earlier than planned



### Preparing for unexpected retirement

You may not have complete control over when you retire, so you should consider having a back-up plan including:

- Disability insurance
- Saving for financial freedom and the ability to weather changing circumstances

Source: Employee Benefit Research Institute Retirement Confidence Survey, 2025. Individuals may have given more than one answer.



# Older Americans in the workforce

53%

Of households partially retire<sup>1</sup>

57%

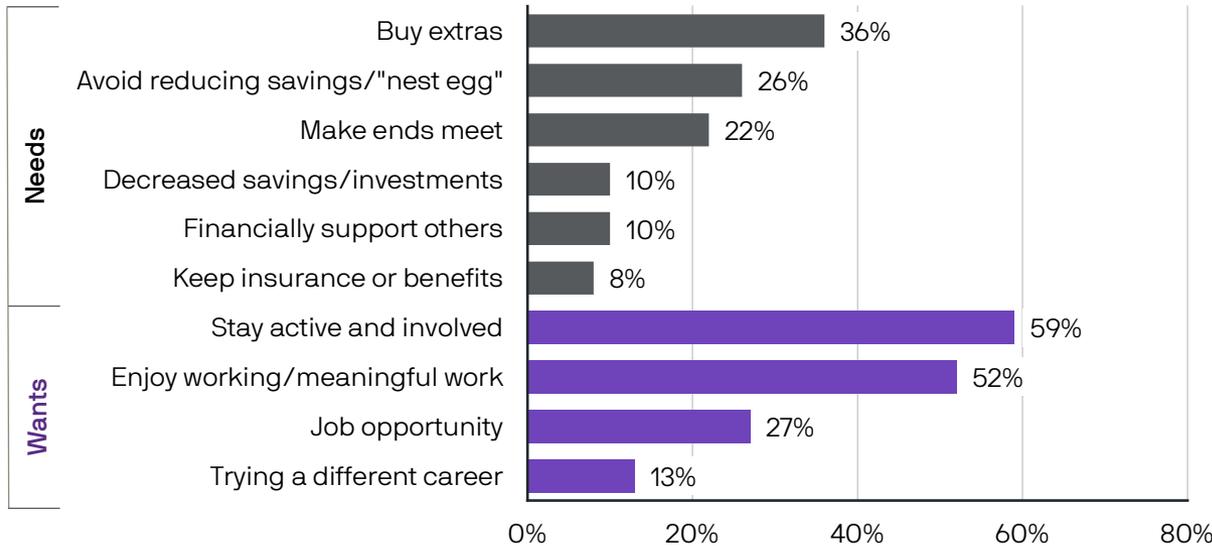
Retired more than two years apart from their spouse if both worked<sup>2</sup>

## Prepare so you can retire on your own terms

Our data shows that many partially retired households are spending more and have more debt than households that fully retire.

In survey data, individuals say they are working later in life for spending needs and positive reasons such as staying active and involved.

## Major reasons people work in retirement<sup>2</sup>



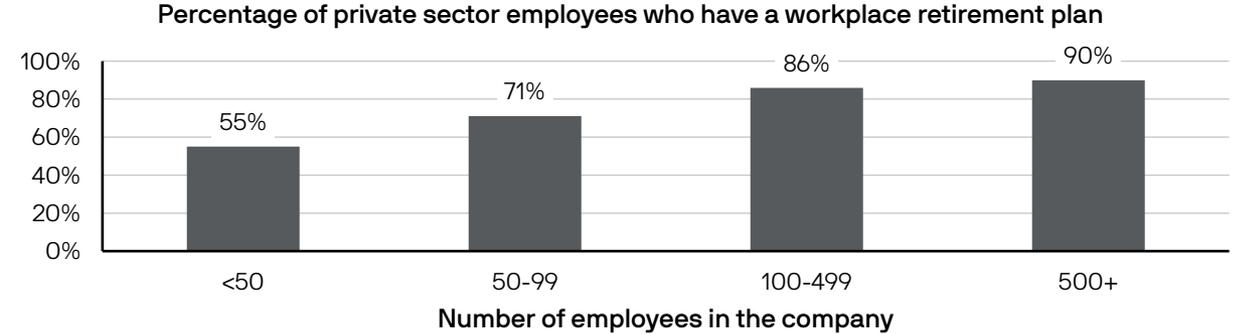
<sup>1</sup>Percentage of households that partially retired and spending and debt data for partially retired households: J.P. Morgan Asset Management, Three New Spending Surprises, 2024 (increased spending in partial retirement was for households with pre-retirement income <\$150,000).

<sup>2</sup>Spousal retirement timing and major reasons why people work in retirement, Employee Benefit Research Institute Retirement Confidence Survey, 2025.



# Access to retirement plans means savings for workers

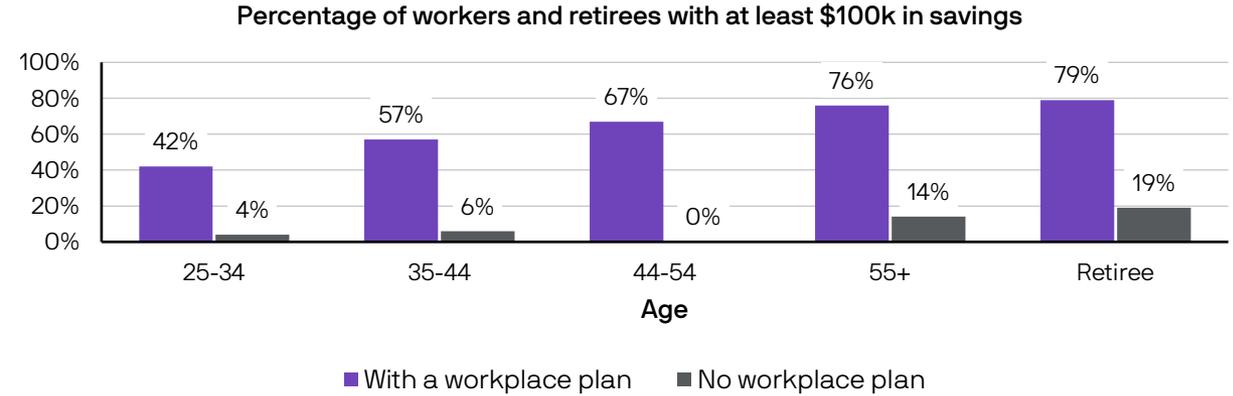
## Plan access varies by employer size



**Small businesses have an opportunity to increase retirement readiness**

Employers can help their workers by offering a plan with auto-enrollment and auto-escalation features.

## 62% of workers who have access to a retirement plan have at least \$100k saved, compared to only 5% of workers without access

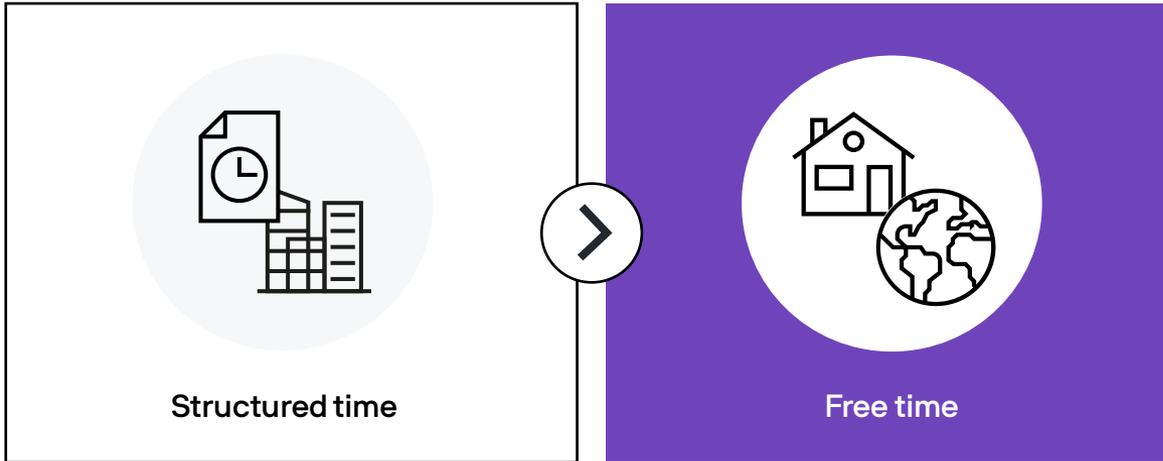


Source: (Top chart) U.S. Bureau of Labor Statistics, Employee Benefits in the United States Supplemental Tables, data as of March 31, 2025; (Bottom chart) Employee Benefit Research Institute Retirement Confidence Survey, 2025.



# Fostering well-being in retirement

The transition from...



**Know what you are retiring to, not just what you are retiring from**

To make the most of your retirement years, using time to “PUSH” may improve your outlook and life satisfaction.

Using time to “PUSH” is associated with well-being in retirement:



## Purpose

Create a reason to get up in the morning



## Use

time to work, help others, go to events and activities



## Socialize

with friends & family; spend time with others



## Health

Foster healthy behaviors

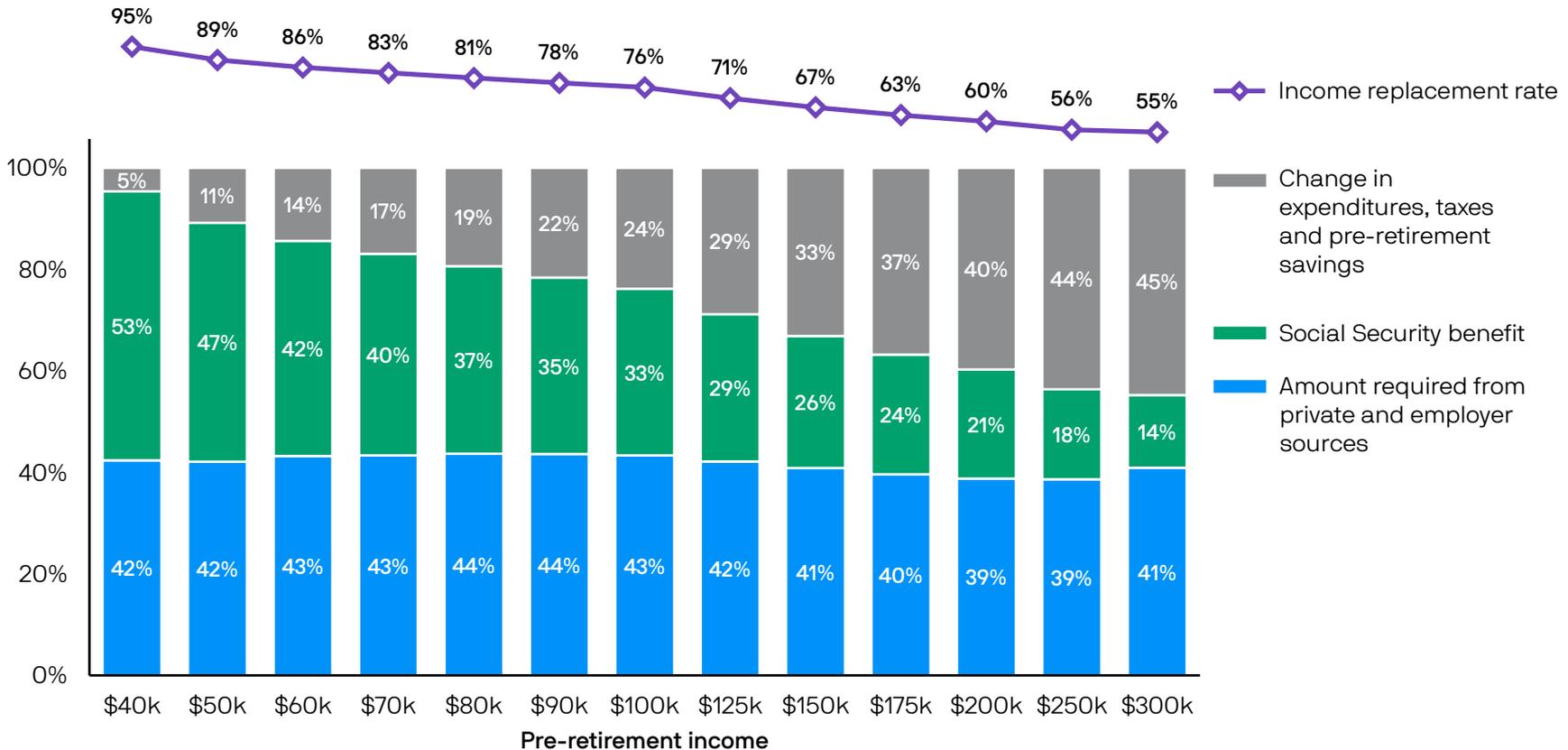
Source: PNAS.org, Vol 116, No. 4, Leading a Meaningful Life at Older Ages, Volume 8, Article 517226, 2019; Population Reference Bureau (PRB), Happily Ever After? Research Offers Clues on What Shapes Happiness and Life Satisfaction after Age 65, 2023; Sharifi, M., Nodehi, D., & Bazgir, B. Physical Activity and Psychological Adjustment Among Retirees: A Systematic Review, BMC Public Health 23, 194, 2023; Guo, Tao, Yuanshan Cheng, Philip Gibson, and Louis J. Pantuosco, Time Allocations and Self-Reported Happiness of Retirees: An Exploratory Study, Journal of Financial Planning 32 (3): 38–47, 2019; Hutchinson, S., Kleiber, D. On Time, Leisure, and Health in Retirement: Implications for Public Health Services. Int. J. Environ. Res. Public Health 2023, 20, 2490, 2023.



# Income replacement needs vary by household income

Saving

### Replacement rate detail by household income



Chase data includes internal select data from JPMorgan Chase Bank, N.A. and its affiliates (collectively "Chase") including select Chase check, cash, credit and debit card, and electronic payment transactions from January 1, 2016 to December 31, 2023. Additional information on J.P. Morgan Asset Management's data privacy standards available at [am.jpmorgan.com/us/en/asset-management/mod/insights/retirement-insights/gtr-privdisc/](https://am.jpmorgan.com/us/en/asset-management/mod/insights/retirement-insights/gtr-privdisc/). Social Security benefits uses observed Chase household inflows. Percentages and values may not sum due to rounding. Source: Longitudinal Chase data (2016-2023), inflation adjusted; J.P. Morgan Asset Management.



# Retirement savings checkpoints

Household income ≤\$90k  
Annual savings rate: 5%

GTR 11

Saving

Current age	Current household income						
	\$30k	\$40k	\$50k	\$60k	\$70k	\$80k	\$90k
25	5k	15k	15k	25k	30k	35k	40k
30	15	30	40	50	60	75	85
35	30	55	70	90	105	125	140
40	50	80	105	135	160	190	215
45	75	120	150	190	230	265	300
50	100	160	200	255	305	355	400
55	130	200	260	325	385	450	510
60	160	245	315	395	470	550	620
65	190	295	380	480	565	660	750

## Model assumptions

Annual gross savings: 5%

Pre-retirement and post-retirement portfolio: **Target date fund**

Inflation: 2.5%

Retirement age: 65

Years in retirement: 35

This analysis assumes you would like to maintain an equivalent lifestyle in retirement. Household income is assumed to be gross income (before taxes and savings).

### How to use:

- Go to the intersection of your age and your closest current household income.
- This is the amount you should have saved today.
- **Example: For a 40-year-old with a household income of \$70,000, your current savings should be \$160,000.**

To personalize your plan, use an online calculator or discuss your circumstances with a financial professional.

This chart is for illustrative purposes only and must not be relied upon to make investment decisions. J.P. Morgan Asset Management's (JPMAM) model is based on proprietary Long-Term Capital Market Assumptions returns and an 80% confidence level. Target date fund portfolio represents a glide path starting at 92% equities, 8% bonds, ending at 40% and 60%, respectively. Assumptions include household income replacement rates shown on page 10. Consult with a financial professional for a more personalized assessment. Allocations, assumptions and expected returns are not meant to represent JPMAM performance. Given the complex risk/reward trade-offs involved, we advise clients to rely on judgment as well as quantitative optimization approaches in setting strategic allocations. References to future returns for either asset allocation strategies or asset classes are not promises or even estimates of actual returns a client portfolio may achieve. Source: J.P. Morgan Asset Management.



# Retirement savings checkpoints

Household income  $\geq$  \$100k  
Annual savings rate: 10%

GTR 12

Saving

Current age	Current household income						
	\$100k	\$125k	\$150k	\$175k	\$200k	\$250k	\$300k
25	See note <sup>1</sup>						
30	10k	10k	5k	<5k	<5k	<5k	30k
35	85	100	110	115	120	155	245
40	180	215	245	270	295	375	525
45	295	360	415	465	515	655	875
50	430	530	615	690	775	980	1,290
55	585	720	840	950	1,065	1,345	1,750
60	745	910	1,065	1,210	1,360	1,720	2,225
65	925	1,140	1,335	1,515	1,710	2,155	2,780

<sup>1</sup> These households need to save at least 7% of their gross household income going forward.

## Model assumptions

Annual gross savings: 10%

Pre-retirement and post-retirement portfolio: **Target date fund**

Inflation: 2.5%

Retirement age: 65

Years in retirement: 35

This analysis assumes you would like to maintain an equivalent lifestyle in retirement. Household income is assumed to be gross income (before taxes and savings).

### How to use:

- Go to the intersection of your age and your closest current household income.
- This is the amount you should have saved today.
- **Example: For a 50-year-old with a household income of \$200,000, your current savings should be \$775,000.**

To personalize your plan, use an online calculator or discuss your circumstances with a financial professional.

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# Annual savings needed if starting today

Household income ≤\$90k GTR 13

Current age	Current household income						
	\$30k	\$40k	\$50k	\$60k	\$70k	\$80k	\$90k
	Savings rate (x current household income)						
25	6%	6%	7%	7%	7%	7%	7%
30	7%	9%	9%	9%	9%	9%	10%
35	10%	12%	12%	13%	13%	13%	13%
40	14%	16%	17%	17%	18%	18%	18%
45	20%	23%	24%	25%	25%	26%	26%
50	31%	36%	36%	38%	39%	40%	40%

## Model assumptions

Pre-retirement and post-retirement portfolio: **Target date fund**

Inflation: **2.5%**

Retirement age: **65**

Years in retirement: **35**

Values assume you would like to maintain an equivalent lifestyle in retirement. Household income is assumed to be gross income (before taxes and savings).

### How to use:

- Go to the intersection of your current age and your closest current household income.
- This is the percentage of your current household income to contribute annually going forward if you have \$0 saved for retirement today.
- **Example: A 40-year-old with household income of \$70,000 and \$0 saved for retirement today may need to save 18% every year until retirement.**

This chart is for illustrative purposes only and must not be relied upon to make investment decisions. J.P. Morgan Asset Management's (JPMAM) model is based on proprietary Long-Term Capital Market Assumptions returns and an 80% confidence level. Target date fund portfolio represents a glide path starting at 92% equities, 8% bonds, ending at 40% and 60%, respectively. Assumptions include household income replacement rates shown on page 10. Consult with a financial professional for a more personalized assessment. Allocations, assumptions and expected returns are not meant to represent JPMAM performance. Given the complex risk/reward trade-offs involved, we advise clients to rely on judgment as well as quantitative optimization approaches in setting strategic allocations. References to future returns for either asset allocation strategies or asset classes are not promises or even estimates of actual returns a client portfolio may achieve. Source: J.P. Morgan Asset Management.



# Annual savings needed if starting today

Household income ≥\$100k

GTR

14

Saving

Current age	Current household income						
	\$100k	\$125k	\$150k	\$175k	\$200k	\$250k	\$300k
	Savings rate (x current household income)						
25	8%	8%	8%	7%	7%	7%	8%
30	11%	10%	10%	10%	10%	10%	11%
35	14%	14%	14%	13%	13%	13%	14%
40	20%	20%	19%	19%	19%	19%	20%
45	29%	28%	28%	27%	27%	27%	29%
50	44%	43%	42%	41%	41%	41%	44%

## Model assumptions

Pre-retirement and post-retirement portfolio: **Target date fund**

Inflation: **2.5%**

Retirement age: **65**

Years in retirement: **35**

Values assume you would like to maintain an equivalent lifestyle in retirement. Household income is assumed to be gross income (before taxes and savings).

### How to use:

- Go to the intersection of your current age and your closest current household income.
- This is the percentage of your current household income to contribute annually going forward if you have \$0 saved for retirement today.
- **Example: A 50-year-old with household income of \$200,000 and \$0 saved for retirement today may need to save 41% every year until retirement.**

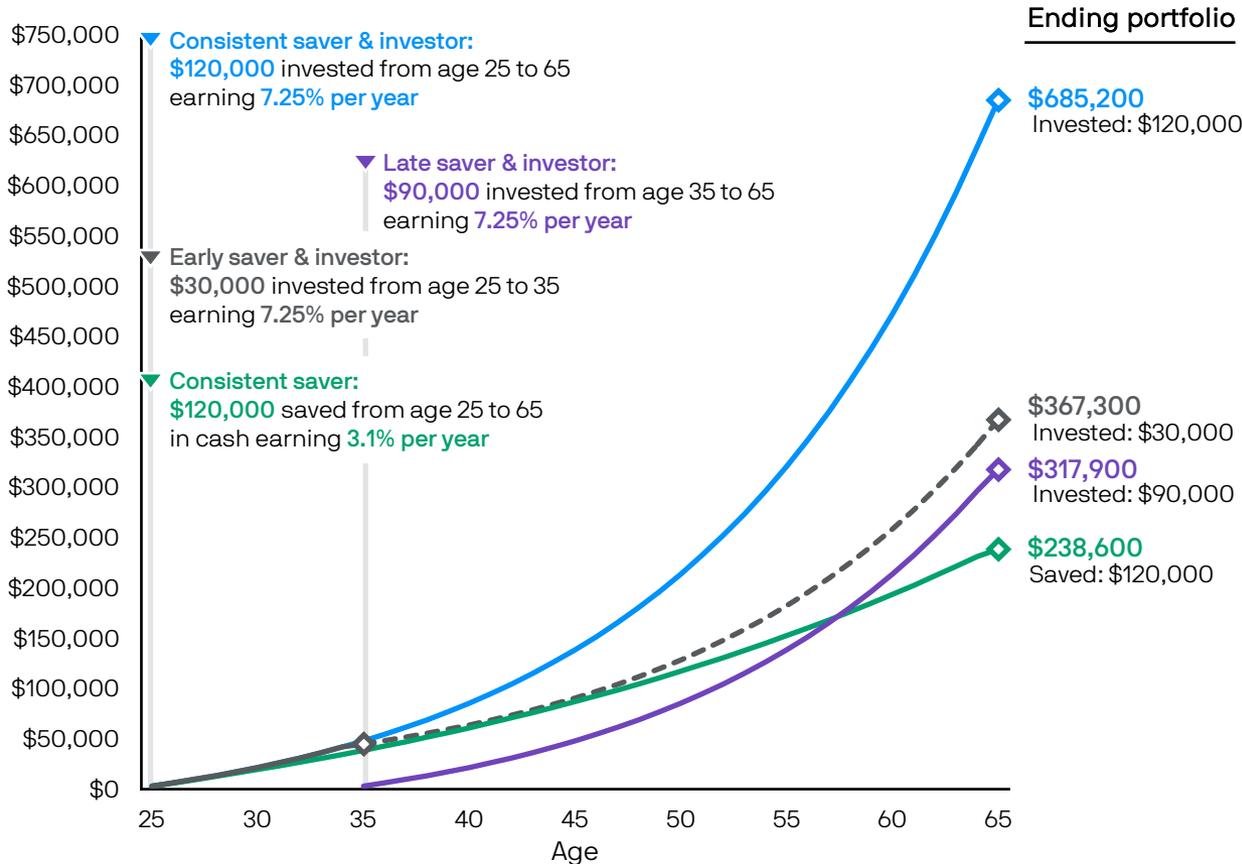
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# Benefit of saving and investing early

Saving

### Account growth of \$250 invested/saved monthly



## Starting early and investing are the keys to compound returns

The early and consistent investor has the best results.

The early investor who stops after 10 years does slightly better than the late investor who invests significantly more over a longer time.

And the consistent saver who does not invest loses out on higher returns.

Compounding is the increasing value of assets due to returns on both principal and prior earnings. The above example is for illustrative purposes only and not indicative of any investment.

Source: J.P. Morgan Asset Management, Long-Term Capital Market Assumptions.



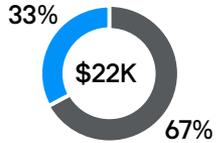
# The 1% difference: Early and consistent investing

Saving

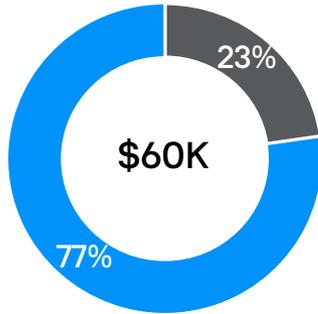
Impact of contributing and investing 1% more

## Additional funds at retirement

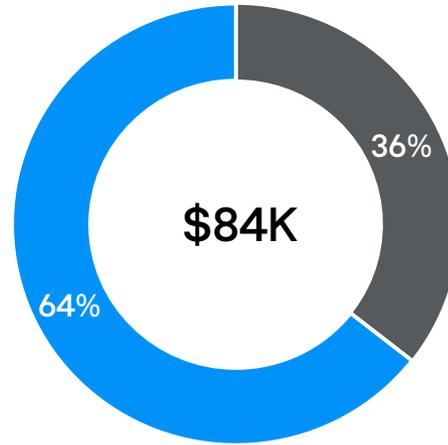
“Late investor”  
Last 20 years



“Early investor”  
First 20 years



“Consistent investor”  
Throughout career (40 years)



■ Investment return ■ Contribution

### Small increases add up to meaningful dollars

The consistent investor who starts early and sticks with it does the best with an additional \$84k at retirement. This is enough to fund 9 years of Medicare-related expenses.

Additional contributions have the benefit of more years of compounding.

#### Assumptions:

- Starting salary: \$50,000
- Peak salary: \$80,000
- Contribution rates start at 5% and end at 8%
- 50% match up to 6%
- Average loan and withdrawal behavior
- Invested in target date fund

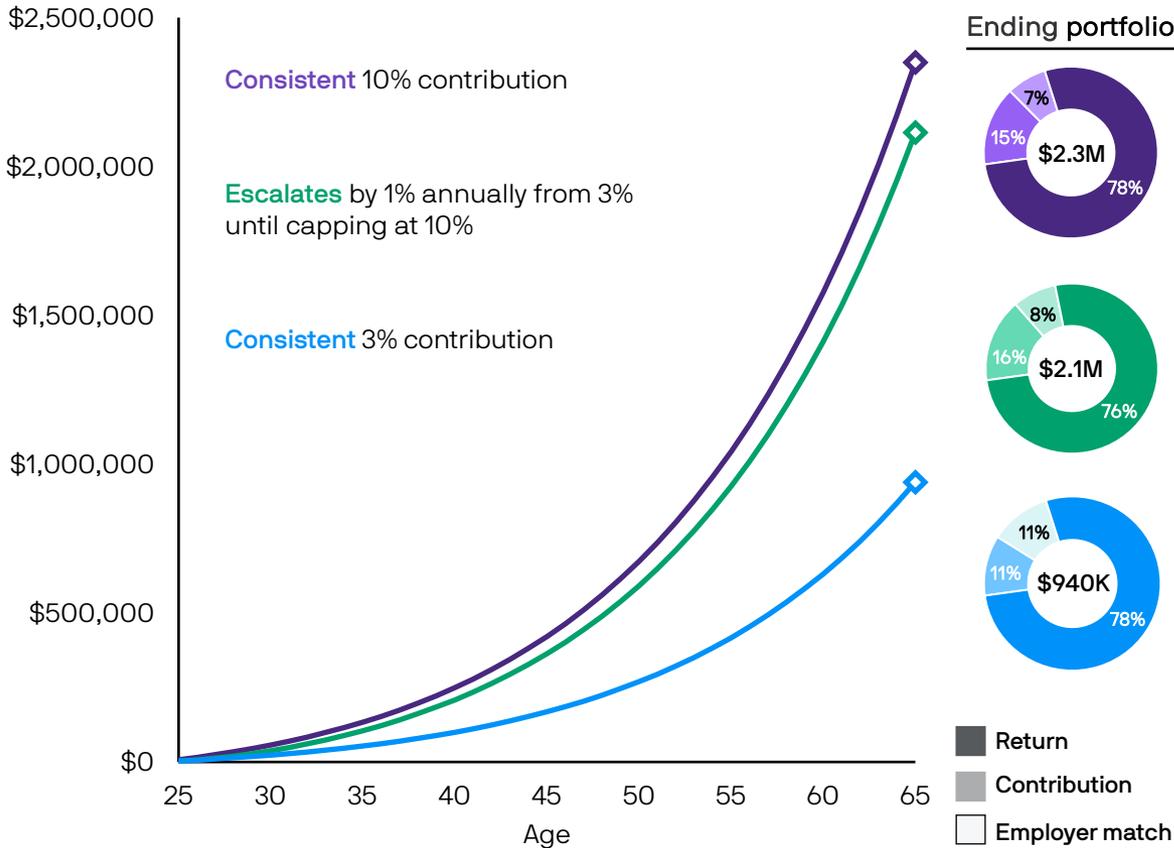
Modeling uses proprietary Long-Term Capital Market Assumptions, which are projected returns based purely on economic forecast, and not starting point prices (current valuations and corporate margins). Based on 10,000 portfolio simulations using the range of identified participant behavior applied to a broad mix of market scenarios. Source: J.P. Morgan Asset Management, Retirement by the Numbers, 2025.



# The benefits of auto-escalation

Saving

### Account growth from contributions, employer match and investment returns



### Model assumptions

- Starting age: 25
- Retirement age: 65
- Starting salary: \$50,000
- Wage growth: 2.5%
- Assumed annual employer match: 100% of employee contribution up to 5%
- Investment return: 7.25%

Individual is assumed to retire at the end of age 65. Growth of portfolio is tax deferred; ending portfolio may be subject to tax. Source: J.P. Morgan Asset Management, Long-Term Capital Market Assumptions. The above example is for illustrative purposes only and not indicative of any investment.



# Retirement solutions for small businesses

Saving

## Identify a plan that meets your needs

### Key questions to consider



Does your state have a retirement savings mandate?



Will the business contribute to employee accounts?



What costs and administrative responsibilities should I expect?



What tax credits are available?



Do I want a ready-to-use or customizable solution?

### Types of retirement plans



#### 401(k)

Allows employer and employee contributions; "Safe Harbor" design can optimize contributions and ease compliance



#### Solo 401(k)

Designed for businesses with one employee (and spouse, if earning income from the business)



#### SEP

Suited for businesses offering benefits to employees and owners, with contributions funded exclusively by the employer

### Think employer-sponsored retirement plans are only for big businesses?

Small businesses have access to a variety of options, including the ability to maximize owner contributions up to \$72,000.<sup>1</sup>

Establishing a retirement plan can provide valuable tax credits:

- Up to \$5,000 per year in the first three years to offset startup costs<sup>2</sup>
- \$500 per year for three years for selecting auto-enrollment
- Employer contribution credit up to \$1,000 per eligible employee annually, for five years<sup>3</sup>

For illustrative purposes only, not an exhaustive list. Not intended to be tax advice. Consult your legal or tax professional. <sup>1</sup>2026 (indexed). <sup>2</sup>For employers with 100 or fewer employees; for employers with 51-100 employees, applies to 50% of startup costs. <sup>3</sup>For employers with up to 50 employees, limited to employees whose wages do not exceed \$110,000 (2026 indexed). The credit amount is phased out for employers with 51-100 employees. Source: J.P. Morgan Asset Management.



# Tax implications for retirement savings by account type

Saving

	Contributions <sup>1</sup>	Investment growth	Withdrawals
Pre-tax 401(k)/ Traditional IRA	+	+	- (Taxed as ordinary income)
Roth 401(k)/ Roth IRA	-	+	+ (For qualified withdrawals)
After-tax 401(k)/ non-deductible Traditional IRA	-	+	- (Investment returns taxed as ordinary income)
Health Savings Account (HSA) <sup>3</sup>	+	+	+ (For qualified health care expenses)

Preferential tax treatment
 Subject to taxes

**Retirement accounts:**  
Taxes generally apply to contributions or withdrawals. Most withdrawals must be qualified to avoid tax penalties.<sup>2</sup>

If not used for qualified health care expenses, withdrawals after age 65 will be taxed as ordinary income (without penalty).

Federal taxes; states may differ. This is not intended to be individual tax advice. Consult your tax professional.

<sup>1</sup>Income and other restrictions may apply to contributions. Tax penalties usually apply for early withdrawals. Qualified withdrawals are generally those taken over age 59½; qualification requirements for amounts converted to a Roth from a traditional account may differ; for some account types, such as Roth accounts, contributions that are withdrawn may be qualified. See IRS Publications 590 and 560 for more information. <sup>2</sup>Withdrawals from after-tax 401(k) and non-deductible IRAs must be taken on a pro-rata basis including contributions and earnings growth. For non-deductible IRAs, all Traditional IRAs must be aggregated when calculating the amount of pro-rata contributions and earnings growth. <sup>3</sup>There are eligibility requirements. Qualified medical expenses include items such as prescriptions, teeth cleaning and eyeglasses and contacts for a medical reason. A 20% tax penalty applies on non-qualified distributions prior to age 65. After age 65, taxes must be paid on non-qualified distributions. See IRS Publication 502 for details.

Source: J.P. Morgan Asset Management.



# Diversified sources of retirement funding

Saving

Account type	Investment earnings/ withdrawals	Included when calculating whether:	
		Income taxes owed?	Social Security % taxed? Medicare surcharges?
Health Savings Account	Tax-free withdrawals (for qualified health care expenses) <sup>1</sup>		
Roth 401(k)/IRA	Tax-free withdrawals <sup>2</sup>		
Taxable Account	Tax-exempt interest		<input checked="" type="checkbox"/>
	Ordinary dividends Taxable interest	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Qualified dividends	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Realized capital gains	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Pre-tax 401(k)/ Traditional IRA	Taxable withdrawals (ordinary income) <sup>3</sup>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

**Retirement funding sources are not created equal**

Be aware of:

- Income taxes
- How much Social Security benefit is subject to tax
- Additional required Medicare premiums

Qualified withdrawals from Roth or Health Savings Accounts can provide tax-free funding that will not result in reduction of government benefits.

This is not intended to be individual tax advice; consult your tax professional.

<sup>1</sup>Must have a qualifying high-deductible health plan to make contributions. Funds in the HSA may be withdrawn tax free for qualified medical expenses unless a credit or deduction for medical expenses is claimed. After age 65, funds also may be withdrawn at ordinary income tax rates without penalty for any reason.

<sup>2</sup>Subject to 5-year Roth account holding period and age requirements.

<sup>3</sup>Withdrawal of non-deductible contributions from a traditional IRA are not taxable.

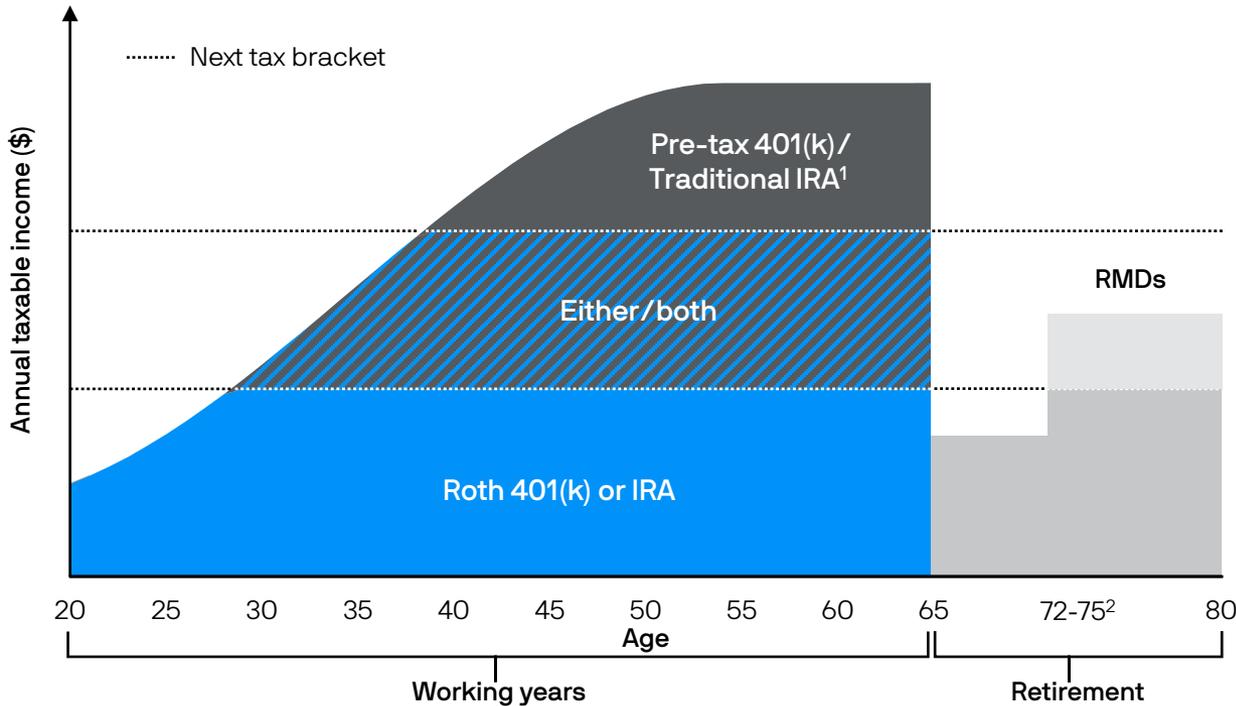
Source: J.P. Morgan Asset Management.



# Evaluate a Roth at different life stages

Saving

Contribute to a Roth account in lower-income years; Traditional in higher-income years



## Exceptions if wealth is concentrated in tax-deferred accounts:

- 1 Roth 401(k) contributions in peak earning years
- 2 Proactive Roth conversions in lower income years

### Tax diversification

Managing taxes over a lifetime requires balancing your current and future tax pictures. Make income-tax diversification a priority to have more flexibility and control in retirement.

**General rule:** Contribute to a Roth early in your career if you expect upward wage trajectory, and shift to a Traditional account as your income increases.

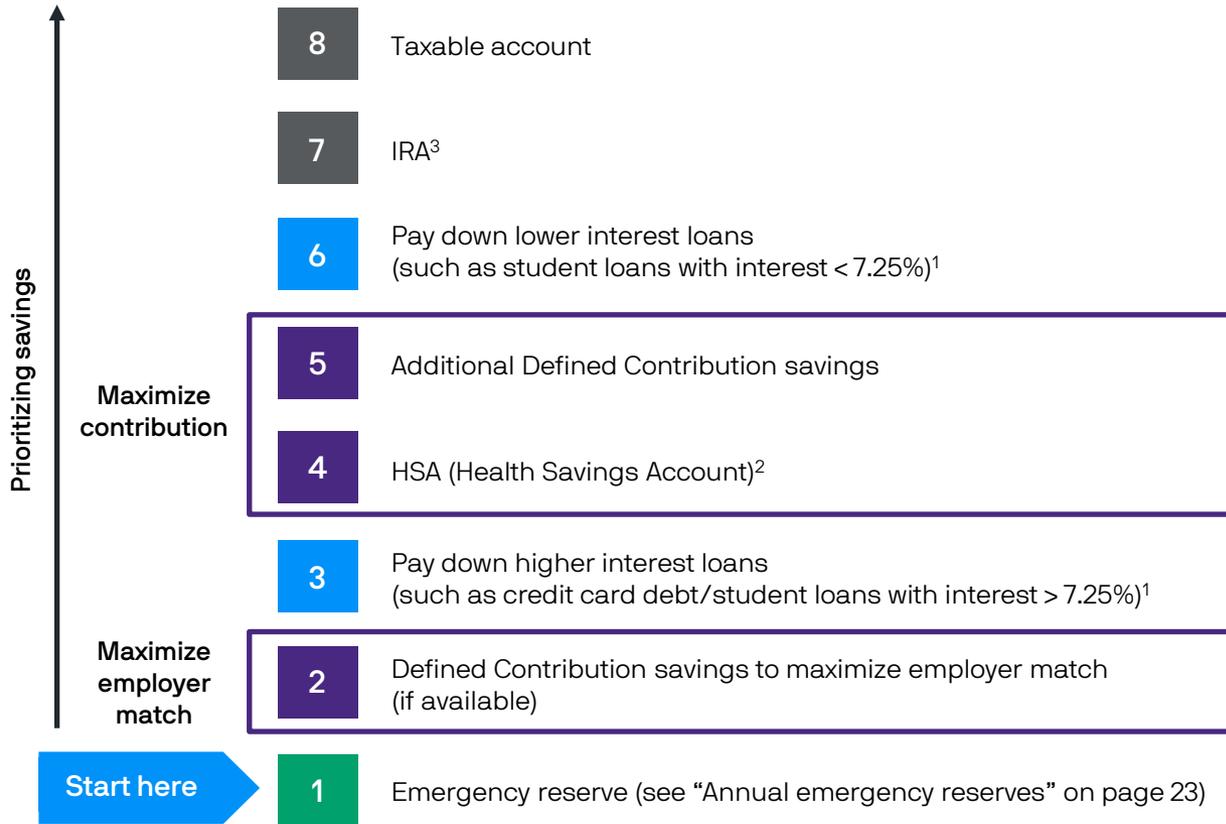
Consider the exceptions if wealth is concentrated in tax-deferred accounts.

<sup>1</sup>If eligible to make a deductible contribution (based on your MAGI = Modified Adjusted Gross Income).  
<sup>2</sup>SECURE 2.0 increased the starting age for RMD (Required Minimum Distributions) from 72 to 75 depending upon year of birth. The illustration reflects savings options into Traditional and Roth IRA accounts, as well as into pre-tax and Roth 401(k) accounts. RMDs are typically due no later than April 1 following the year the owner turns their distribution age (72-75) and are calculated every year based on the year-end retirement account value and the owner/plan participant's life expectancy using the IRS Uniform or Joint Life Expectancy Table. If the employer contributions are pre-tax, they are subject to tax upon distribution.  
 The above example is for illustrative purposes only. This is not intended to be individual tax advice; consult your tax professional.  
 Source: J.P. Morgan Asset Management.



# Prioritizing long-term retirement savings

Saving



## Getting started

Start with emergency savings to weather spending and income shocks throughout the year and make sure to take advantage of employer matching funds if they are available.

An HSA offers triple tax benefits if used for qualified medical expenses in retirement.

<sup>1</sup>This assumes that a diversified portfolio may earn 7.25% over the long term. Actual returns may be higher or lower. Generally, consider making additional payments on loans with a higher interest rate than your long-term expected investment return.

<sup>2</sup>Must have a high-deductible health insurance plan that is eligible to be paired with an HSA. Those taking Social Security benefits age 65 or older and those who are on Medicare are ineligible. Tax penalties apply for non-qualified distributions prior to age 65; consult IRS Publication 502 or your tax professional.

<sup>3</sup>Income limits may apply for IRAs. If ineligible for these, consider a non-deductible IRA or an after-tax 401(k) contribution. Individual situations will vary; consult your tax professional.

Not intended to be a personal financial plan.

Source: J.P. Morgan Asset Management.

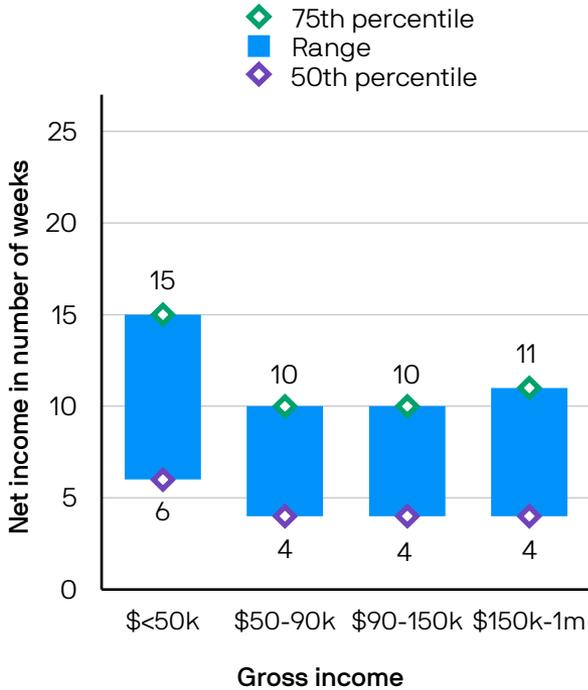


# Annual emergency reserves

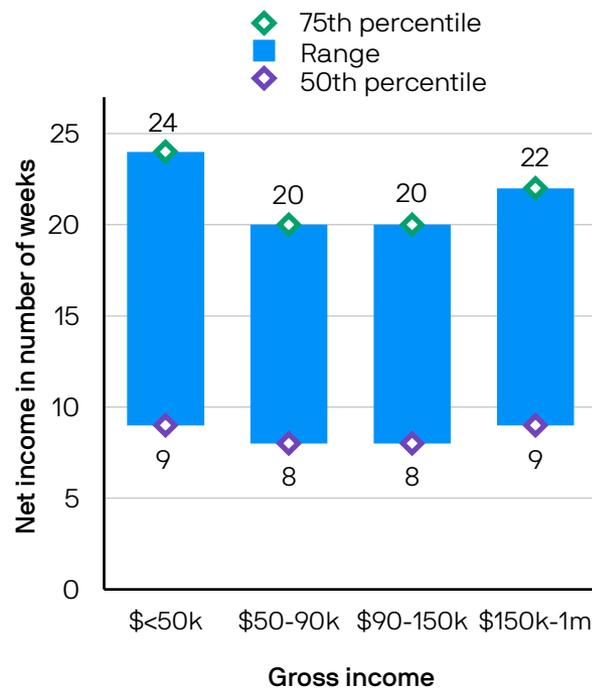
Saving

## Net income in weeks needed to weather spending and income shocks

### Workers (age 25-64)



### Retirees (age 65+)



### Prepare for uncertainties in life

Life is uncertain – spending shocks and/or job losses can happen at any time. Emergency savings can help pay for these uncertainties and keep retirement savings intact.

Workers typically encounter spending shocks more frequently (about once every three months) than income shocks (about once a year).

- Consider setting aside 2-3 months of pay

Retirees encounter more spending shocks in larger amounts than workers, likely due to unpredictable costs such as health care.

- Consider setting aside 3-6 months of income

Spending shocks are calculated monthly and include those months when monthly spending is 25% above the previous 12 months' median spending and the 25% excess spending amount could not be funded by that month's income. Income shocks are calculated monthly and include those months when monthly income is 25% less than the previous 12 months' median income and that month's spending amount could not be funded by the reduced income. Source: J.P. Morgan Asset Management; longitudinal Chase data (2023-2024) of those households with monthly income, which may include wage income, unemployment, etc. Chase data includes internal select data from JPMorgan Chase Bank, N.A. and its affiliates (collectively "Chase") including select Chase check, cash, credit and debit card and electronic payment transactions from January 1, 2023 to December 31, 2024. Additional information on J.P. Morgan Asset Management's data privacy standards available at [am.jpmorgan.com/us/en/asset-management/mod/insights/retirement-insights/gtr-privdisc/](https://am.jpmorgan.com/us/en/asset-management/mod/insights/retirement-insights/gtr-privdisc/).

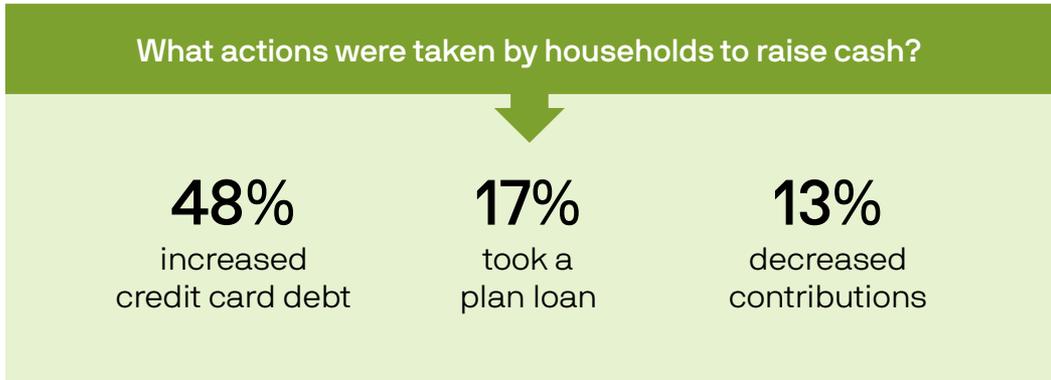
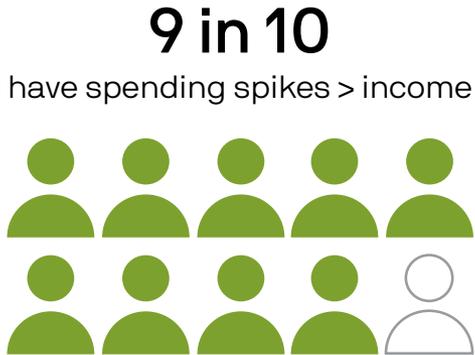


# Lack of emergency savings can impact retirement readiness

Spending

## Households with spending spikes

Monthly spending 25% above the previous 12 months' median spending



## Build emergency savings

Emergency savings is a necessity for everyone. Households without an adequate cash buffer are more likely to take on debt and find themselves at risk of not achieving a successful retirement outcome.

Employers can help:

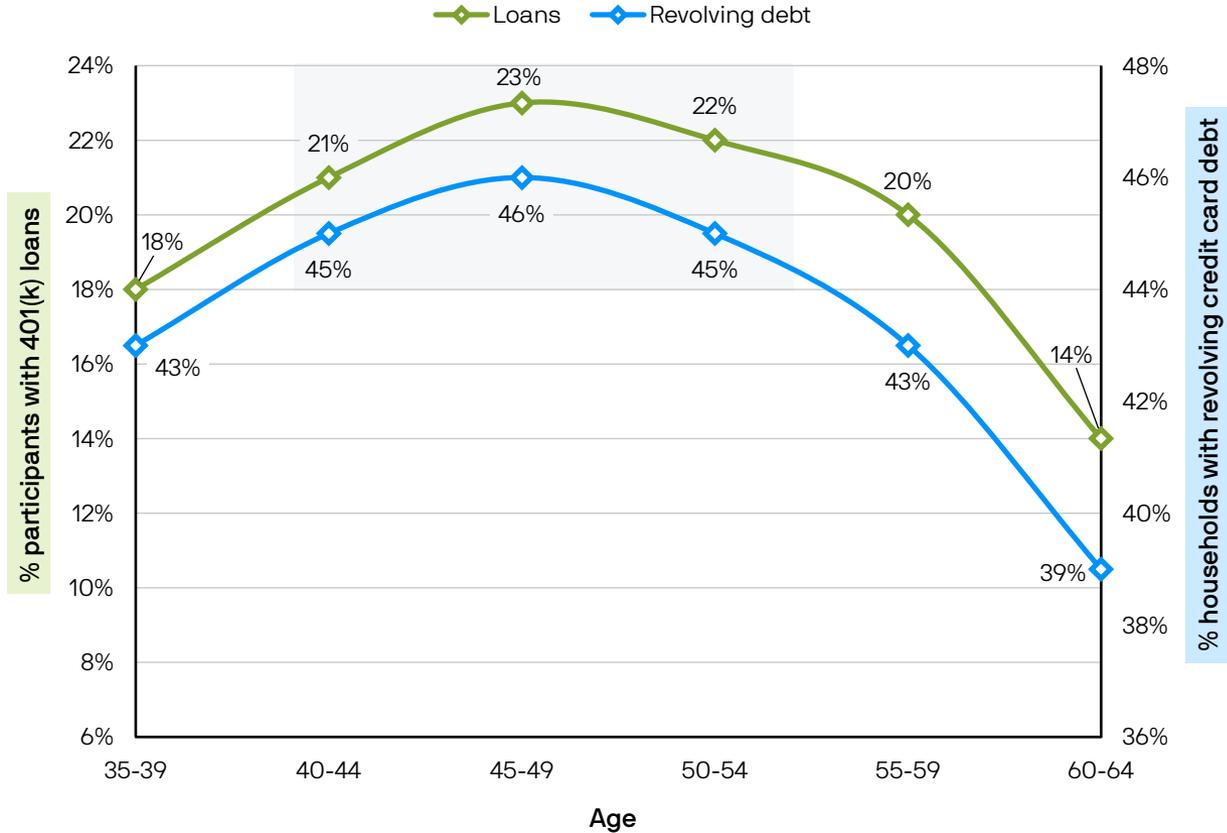
- Four in 10 401(k) plan participants lack emergency savings.
- Seven in 10 said access to an emergency savings account through their employer is appealing.

Source: How Financial Factors Outside of a 401(k) Plan Can Impact Retirement Readiness [ebri.org/content/summary/how-financial-factors-outside-of-a-401\(k\)-plan-can-impact-retirement-readiness](https://www.ebri.org/content/summary/how-financial-factors-outside-of-a-401(k)-plan-can-impact-retirement-readiness); statistics on 401(k) participants: J.P. Morgan Plan Participant Survey Findings, 2024.



# Liquidity needs peak at mid-life

### Percentage of people with 401(k) loans or credit card debt peaks at mid-life



Spending

### Be prepared

Personal and family related expenses may peak at mid-life.

Saving early and emergency savings can help manage unexpected expenses.

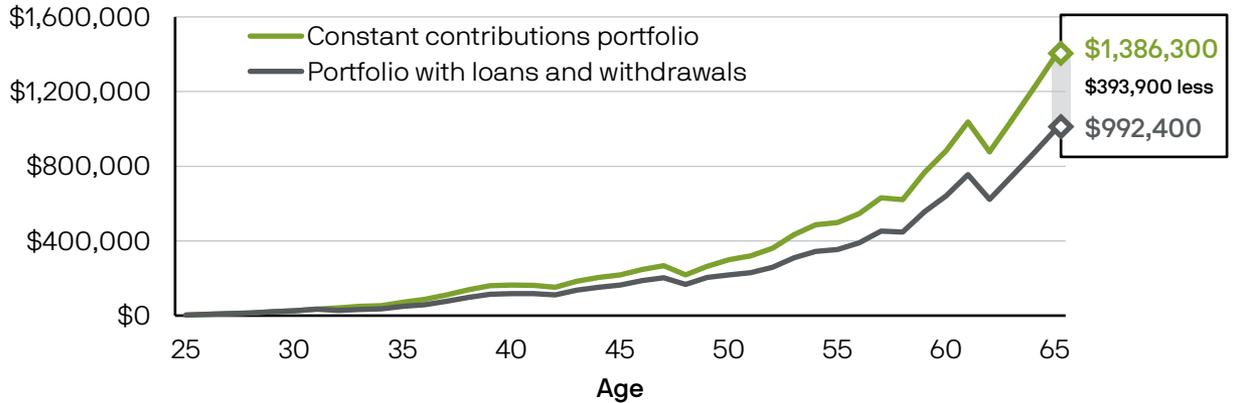
Percentage of people with 401(k) loan is based on Employee Benefit Research Institute data from 2021-2022 trends; percentage of people with credit card revolving debt is based on 2016-2024 select credit card data from JPMorgan Chase Bank, N.A. and its affiliates (collectively "Chase"). Information that would have allowed identification of specific customers was removed prior to the analysis. Source: J.P. Morgan Asset Management, Retirement by the Numbers, 2025.



# The toxic effect of loans and withdrawals

Spending

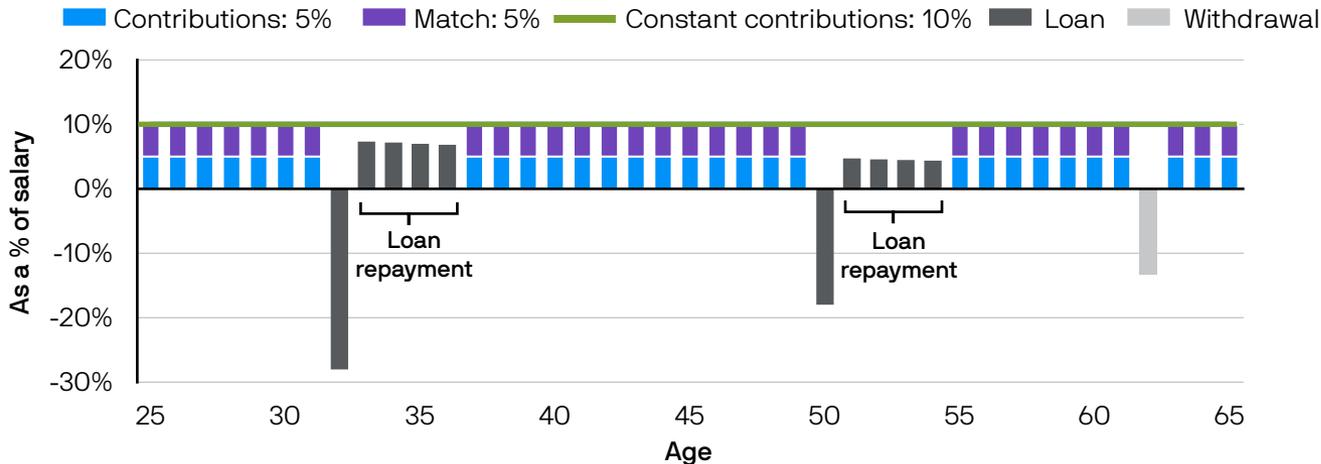
### Growth of 401(k) investment



### Mitigate the effects of loans

If taking a loan from your 401(k) is unavoidable, try to mitigate the impact by continuing contributions while repaying the loan. It is especially important to ensure you continue to receive an employer match, if available.

### Assumed cash flows: 401(k) contributions, loans and withdrawals



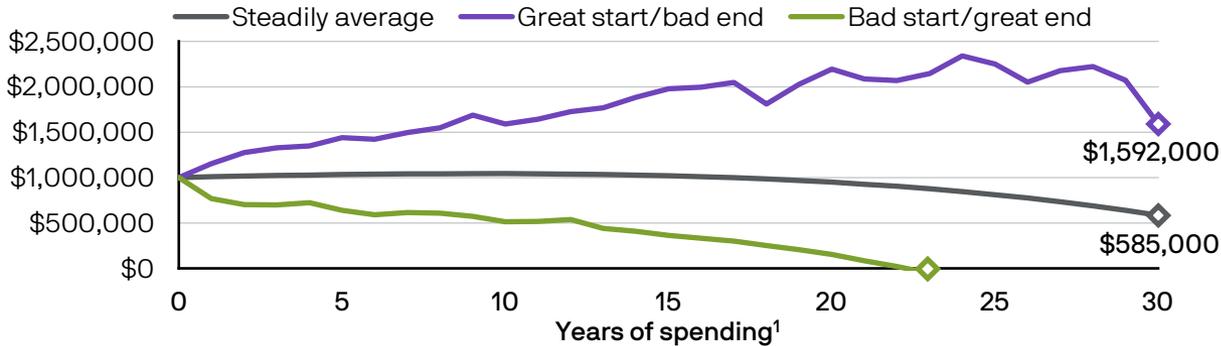
For illustrative purposes only. Hypothetical portfolio is assumed to be invested 60% in the S&P 500 and 40% in the Bloomberg Capital U.S. Aggregate Index 1985-2025. Starting salary of \$30,000 increases by 2.5% each year. Loan and withdrawal amounts are assumed to be \$10,000. Loan interest rate is assumed to be 7.5% and is paid off over 4 years.  
Source: J.P. Morgan Asset Management.



# Sequence of return risk: Retirement spending

Spending

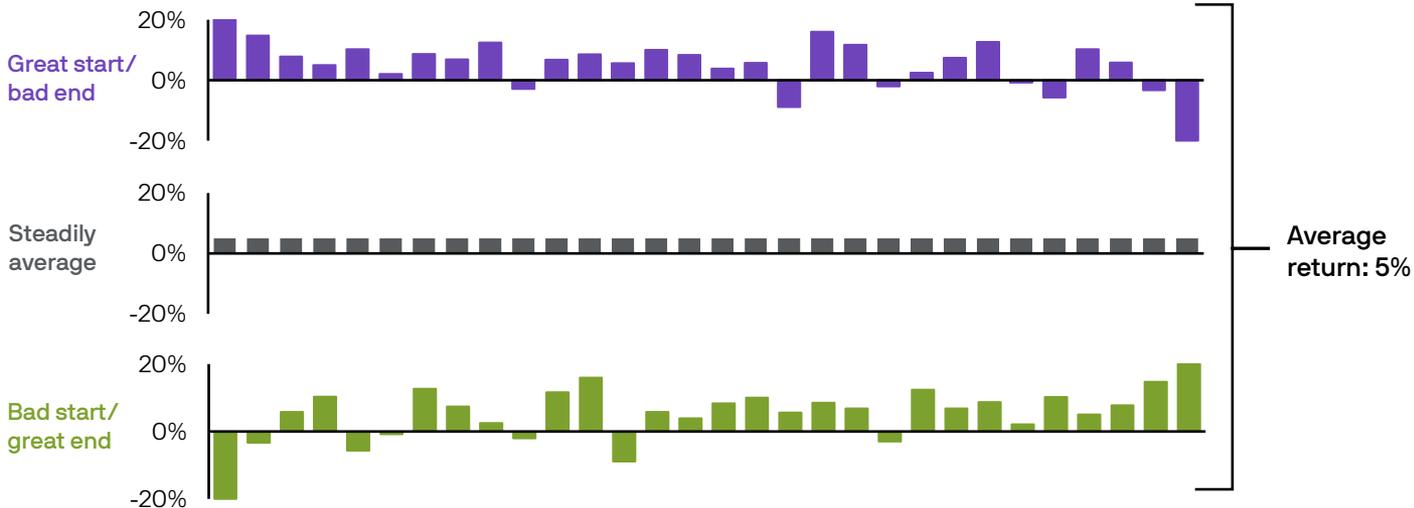
Spending: Portfolio values assuming various return sequence scenarios



## The greatest risk is when wealth is greatest

Funding spending from your portfolio can add a layer of risk that is not present when saving for retirement. And relatively small percentage declines in value may add up to relatively large absolute dollar losses when your wealth is at its peak.

Annual returns by scenario



<sup>1</sup>Years of spending assumes an initial \$1,000,000 and a 4% withdrawal adjusted annually for 2.5% inflation.

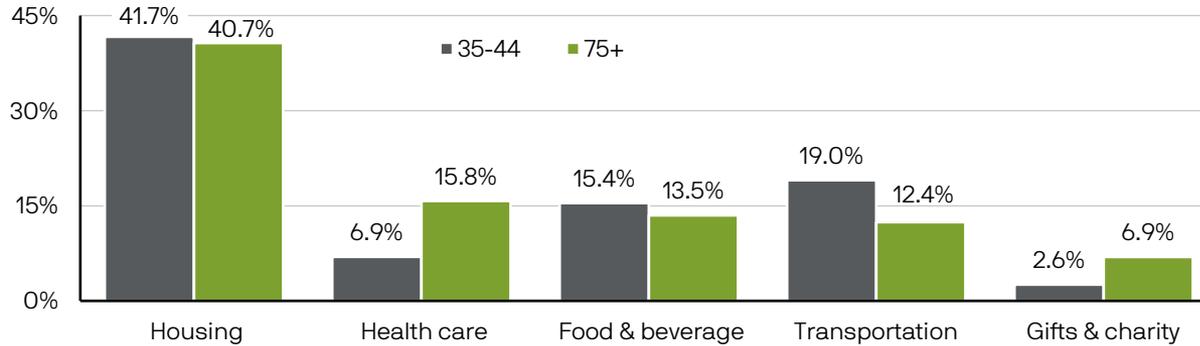
Source: J.P. Morgan Asset Management. Hypothetical return scenarios are for illustrative purposes only and are not meant to represent an actual asset allocation.



# Spending and inflation

Spending

### Average annual spending by age and category 2017-2024



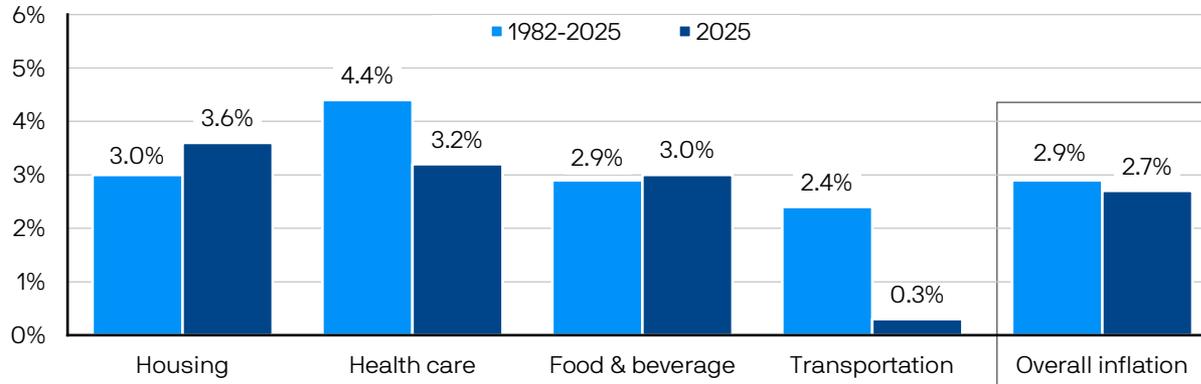
### Take a long-term view

Households may benefit from a long-term view of inflation and how spending may change over time.

As a percentage of their spending, older households purchase more health care and gifts, but less on food and transportation.

The spending categories shown are 89% of spending for households age 75+.

### Annual average inflation by spending category



Source: (Top chart) U.S. Bureau of Labor Statistics, 2017-2024 annual average Consumer Expenditure Survey, adjusted to December 2025 dollars. Housing inflation includes imputed rent (the amount a household would pay to rent the house they own). Housing spending includes mortgage payments, rent, property taxes, maintenance, utilities and furnishings. Those who own their home outright or have low fixed mortgages may have a hedge against inflation. Additional spending categories for age 35-44 and 75+, respectively: entertainment 6% and 4%; other 4% and 4%; apparel 3% and 2%; education 2% and 1%; (Bottom chart) U.S. Bureau of Labor Statistics, Consumer Price Index (all urban consumers, seasonally adjusted), J.P. Morgan Asset Management.

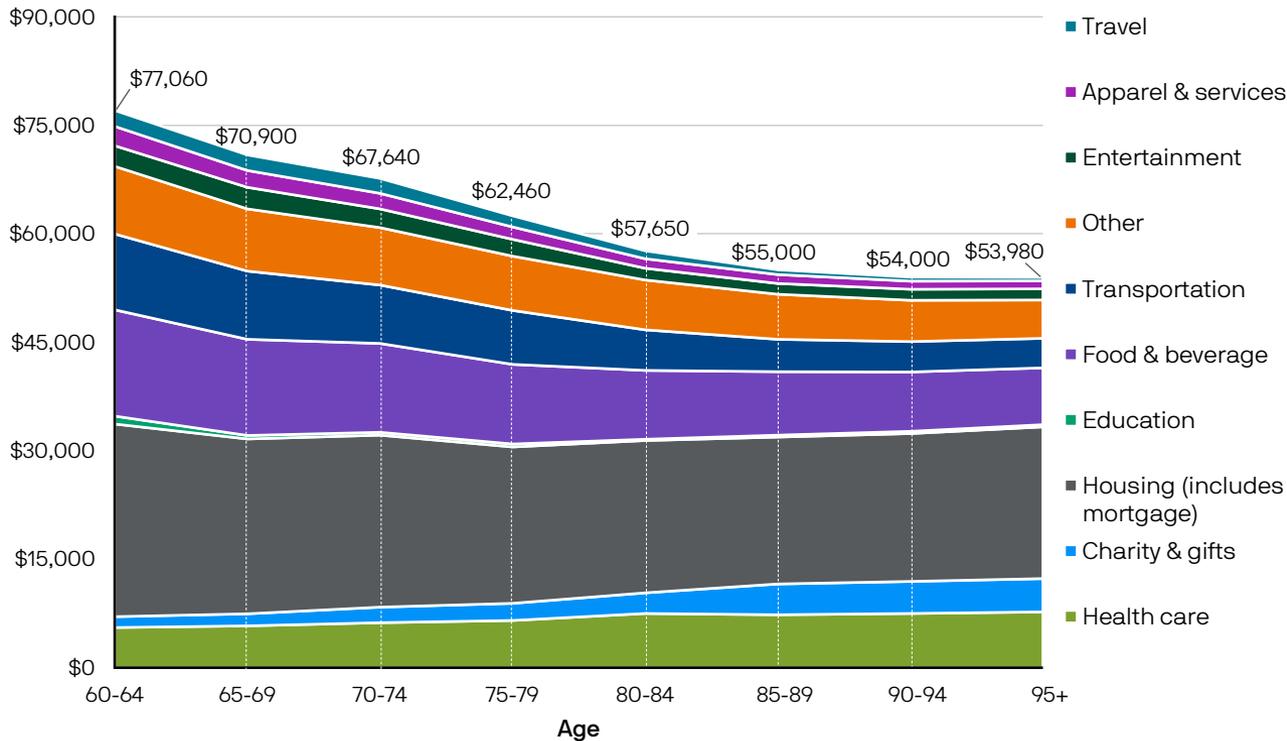


# Changes in spending

Partially- and fully-retired households  
\$250k-\$750k investable wealth

Spending

### Annual average household spending by age



### What to expect

Average spending declines from the early part of retirement, then tends to flatten out. Those at older ages tend to spend less on all categories except health care and charitable contributions.

Those who live to the oldest ages may have costs related to long-term care.

Fully-retired households receive retirement income only, including Social Security, pension and/or annuity payments. Source: J.P. Morgan Asset Management, based on internal select data from JPMorgan Chase Bank, N.A. and its affiliates (collectively "Chase") including select Chase check, credit and debit card and electronic payment transactions from January 1, 2017 to November 30, 2025. Check and cash distribution: 2021 CE Survey; J.P. Morgan Asset Management. Information that would have allowed identification of specific customers was removed prior to the analysis. Other includes: tax payments, insurance, gambling, personal care and uncategorized items. Asset estimates for de-identified and aggregated households supplied by Windfall. Estimates include all investable assets except employer-sponsored plans, home equity and other non-portable assets. Additional information on J.P Morgan Asset Management's data privacy standards available at [am.jpmorgan.com/us/en/asset-management/mod/insights/retirement-insights/gtr-privdisc/](https://am.jpmorgan.com/us/en/asset-management/mod/insights/retirement-insights/gtr-privdisc/).



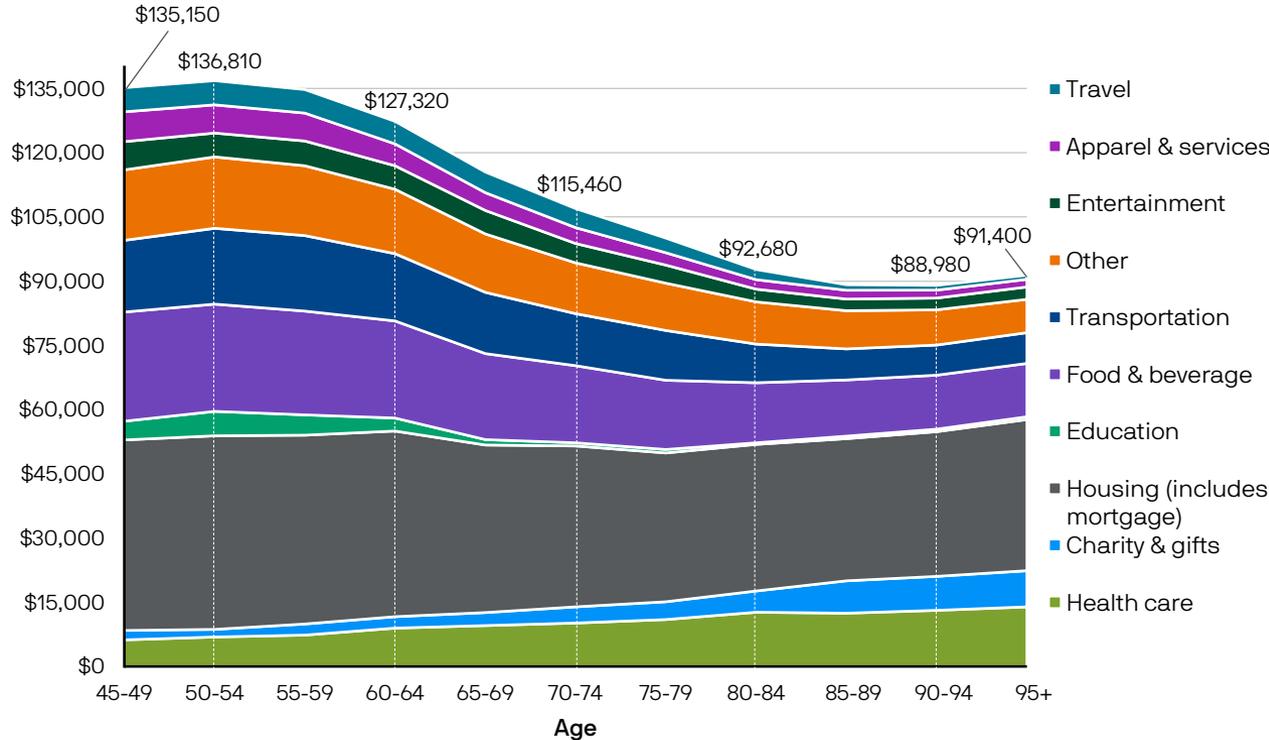
# Changes in spending

All households  
\$1m-\$3m investable wealth

GTR 30

Spending

### Annual average household spending by age



### What to expect

Average spending is highest at mid-life. Those at older ages tend to spend less on all categories except health care and charitable contributions.

Those who live to the oldest ages may have costs related to long-term care.

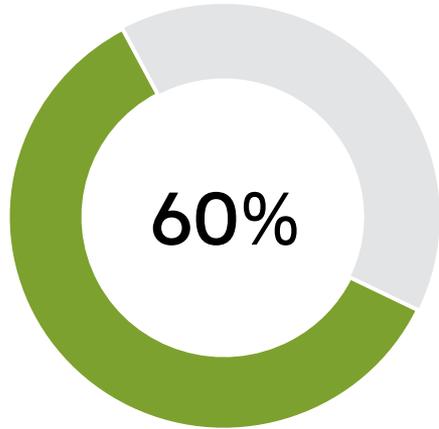
Source: J.P. Morgan Asset Management, based on internal select data from JPMorgan Chase Bank, N.A. and its affiliates (collectively "Chase") including select Chase check, credit and debit card and electronic payment transactions from January 1, 2017 to November 30, 2025. Check and cash distribution: 2021 CE Survey; J.P. Morgan Asset Management. Information that would have allowed identification of specific customers was removed prior to the analysis. Other includes: tax payments, insurance, gambling, personal care and uncategorized items. Asset estimates for de-identified and aggregated households supplied by Windfall. Estimates include all investable assets except employer-sponsored plans, home equity and other non-portable assets. Additional information on J.P. Morgan Asset Management's data privacy standards available at [am.jpmorgan.com/us/en/asset-management/mod/insights/retirement-insights/gtr-privdisc/](https://am.jpmorgan.com/us/en/asset-management/mod/insights/retirement-insights/gtr-privdisc/).



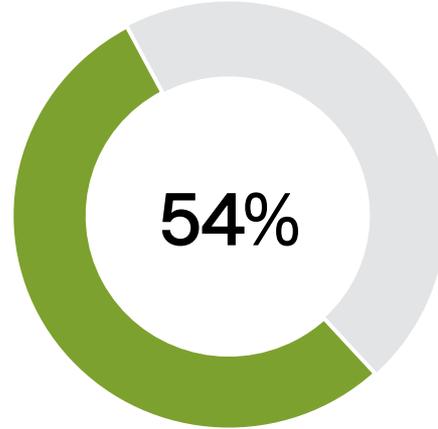
# Spending volatility in retirement

Spending

Spending fluctuates more than 20% per year for a significant number of retirees



Compared to the year before retirement, 6 in 10 new retirees experience spending volatility in the first three years of retirement...



...and this continues throughout retirement with more than half of those age 75-80 experiencing spending volatility from year to year

## Prepare for spending fluctuations

Even though spending tends to decrease starting at mid-life, there is significant variation from year to year for many retirees.

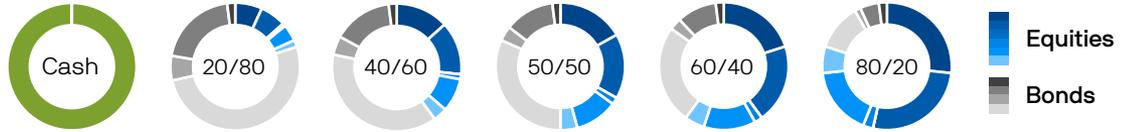
Recent retirees will need to prepare for sequence of return risk near retirement and have flexibility for variable spending as they age.

For retirement income starting age 60-69. 2013-2019 (pre-pandemic) results are similar with 55% on the left chart and 51% on the right chart. Source: J.P. Morgan Asset Management, based on select data from JPMorgan Chase Bank, N.A. and its affiliates (collectively "Chase") including select Chase check, credit and debit card and electronic payment transactions from 2016-2024. Inflation-adjusted to 2024. Information that would have allowed identification of specific customers was removed prior to the analysis. Additional information on J.P. Morgan Asset Management's data privacy standards available at [am.jpmorgan.com/us/en/asset-management/mod/insights/retirement-insights/gtr-privdisc/](https://am.jpmorgan.com/us/en/asset-management/mod/insights/retirement-insights/gtr-privdisc/).



# Effects of withdrawal rates and portfolio allocations

## Likelihood of success after 35 years in retirement Various initial withdrawal rates and diversified asset allocations



Initial withdrawal rate	1%	95-100	95-100	95-100	95-100	95-100	High Confidence	
	2%	95-100	95-100	95-100	95-100	95-100		
	3%	95-100	95-100	95-100	95-100	95-100		
	4%	0-5	85-90	90-95	90-95	90-95	85-90	Medium Confidence
	5%	0-5	45-50	60-65	65-70	65-70	70-75	
	6%	0-5	10-15	25-30	35-40	40-45	50-55	
	7%	0-5	0-5	10-15	15-20	20-25	30-35	Low Confidence
	8%	0-5	0-5	0-5	5-10	10-15	20-25	
	9%	0-5	0-5	0-5	0-5	5-10	10-15	
	10%	0-5	0-5	0-5	0-5	0-5	5-10	

### Find your balance

An overly conservative withdrawal rate may require unnecessary lifestyle sacrifices. While a more equity-heavy portfolio may lead to higher likelihoods of success, the magnitude of the failures may be greater due to increased volatility.

A well-diversified portfolio with a dynamic withdrawal strategy is typically optimal.

Spending

Source: This chart is for illustrative purposes only and must not be used, or relied upon, to make investment decisions. Portfolios are described using equities/bonds. For asset allocation details, see "Model Portfolio Details" on the Disclosure page. J.P. Morgan Asset Management's (JPMAM) model is based on proprietary Long-Term Capital Market Assumptions (first 12 years) and equilibrium returns (23 years). The resulting projections include only the benchmark return associated with the portfolio and do not include alpha from the underlying product strategies within each asset class. The yearly withdrawal amount (1% to 10%) is set as a fixed percentage of the initial amount of \$1,000,000 and is then inflation adjusted over the period (2.5%). The percentile outcomes represent the percentage of simulated results with an account balance greater than \$0 after 35 years (e.g., "95-100" means that 95-100% of simulations had account balances greater than \$0 after 35 years). Overlap percentiles are included in the lower bracket (e.g., 80 is included in "75-80"; 85 is included in "80-85"). Allocations, assumptions and expected returns are not meant to represent JPMAM performance. Given the complex risk/reward trade-offs involved, we advise clients to rely on judgment as well as quantitative optimization approaches in setting strategic allocations. References to future returns for either asset allocation strategies or asset classes are not promises or even estimates of actual returns a client portfolio may achieve.

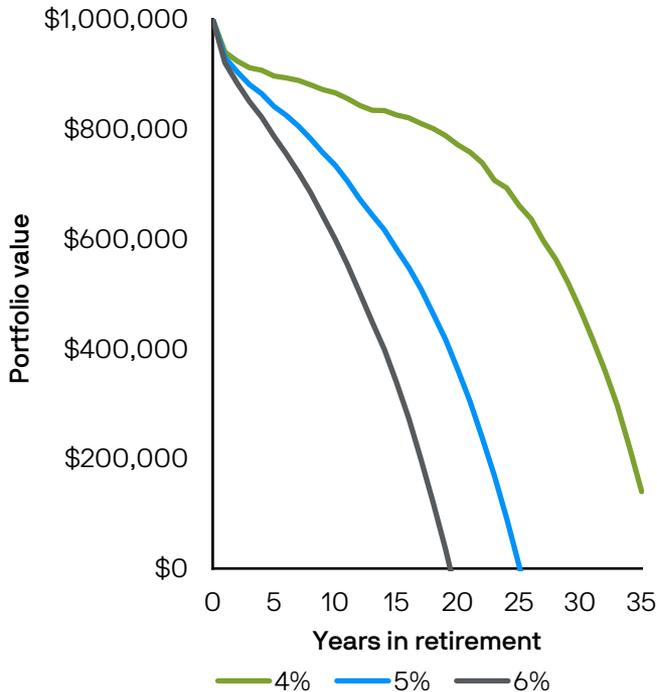


# The 4% rule: Projected outcomes vs. historical experience

Spending

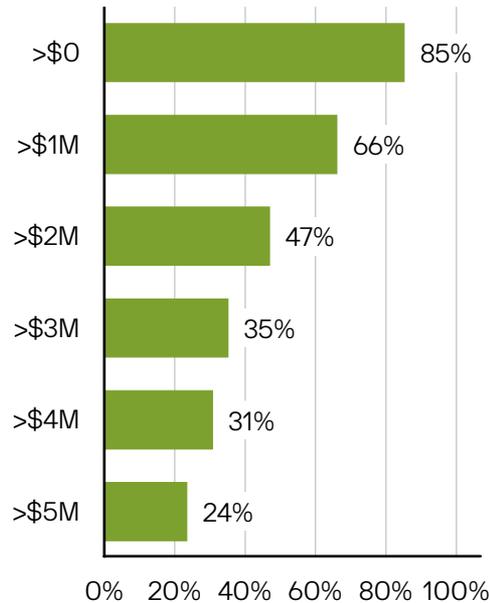
### 40/60 portfolio at various initial withdrawal rates

Projected nominal outcomes, 80<sup>th</sup> percentile



### Historical ending wealth at 4% initial withdrawal rate (1928-2025)

69 rolling 30-year periods



## Good in theory, poor in practice

The 4% rule is the maximum initial withdrawal percentage that has a high likelihood of not running out of money after 30 years. With current life expectancies, a 35-year view is more appropriate.

The outcomes are sensitive to forward-looking return assumptions, and the rule is not guidance on how to efficiently use your wealth.

You may want to consider a dynamic approach that adjusts over time to more effectively use your retirement savings.

Source: (Right chart) The portfolio returns for the historical analysis are calculated based on 40% S&P 500 Total Return and 60% Bloomberg U.S. Aggregate Total Return. Each portfolio's starting value is set at \$1,000,000. Withdrawals are increased annually by CPI (CPI NSA Index). Ending wealth at the end of each 30-year rolling period is in nominal terms.

(Left chart) The hypothetical portfolio assumes All Country World Equity and U.S. Aggregate Bonds. J.P. Morgan Asset Management's (JPMAM) model is based on proprietary Long-Term Capital Market Assumptions (first 12 years) and equilibrium returns (23 years). The resulting projections include only the benchmark return associated with the portfolio and do not include alpha from the underlying product strategies within each asset class. The yearly withdrawal amount is set as a fixed percentage of the initial amount of \$1,000,000 and is then inflation adjusted over the period (2.5%). Allocations, assumptions and expected returns are not meant to represent JPMAM performance. Given the complex risk/reward trade-offs involved, we advise clients to rely on judgment as well as quantitative optimization approaches in setting strategic allocations. References to future returns for either asset allocation strategies or asset classes are not promises or even estimates of actual returns a client portfolio may achieve.

These charts are for illustrative purposes only and must not be used, or relied upon, to make investment decisions. Portfolios are described as equity/bond percentages (e.g., a 40/60 portfolio is 40% equities and 60% bonds).



# More guaranteed income = less fear of spending

Total retirement wealth \$1m-\$3m



Median spending  
Total retirement wealth \$1m-\$3m



Less guaranteed income More guaranteed income

**Guaranteed income can give you confidence to spend**

After building up their account values over their lifetimes, many individuals are reluctant to see their balances go down.

This can result in people with similar total wealth spending differently depending on how much guaranteed income they have.

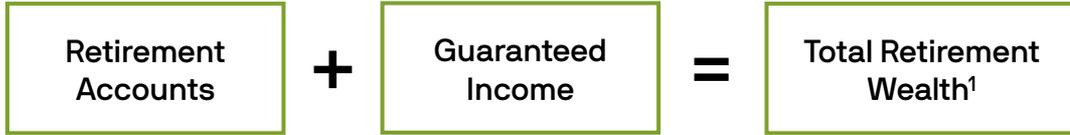
<sup>1</sup>Total retirement includes wealth in retirement accounts and the present value of future guaranteed income payments. Source: Chase data including select Chase credit and debit card, electronic payment, ATM withdrawal and check transactions in 2023-2024. Information that would have allowed identification of specific customers was removed prior to the analysis. Asset estimates for de-identified and aggregated households supplied by Windfall Data Inc. Total retirement wealth is the sum of investable wealth and the present value of observed guaranteed income sources including Social Security (inflated), pensions and annuities (both not inflated) until age 90. Inflation rate assumption is 2.5%. Observed retirement income sources are adjusted to pre-tax values to be consistent with investable wealth.



# More guaranteed income = less fear of spending

Total retirement wealth \$3m-\$5m

GTR 35



Median spending  
Total retirement wealth \$3m-\$5m



Less guaranteed income More guaranteed income

**Guaranteed income can give you confidence to spend**

After building up their account values over their lifetimes, many individuals are reluctant to see their balances go down.

This can result in people with similar total wealth spending differently depending on how much guaranteed income they have.

Spending

<sup>1</sup>Total retirement includes wealth in retirement accounts and the present value of future guaranteed income payments. Source: Chase data including select Chase credit and debit card, electronic payment, ATM withdrawal and check transactions in 2023-2024. Information that would have allowed identification of specific customers was removed prior to the analysis. Asset estimates for de-identified and aggregated households supplied by Windfall Data Inc. Total retirement wealth is the sum of investable wealth and the present value of observed guaranteed income sources including Social Security (inflated), pensions and annuities (both not inflated) until age 90. Inflation rate assumption is 2.5%. Observed retirement income sources are adjusted to pre-tax values to be consistent with investable wealth.



# Retirement income management is critical

## Two common priorities



I want to spend with confidence



I want flexibility

## Key questions to consider



How much income will I receive?



How long will my money last?



How much risk should I take?



Will I have access to my money?

## People largely share the same retirement income solution preferences

Consider retirement income strategies that:

- Support secure spending throughout retirement
- Offer flexibility to adapt to unexpected needs
- Address key questions about income, risk and access to your savings

Spending



# Consider how to fund your retirement goals

How will you use your portfolio in retirement?

## Strategy

## Retiree profile



### **Total return**

*Investment return exceeds spending needs*

- Wealth and guaranteed income sufficient to cover spending
- Comfortable with variability of returns



### **Preserve principal**

*Spend investment return only (income and/or appreciation)*

- Desire to maintain portfolio balance
- Bequest goal and/or plan to use principal to fund long-term care



### **Spend principal**

*Spend from investment return and principal to meet needs*

- Prioritize spending needs
- May utilize guaranteed income and/or a dynamic withdrawal strategy

## Align your portfolio with your goals

Once you determine how you want to fund your goals, make the necessary adjustments in your investment and spending strategies.

You may also choose a combination of strategies.



# Structuring a portfolio to match investor goals in retirement

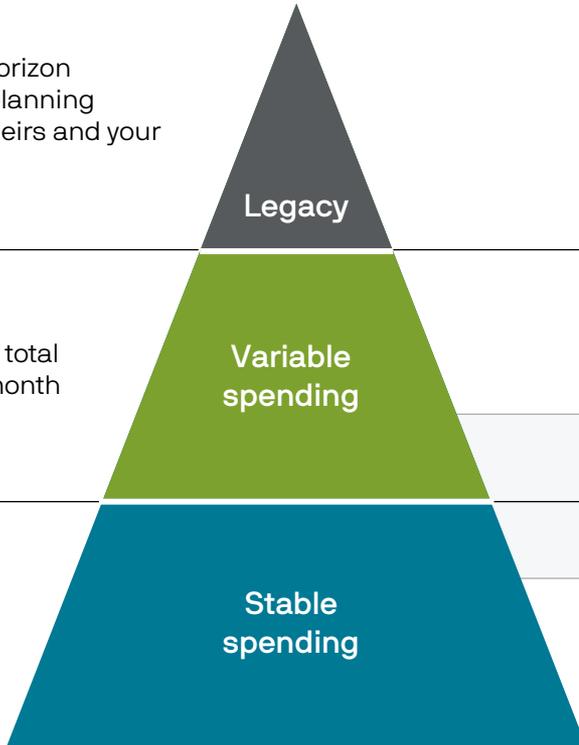
Investing

### Considerations

What is the time horizon and appropriate planning strategy for your heirs and your estate goals?

How much of your total spending **varies** month to month?

How much do you **regularly spend** each month?



### Potential solutions

- Growth-oriented portfolios
- Capital preservation strategies
- Alternatives<sup>1</sup>

- Cash & cash equivalents

- Income distributed from:
- Dividend-paying stocks/funds
  - Fixed income securities/funds
  - Multi-asset solutions

- Protected lifetime income
- Pension
- Social Security

### Building your plan

It may be useful to match dependable income sources with regular retirement spending, while coordinating income-oriented solutions and a cash reserve to meet more variable expenses.

For illustrative purposes only. Fixed income is subject to interest rate risk. Fixed income prices generally fall when interest rates rise. The price of equity securities may rise or fall because of changes in the broad market or changes in a company's financial condition, sometimes rapidly or unpredictably. Investing in alternative assets involves higher risks than traditional investments and is suitable only for the long term. They are not tax efficient and have higher fees than traditional investments. They may also be highly leveraged and engage in speculative investment techniques, which can magnify the potential for investment loss or gain.

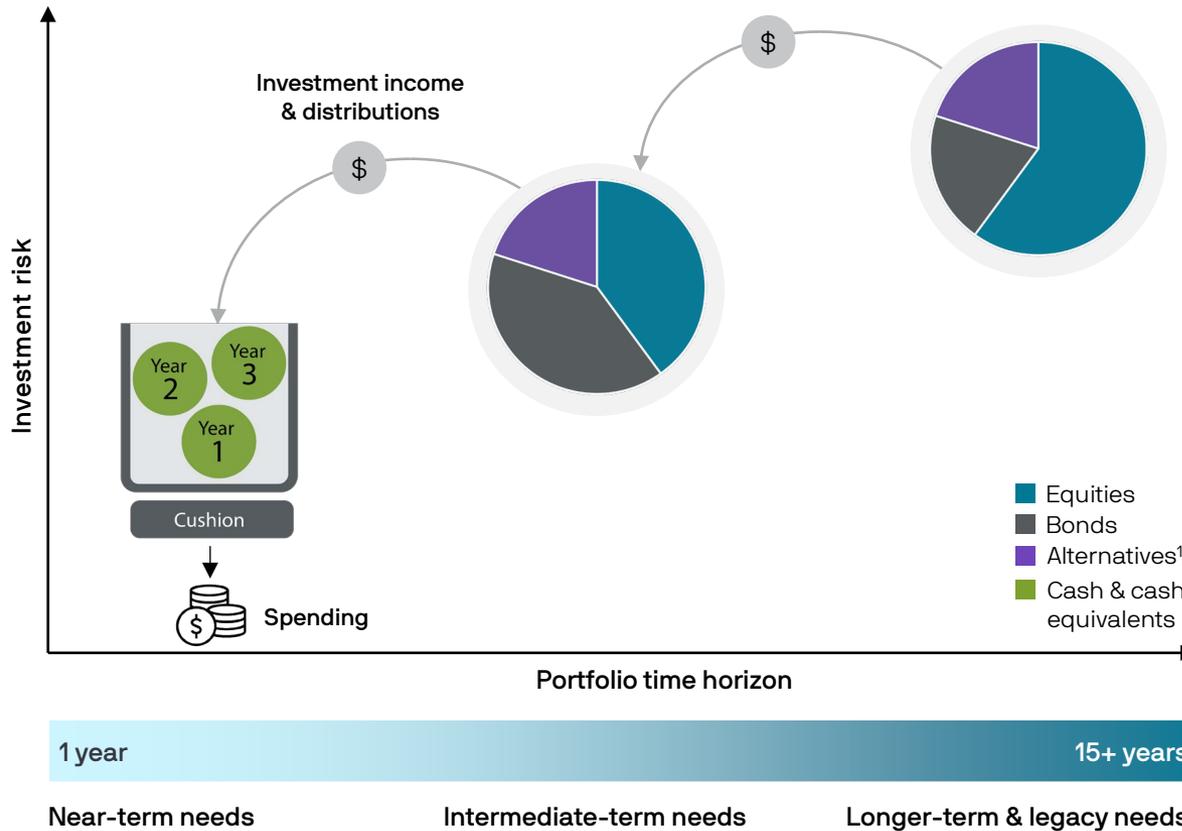
<sup>1</sup>Equity, fixed income and cash are considered "traditional" asset classes. The term "alternative" describes all non-traditional asset classes. They include private and public equity, venture capital, hedge funds, real estate, commodities, distressed debt and more.

Source: J.P. Morgan Asset Management.



# Structuring a portfolio in retirement: The bucket strategy

Investing



**Time-based segmentation**

Aligning your time horizon with an investment approach may help you to be more comfortable with maintaining diversified portfolio allocations in retirement.

For the near-term portfolio, consider maintaining:

- Funds to cover 1-3 years of the gap between your income and spending needs
- A cushion for unexpected expenses

For illustrative purposes only. Bonds are subject to interest rate risks. Bond prices generally fall when interest rates rise. The price of equity securities may rise or fall because of changes in the broad market or changes in a company's financial condition, sometimes rapidly or unpredictably. Equity securities are subject to stock market risk, meaning that stock prices in general may decline over short or extended periods of time. Investing in alternative assets involves higher risks than traditional investments and is suitable only for the long term. They are not tax efficient and have higher fees than traditional investments. They may also be highly leveraged and engage in speculative investment techniques, which can magnify the potential for investment loss or gain.

<sup>1</sup>Equity, fixed income and cash are considered traditional asset classes. The term "alternative" describes all non-traditional asset classes. They include private and public equity, venture capital, hedge funds, real estate, commodities, distressed debt and more.

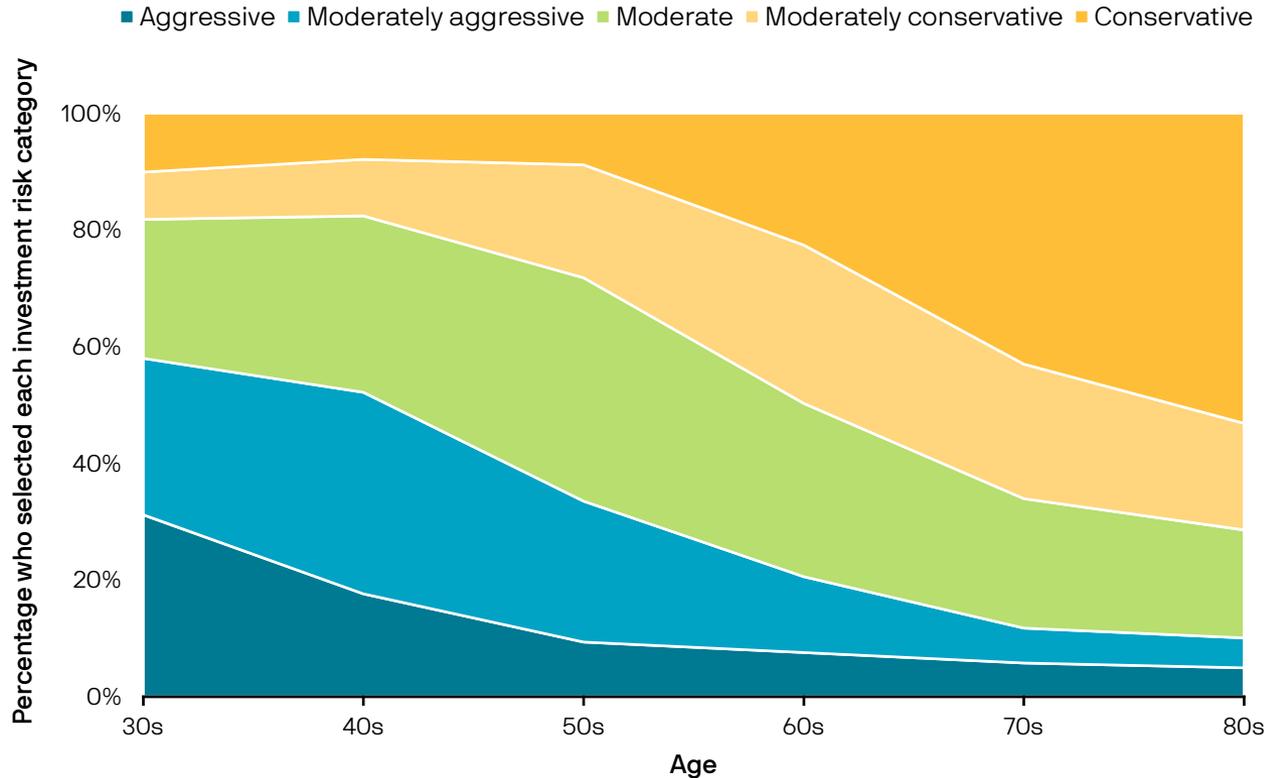
Source: J.P. Morgan Asset Management.



# Taking risk gets harder with age

## Participants' risk tolerance preferences decrease as they near retirement

"How would you describe your investment risk tolerance at these different points in time?"<sup>1</sup>



### Assess your investment strategy as you near retirement

78% of 401(k) plan participants are concerned about the value of their assets going down just before they retire, and 76% are worried about a decline in the markets in the first few years in retirement.

To manage this, consider:

- A target date fund that will automatically adjust as you get older
- A guaranteed income solution
- Working with a financial professional on your plan

Investing

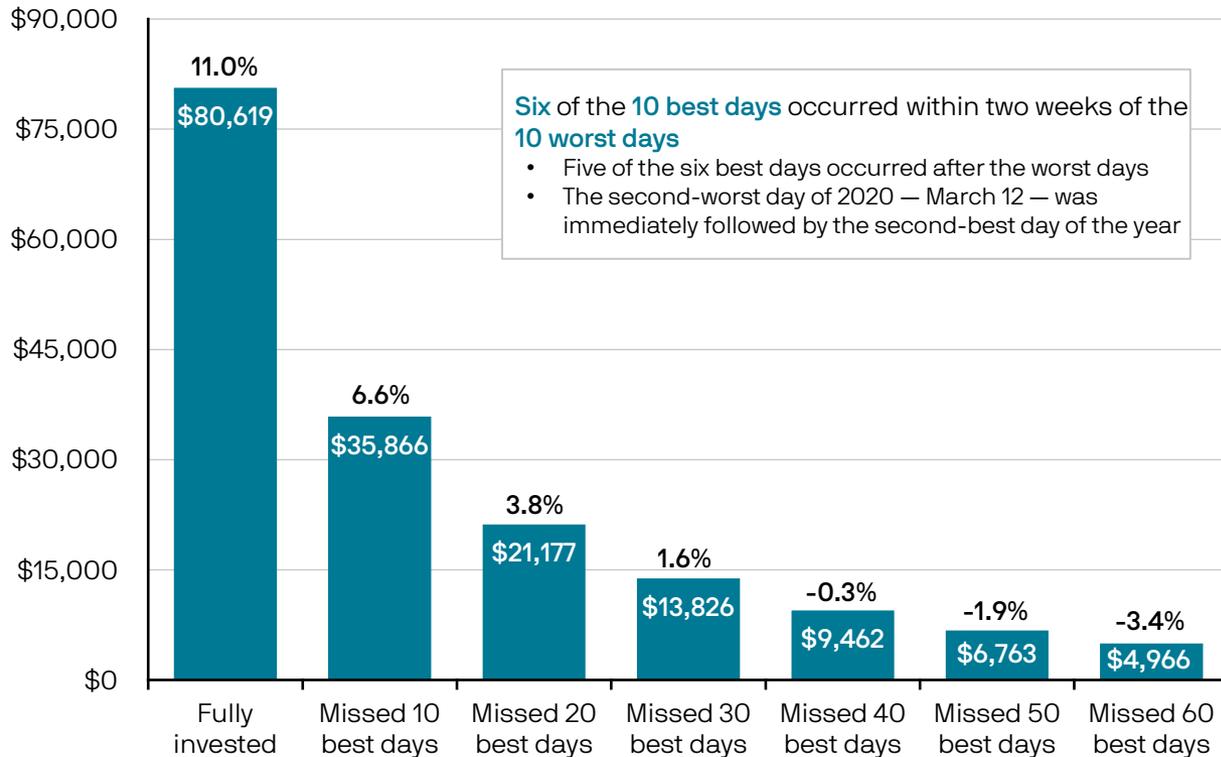
<sup>1</sup>Question abridged from original and includes participants' view of their future self. Source: J.P. Morgan Asset Management Plan Participant Research, 2024.



# Impact of being out of the market

## Returns of the S&P 500

Performance of a \$10,000 investment between January 2, 2006 and December 31, 2025



Six of the 10 best days occurred within two weeks of the 10 worst days

- Five of the six best days occurred after the worst days
- The second-worst day of 2020 — March 12 — was immediately followed by the second-best day of the year

Investing

### Plan to stay invested

Losses hurt more than gains feel good. Market lows can result in emotional decision making.

Taking “control” by selling out of the market after the worst days is likely to result in missing the best days that follow. Investing for the long term in a well-diversified portfolio can result in a better retirement outcome.

Returns are based on the S&P 500 Total Return Index, an unmanaged, capitalization-weighted index that measures the performance of 500 large capitalization domestic stocks representing all major industries. Indices do not include fees or operating expenses and are not available for actual investment. The hypothetical performance calculations are shown for illustrative purposes only and are not meant to be representative of actual results while investing over the time periods shown. The hypothetical performance calculations are shown gross of fees. If fees were included, returns would be lower. Hypothetical performance returns reflect the reinvestment of all dividends. The hypothetical performance results have certain inherent limitations. Unlike an actual performance record, they do not reflect actual trading, liquidity constraints, fees and other costs. Also, since the trades have not actually been executed, the results may have under- or overcompensated for the impact of certain market factors such as lack of liquidity. Simulated trading programs in general are also subject to the fact that they are designed with the benefit of hindsight. Returns will fluctuate and an investment upon redemption may be worth more or less than its original value. Past performance is not indicative of future returns. An individual cannot invest directly in an index. Data as of December 31, 2025. Source: J.P. Morgan Asset Management using data from Bloomberg.



# Goals-based wealth management

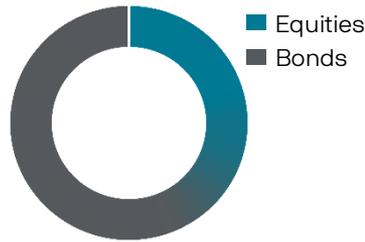
## Short-term goals

Includes an emergency reserve



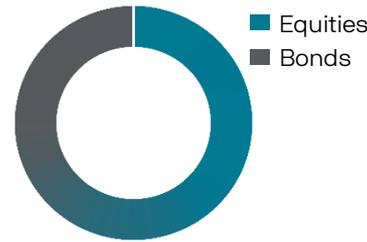
## Medium-term goals

5-10 years, e.g., college, home



## Long-term goals

15+ years, e.g., retirement



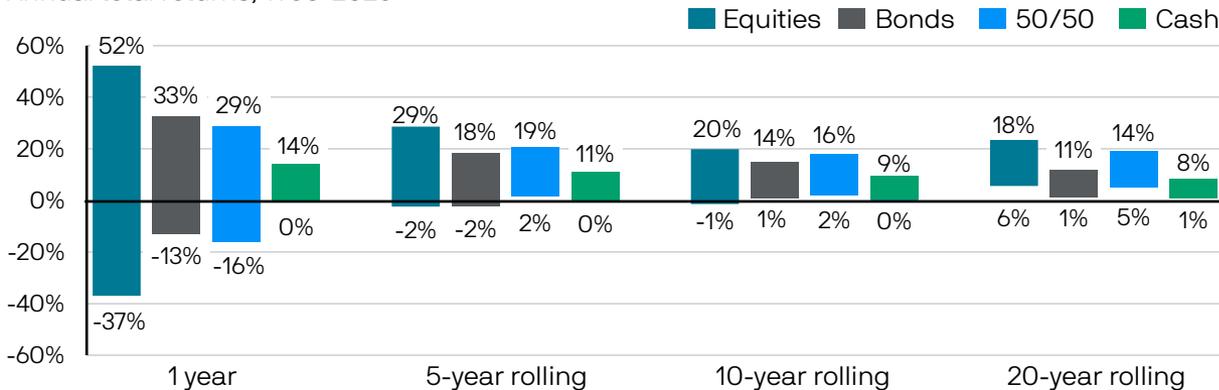
## Divide and conquer

Aligning your investment strategy by goal can help you take different levels of risk based on varying time horizons and make sure you are saving enough to accomplish your goals – not just the ones that occur first.

Investing

## Range of stock, bond and blended total returns

Annual total returns, 1950-2025



Returns shown are based on calendar year returns from 1950 to 2025. Stocks represent the S&P 500 Total Return Index and Bonds represent Strategas/Ibbotson for periods prior to 1976 and the Bloomberg Aggregate thereafter. Cash represents the U.S. 90 Day Treasury Bill Total Return. Portfolio allocations are hypothetical and are for illustrative purposes only. They were created to illustrate different risk/return profiles and are not meant to represent actual asset allocation.

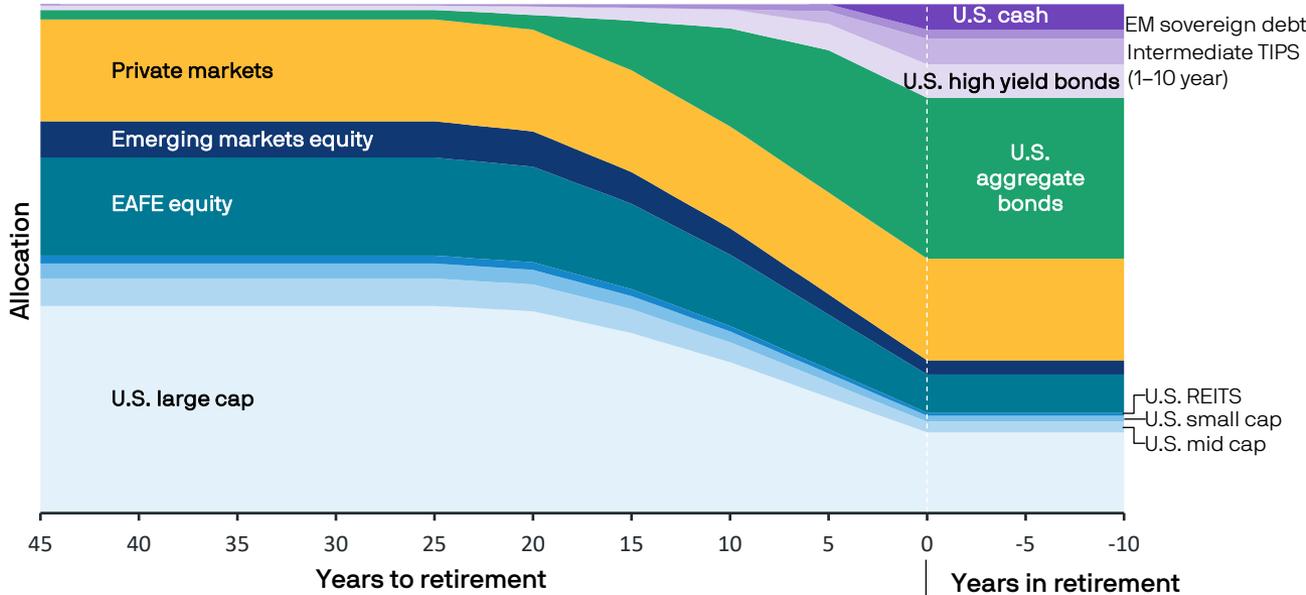
Source: (Top chart) J.P. Morgan Asset Management; (Bottom chart) Bloomberg, FactSet, Federal Reserve, Morningstar, Strategas/Ibbotson, J.P. Morgan Asset Management.



# Evaluating private investments in retirement plans

## Alignment of private strategies with retirement saver lifecycles

Illustrative allocations with private markets



### Take a measured approach for evaluating private investments

Private investments – such as direct real estate, private equity and private credit – can bolster portfolio diversification. But risks and trade-offs in terms of liquidity management, daily valuation, transparency and fees need to be considered.

A professionally managed solution, such as a target date fund, can be an effective way to provide the benefits of private investments along the different stages of a retirement saver's lifecycle.

Investing

#### Early Career

Focus on diversified set of private investments with a tilt toward growth-oriented private equity and venture capital

#### Mid Career

Balance private equity and growth with income-generating private credit and real assets

#### Late Career

Emphasize income stability through private credit and real estate

#### Retirement

Prioritize income, liquidity and inflation protection through private credit and real estate

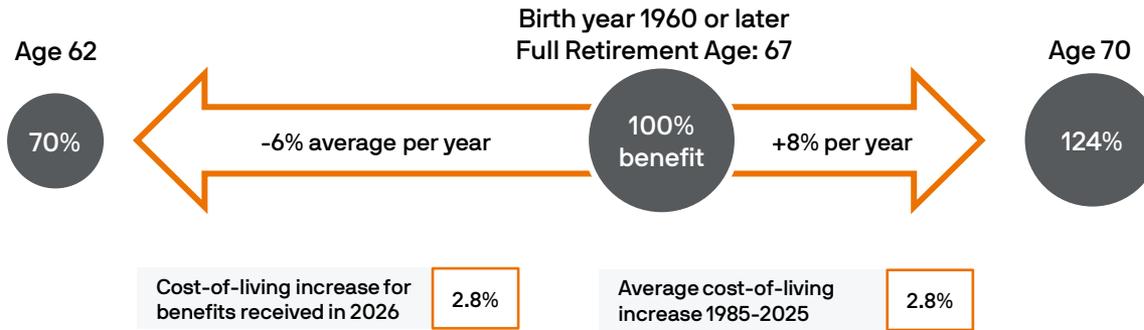
Data as of August 31, 2025. For illustrative purposes only. These illustrative strategic asset allocations depict illustrative weights based on J.P. Morgan's internal analysis. Diversification and asset allocation do not guarantee investment returns and do not eliminate the risk of loss. Source: From complexity to clarity: A measured approach for evaluating private investments in DC plans, J.P. Morgan Asset Management.



# Social Security timing trade-offs

## Benefits differ by birth year and claim age

Full Retirement Age = 100% benefit



## Understand the trade-offs

Deciding when to claim benefits will have a permanent impact on the benefit you receive. Claiming before your Full Retirement Age can significantly reduce your benefit, while delaying increases it.

Birth year prior to 1960

Birth year	Full Retirement Age
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months

For illustrative purposes only. The Social Security Amendments Act of 1983 increased Full Retirement Age from 65 to 67 over a 40-year period. The first phase of transition increased Full Retirement Age from 65 to 66 for individuals turning 62 between 2000 and 2005. After an 11-year hiatus, the transition from 66 to 67 (2017-2022) is complete. This material should be regarded as educational information on Social Security and is not intended to provide specific advice. If you have questions regarding your situation, you should contact the Social Security Administration and/or your legal or tax professional.

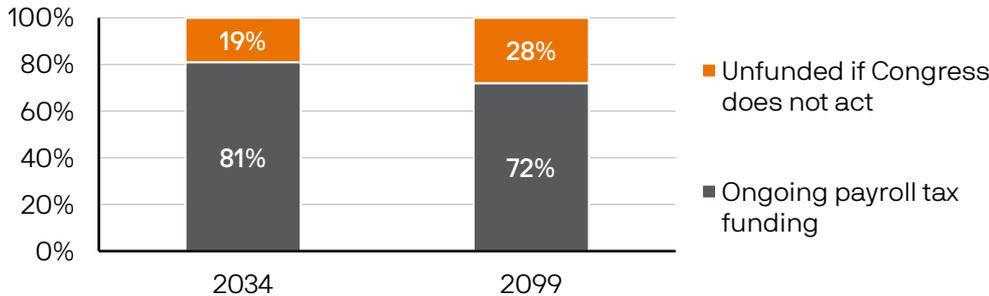
Source: Social Security Administration, J.P. Morgan Asset Management.



# Debunking Social Security solvency myths

## 1 Myth: “Young workers will get nothing from Social Security.”

### Funded status of the combined Old-Age Survivor and Disability (OASDI) Trust Funds



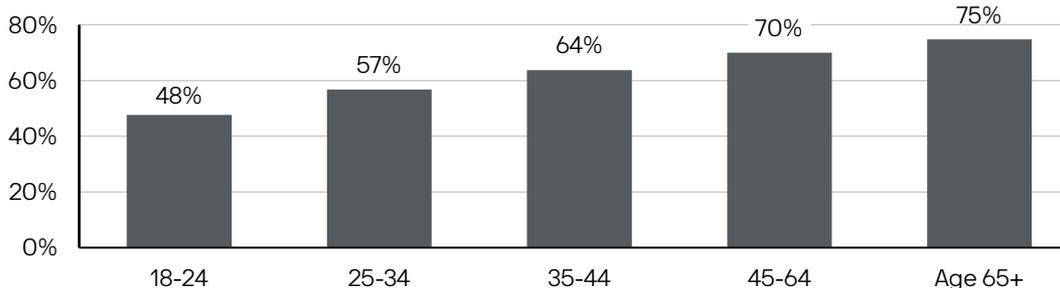
**Younger, higher earners are likely to experience some changes**

Taxes and benefits cuts are unpopular, so Congress may put off addressing the issue until close to trust fund depletion.<sup>1</sup>

- Workers with earnings above the payroll tax cap may pay more in taxes.
- For young workers, there will still be payroll taxes to fund most of your benefits, but high-income workers are most likely to see gradual changes if there are benefit cuts.

## 2 Myth: “I should take my benefit now because it might be cut later.”

### Percentage of eligible voters who voted by age, 2024



Social Security/Health

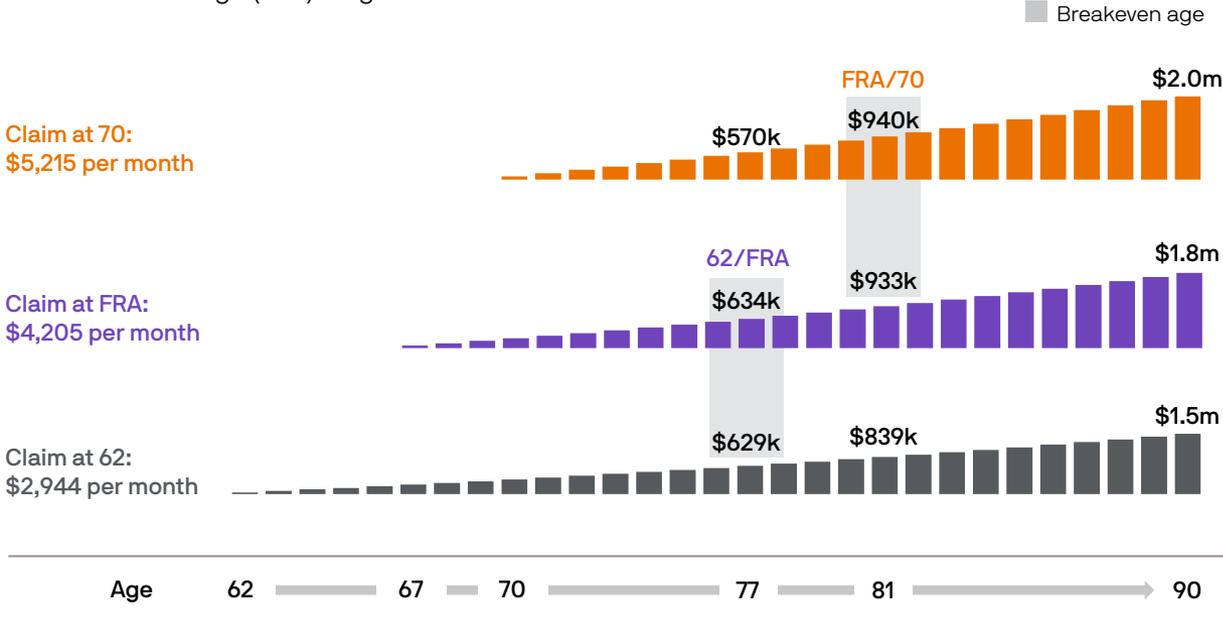
<sup>1</sup>The Social Security Old Age and Survivor Trust Fund is projected to be depleted in 2033, but combined with the Disability Trust Fund the projected depletion date is 2034. This material should be regarded as general information and is not intended to provide advice. If you have questions, contact the Social Security Administration and/or your legal or tax professional. Source: (Top chart) 2025 Social Security Trustees Report; (Bottom chart) Kaiser Family Foundation, voter information.



# Maximizing Social Security benefits: Maximum earner

## Cumulative individual maximum benefit by claim age

Full Retirement Age (FRA) = Age 67



## Planning opportunity

Delaying benefits means increased Social Security income later in life, but your portfolio may need to bridge the gap and provide income until delayed benefits are received.

Social Security/Health

Age	62	67	70	77	81	90
At age 62, probability of living to at least age:	100%	92%	86%	69%	55%	20%
Male (♂)	100%	95%	91%	78%	67%	31%
Female (♀)	100%	99%	99%	93%	85%	45%

<sup>1</sup>Couple assumes at least one lives to the specified age or beyond. Breakeven assumes the same individual, born in 1964, earns the maximum wage base each year (\$184,500 in 2026), retires at the end of age 61 and claims at 62 & 1 month, 67 and 70, respectively. Benefits are assumed to increase each year based on the Social Security Administration 2025 OASDI Trustee's Report intermediate estimates (annual benefit increase of 2.4% in 2027 and thereafter). Monthly amounts with the cost-of-living adjustments (not shown on the chart) are: \$4,739 at FRA and \$6,310 at age 70. Exact breakeven ages are 76 years & 10 months and 80 years & 8 months.

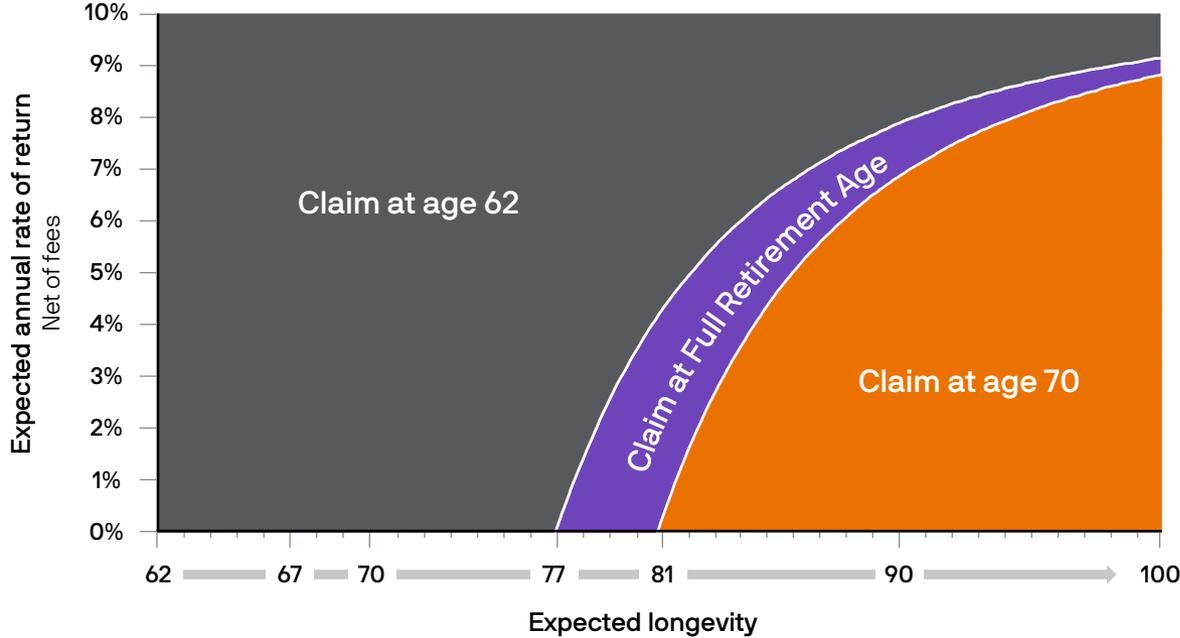
Source: Social Security Administration, J.P. Morgan Asset Management.



# Social Security benefit claiming considerations

## Comparison of claim age based on an individual's expected rate of return and longevity

Color represents the claim age with the highest expected lifetime benefits



### Consider portfolio returns and your life expectancy

The lower your expected long-term investment return and the longer your life expectancy, the more it pays to wait to take your benefit.

Social Security/Health

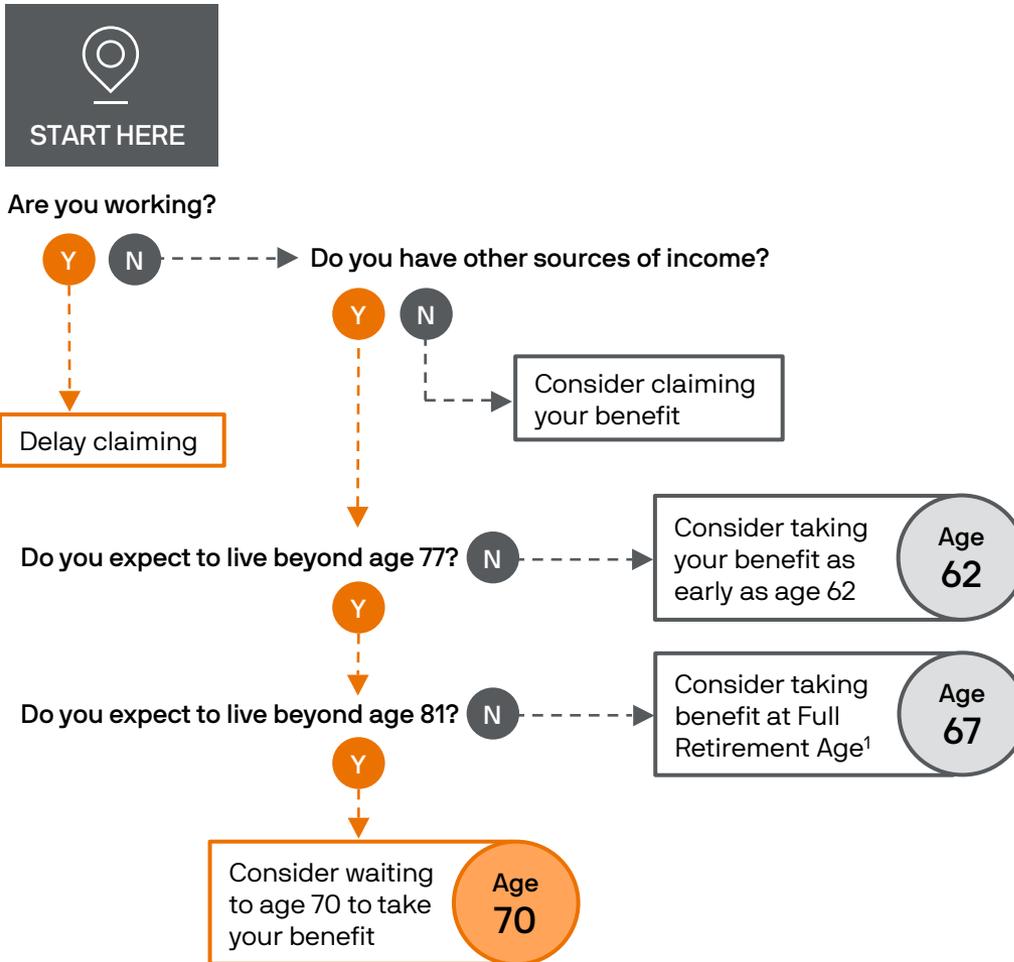
#### How to use:

- Go to the intersection of your expected rate of return and your expected longevity.
- The color at this intersection represents the Social Security claim age that maximizes total wealth (cumulative Social Security benefit and investment portfolio) given three claiming options: age 62, Full Retirement Age (age 67) and age 70.
- **Example: For a woman with an expected consistent 5.5% rate of return (net of fees) and life expectancy of 88: consider claiming at age 70.**

Assumes the same individual, born in 1964, retires at the end of age 61 and claims at 62 & 1 month, 67 and 70, respectively. Benefits are assumed to increase each year based on the Social Security Administration 2025 OASDI Trustee's Report intermediate estimates (annual benefit increase of 2.4% in 2027 and thereafter). Analysis is based on a maximum earner (all earnings profiles yield similar results). Expected rate of return is deterministic, in nominal terms, and net of fees.  
 Source: Social Security Administration, J.P. Morgan Asset Management; (longevity) Social Security Administration 2025 OASDI Trustees Report.



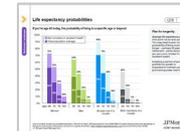
# Claiming Social Security: Decision tree



### Additional considerations:

Consider health status and current age when estimating life expectancy

*Page 4 and 5: Life expectancy probabilities*



Understand what you may be leaving on the table at older ages

*Page 46: Maximizing Social Security benefits*



Take your expected rate of return on your portfolio into account

*Page 47: Social Security benefit claiming considerations*



This material should be regarded as educational information on Social Security and is not intended to provide specific advice. If you have questions regarding your situation, you should contact the Social Security Administration and/or your legal or tax professionals.

<sup>1</sup>Full Retirement Age (FRA) of 67 is for individuals born 1960 or later.

Source: Social Security Administration, J.P. Morgan Asset Management.



# Three steps for Medicare coverage

## 1 Sign up for Parts A and B on Medicare.gov



## 2 Choose your plan

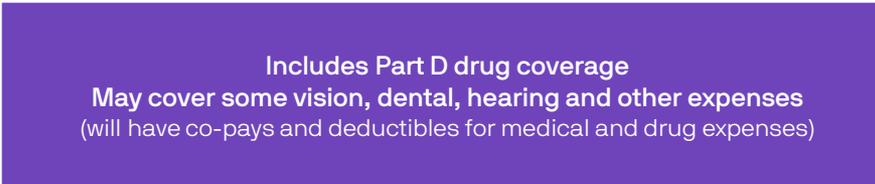
### Option 1

Original Medicare accepted by all Medicare providers



### Option 2

Medicare Advantage/ Part C limited to a network of providers



## 3 Prepare for additional expenses: Medicare does not cover most long-term care costs<sup>1</sup>

For help, visit the Medicare Rights Center at [medicarerights.org](https://www.medicarerights.org) or your State Health Insurance Assistance Program (SHIP) at [shiptacenter.org](https://www.shiptacenter.org).

### Medicare details

Sign up for all parts of Medicare the month before the month you turn age 65 to avoid coverage gaps unless your employer has confirmed you have creditable coverage.

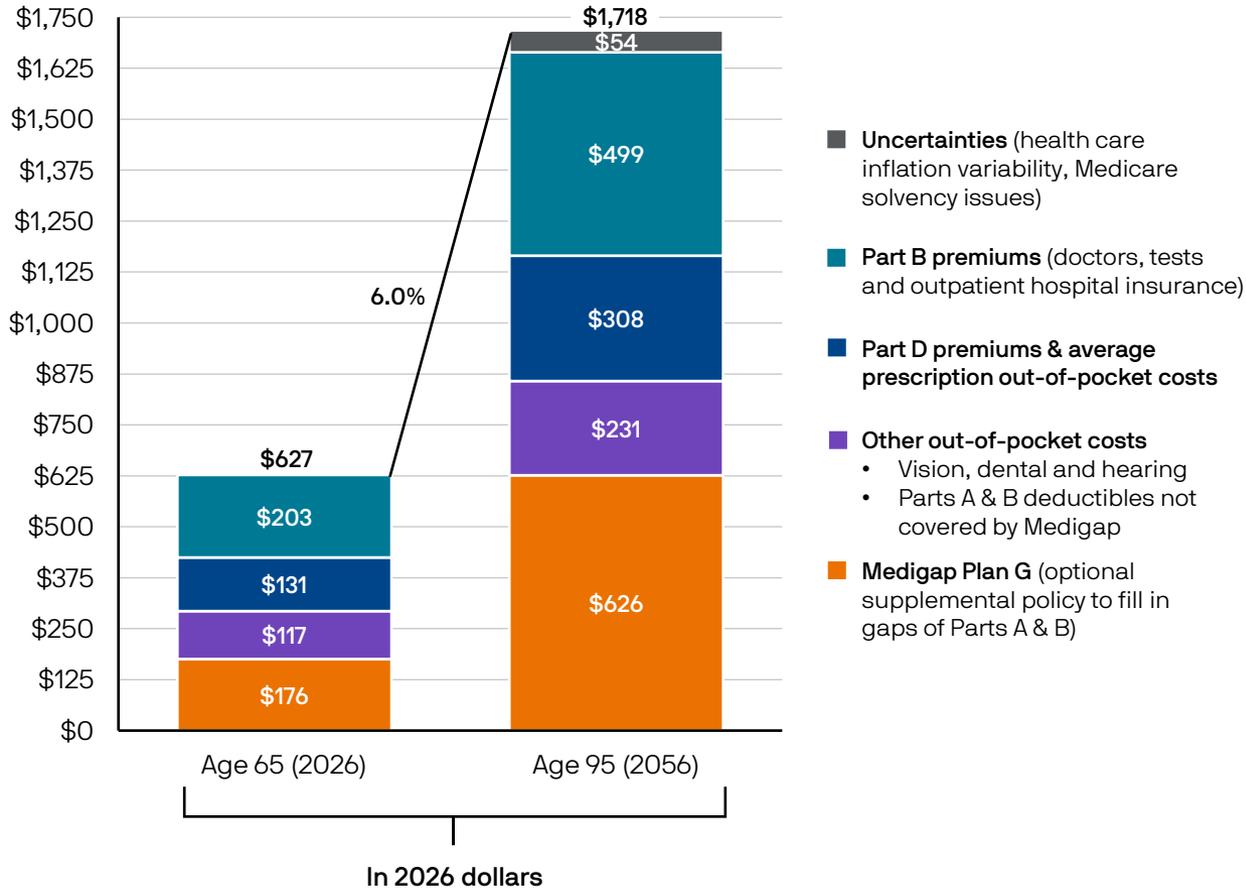
Re-evaluate your choices each year.

<sup>1</sup>Medicare does pay for medically necessary skilled nursing facility or home health care, with strict requirements that are difficult to meet on a limited basis, and for some hospice care. If you transfer assets to others there is a five-year "look back" where the government will recover the assets transferred if you go on Medicaid. This is not personal advice. Consult an elder care attorney if you have questions. Source: [Medicare.gov](https://www.medicare.gov) as of December 31, 2025; J.P. Morgan Asset Management.



# Rising health care costs in retirement

**Original Medicare costs in retirement (in 2026 dollars)**  
Monthly amount per person



## A growing concern

Annual expenses per person in 2026 are \$7,524.

Given variation in health care cost inflation from year to year, it may be prudent to assume an annual health care inflation rate of 6.0%, which may require growth as well as current income from your portfolio in retirement.

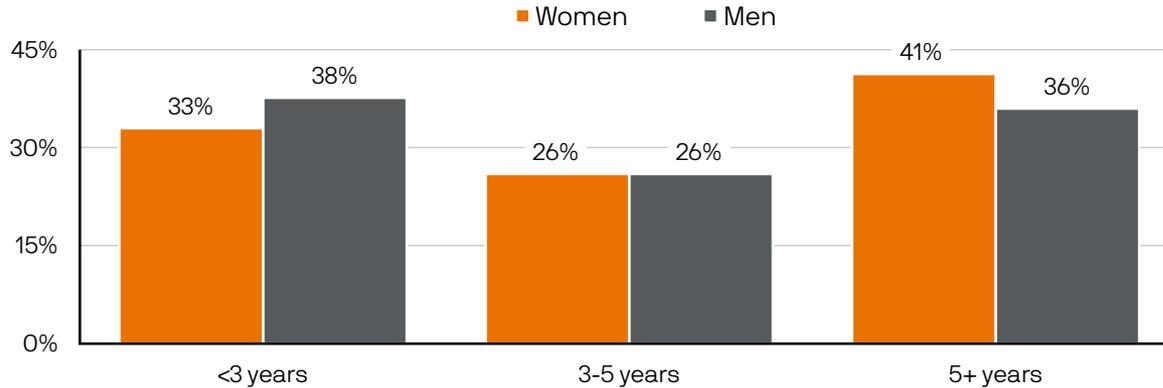
Estimated future value total average monthly cost at age 95 is \$3,603. Today's dollar calculation used a 2.5% discount rate to account for overall inflation. Medigap premiums typically increase with age after purchase, in addition to inflation, except for the following states: AR, AZ, CT, FL, GA, ID, MA, ME, MN, MO, NY, VT, WA. For local information, contact the State Health Insurance Assistance Program (SHIP) [shiptacenter.org](http://shiptacenter.org). Plan G premium is nationwide average for non-smokers. If Plan G is not available, analysis includes the most comprehensive plan available.

Source: HealthView Services, December 2025; Kaiser Family Foundation, Key Facts About Medigap Enrollment, October 2024.



# Long-term care planning

## Duration of paid care 65+ if paid care is used



### Create a care plan

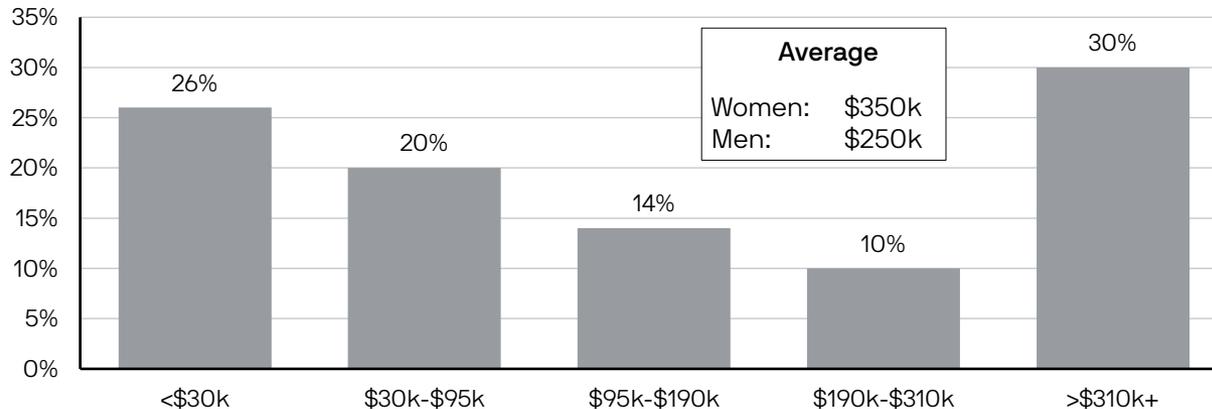
The monetary value of care from family and friends is roughly equal to paid care.<sup>1</sup>

Women are more likely to require care and need more years of paid care if paid care is used.

A care plan may help you:

- Avoid burdening others
- Ensure your family understands your wishes
- Have more control over your care

## Lifetime cost of care 65+ if paid care is used



Social Security/Health

<sup>1</sup>Average value of unpaid care when unpaid care is used is \$262,500 for women and \$247,400 for men. Long-term care includes needing help with two or more activities of daily living such as eating, dressing, bathing, transferring and toileting or severe cognitive impairment. Average of cost is adjusted to December 2025 dollars and includes all payors. Source: U.S. Department of Health and Human Services, APSE Brief, August 2022, Long-term Services and Supports for Older Americans, Risks and Financing, 2022; J.P. Morgan Asset Management.



# Long-term care planning options

Consider utilizing more than one option



### Family & friends

Will you want to move closer?



### Savings/expense reductions

Some expenses such as travel may go down



### Insurance

Options: Traditional long-term care insurance, combination life and annuity products, life insurance for a surviving spouse and deferred annuities for income late in life



### Life plan communities

Often starts with independent living and offers additional services or facilities when needed

For more information: [mylifesite.net](http://mylifesite.net)



### Home equity

Second homes may be sold; the home equity in your primary residence may be used; credit availability and home value may fluctuate

### Medicaid:

#### After exhausting other options

Rules to qualify vary by state but generally you must be low income with few assets to qualify<sup>1</sup>



### Start planning early

- Is it feasible to buy less insurance coverage and combine it with other solutions?
- Health Savings Accounts (HSAs) may be used tax free for qualified expenses in retirement.<sup>2</sup>
- Prefer care at home? Consider how you will remain socially connected.

<sup>1</sup>If you transfer assets to others, there is generally a 60-month (five-year) "look back" where the government will recover the assets transferred if you go on Medicaid. This is not personal advice; consult an elder care attorney if you have questions.

<sup>2</sup>HSAs may be used to fund qualified traditional long-term care policy premiums up to certain limits. Necessary home improvements may qualify if they do not improve the value of your home. Services for chronically ill individuals who are unable to perform two or more activities of daily living or who have severe cognitive impairment may be qualified if they are part of a prescribed plan from a licensed practitioner.

For a list of qualified expenses, see IRS Publication 502 or consult your tax professional; this is not meant to be personal tax advice. Source: J.P. Morgan Asset Management.



# Retirement plan contribution and deferral limits: 2025/2026

Type of retirement account	Specifics	2025	2026
401(k), 403(b), 457(b)	401(k) elective deferral limit (with catch-up contribution/special catch-up age 60-63)	\$23,500 (\$31,000 age 50-59 and 64+/\$34,750 age 60-63)	\$24,500 (\$32,500 age 50-59 and 64+/\$35,750 age 60-63) <sup>1</sup>
	Annual defined contribution limit	\$70,000	\$72,000
	Annual compensation limit	\$350,000	\$360,000
	Highly compensated employee threshold	\$160,000	\$160,000
	403(b)/457 elective deferrals (with catch-up contribution/special catch-up age 60-63)	\$23,500 (\$31,000 age 50-59 and 64+/\$34,750 age 60-63)	\$24,500 (\$32,500 age 50-59 and 64+/\$35,750 age 60-63)
SIMPLE IRA	SIMPLE employee deferrals (with catch-up deferral) <sup>2</sup>	\$16,500 (\$19,500 age 50-59 and 64+/\$21,750 age 60-63)	\$17,000 (\$21,000 age 50-59 and 64+/\$22,250 age 60-63)
SEP IRA	Maximum contribution <sup>3</sup>	\$70,000	\$72,000
	SEP minimum compensation	\$750	\$800
	SEP annual compensation limit	\$350,000	\$360,000
Health Savings Account (HSA)	Maximum contribution amount (with catch-up contribution age 55 and over)	<b>Single:</b> \$4,300 (\$5,300) <b>Family:</b> \$8,550 (\$9,550)	<b>Single:</b> \$4,400 (\$5,400) <b>Family:</b> \$8,750 (\$9,750-\$10,750) <sup>4</sup>
	Minimum deductible	<b>Single:</b> \$1,650 <b>Family:</b> \$3,300	<b>Single:</b> \$1,700 <b>Family:</b> \$3,400
	Maximum out-of-pocket expenses	<b>Single:</b> \$8,300 <b>Family:</b> \$16,600	<b>Single:</b> \$8,500 <b>Family:</b> \$17,000
Social Security	Wage base	\$176,100	\$184,500
	Maximum earnings test exempt amounts <sup>5</sup>	\$23,400/year (before FRA*) \$62,100/year (in year of FRA*)	\$24,480/year (before FRA*) \$65,160/year (in year of FRA*)
	Maximum Social Security benefit at FRA*	\$4,018/month	\$4,152/month
<b>Defined benefit – maximum annual benefit at retirement</b>		<b>\$280,000</b>	<b>\$290,000</b>

\*FRA is Full Retirement Age for Social Security. Assumes FRA at age 67.

<sup>1</sup>Beginning in 2026, the SECURE 2.0 act requires those earning \$150,000+ must make their 401(k) catch-up contributions as a Roth contribution.

<sup>2</sup>Employer may either match employee's salary reduction contributions dollar for dollar up to 3% of employee's compensation or make non-elective contributions equal to 2% of compensation up to the annual compensation limit. IRS Publication 560. <sup>3</sup>Employer contributions may not exceed the annual defined contribution limit or 25% of compensation. Other rules apply for self-employed individuals. IRS Publication 560. <sup>4</sup>HSA catch-up contributions for family include \$9,750 if one spouse contributes, and \$10,750 if each spouse contributes to their own HSA (and both are age 55+). <sup>5</sup>In calendar years before FRA, benefit reduced \$1 for every \$2 of earned income above the limit; during year of FRA, benefit reduced \$1 for every \$3 of earned income in months prior to FRA.

Source: [IRS.gov](https://www.irs.gov); [SSA.gov](https://www.ssa.gov).



# A closer look at tax rates: 2026

## Federal income tax rates applicable to taxable income

Tax rate	Single filers	Married filing jointly	Capital gains & dividends	Medicare tax on earned income	Medicare tax on net investment income	Limits to itemized deductions
10%	Up to \$12,400	Up to \$24,800	0%	1.45% (employee portion, employers also pay 1.45%)	0%	<ul style="list-style-type: none"> <li>-Medical expenses greater than 7.5% of Adjusted Gross Income (AGI)</li> <li>-SALT (state and local taxes) deduction capped at \$40,400</li> <li>-Mortgage interest deduction limited to primary/secondary homes with up to \$750,000 new debt. Interest deduction is allowed on new home equity debt used to buy, build or substantially improve the home</li> <li>-Cash charitable contributions deductible up to 60% of AGI<sup>2</sup></li> </ul>
12%	\$12,401-\$50,400	\$24,801-\$100,800	up to \$49,450 (single)/\$98,900 (married)			
22%	\$50,401-\$105,700	\$100,801-\$211,400	15%			
24%	\$105,701-\$201,775	\$211,401-\$403,550	up to \$545,500 (single)/\$613,700 (married)	2.35% (includes 1.45% employee tax referenced above plus additional 0.9% tax for earned income above MAGI <sup>1</sup> \$200,000/\$250,000 threshold)	3.8% (additional tax will be levied on lesser of: 1) net investment income or 2) excess MAGI above \$200,000/\$250,000 threshold)	
32%	\$201,776-\$256,225	\$403,551-\$512,450				
35%	\$256,226-\$640,600	\$512,451-\$768,700				
37%	\$640,601 or more	\$768,701 or more	20% > \$545,500 (single)/\$613,700 (married)			

Standard deduction: \$16,100 (single)/\$32,200 (filing jointly).

Additional deduction for those 65 and older: \$6,000 (single)/\$12,000 (filing jointly if both qualify) starts phasing out with income of \$75,000 (single)/\$150,000 (filing jointly).

<sup>1</sup>Modified Adjusted Gross Income (MAGI) is AGI plus amount excluded from income as foreign earned income, tax-exempt interest and Social Security benefit.

<sup>2</sup>New above-the-line deduction for those who don't itemize of \$1,000/\$2,000 (single/joint filing).

## Top tax rates for ordinary income, capital gains and dividend income

Type of gain	Maximum rate	Alternative Minimum Tax (AMT) exemption <sup>4</sup>		
		Filing status	Exemption	Exemption phase-out range
Top rate for ordinary income & non-qualified dividends	37%/40.8% <sup>3</sup>	Single/Head of household	\$90,100	\$500,000-\$680,200
Short-term capital gains (assets held 12 months or less)	37%/40.8% <sup>3</sup>	Married filing jointly	\$140,200	\$1,000,000-\$1,280,400
Long-term capital gains (assets held more than 12 months) & qualified dividends	20%/23.8% <sup>3</sup>			

<sup>3</sup>Includes top tax rate plus 3.8% Medicare tax on the lesser of net investment income or excess of MAGI over threshold (single threshold \$200,000; married filing jointly \$250,000).

<sup>4</sup>The exemption amount is reduced 0.50 for every \$1 of AMTI (income) above the threshold amount for the taxpayer's filing status. For AMTI above the top range the exemption will be \$0.

## Federal estate, generation-skipping transfer (GST) tax & gift tax exemption

Top federal estate tax rate	40%
Federal estate, GST & gift tax exemption	\$15 million per individual/\$30 million per couple <sup>5</sup>
Annual gift tax exclusion	\$19,000 per donor, per donee (\$38,000 per couple)

<sup>5</sup>For decedents who die during 2026 (up from 13.99 million in 2025).

Source: [IRS.gov](https://www.irs.gov). The presenter of this slide is not a tax or legal professional. This slide is for informational purposes only and should not be relied on as tax or legal advice. Clients should consult their tax or legal professional before making any tax- or legal-related investment decisions.



# Disclosures

Unless otherwise indicated, all illustrations are shown in U.S. dollars.

*Past performance is no guarantee of comparable future results.*

*Diversification does not guarantee investment returns and does not eliminate the risk of loss.*

**Indices are unmanaged and an individual cannot invest directly in an index. Index returns do not include fees or expenses.**

The **S&P 500 Index** is widely regarded as the best single gauge of the U.S. equities market. This world-renowned index includes a representative sample of 500 leading companies in leading industries of the U.S. economy. Although the S&P 500 Index focuses on the large cap segment of the market, with approximately 75% coverage of U.S. equities, it is also an ideal proxy for the total market. An investor cannot invest directly in an index.

The **Bloomberg Capital U.S. Aggregate Index** represents securities that are SEC-registered, taxable and dollar denominated. The index covers the U.S. investment-grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities and asset-backed securities. These major sectors are subdivided into more specific indices that are calculated and reported on a regular basis.

**Bonds** are subject to interest rate risks. Bond prices generally fall when interest rates rise.

The price of **equity** securities may rise or fall because of changes in the broad market or changes in a company's financial condition, sometimes rapidly or unpredictably. These price movements may result from factors affecting individual companies, sectors or industries, or the securities market as a whole, such as changes in economic or political conditions. Equity securities are subject to "stock market risk," meaning that stock prices in general may decline over short or extended periods of time.

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Asset class	20/80	40/60	50/50	60/40	80/20
U.S. large cap growth	6.75%	13.25%	16.75%	20.00%	26.75%
U.S. large cap value	6.50%	13.50%	16.50%	20.00%	26.75%
U.S. REITs	0.75%	1.25%	1.75%	2.00%	2.50%
Developed market equities	4.25%	8.50%	10.75%	13.00%	17.25%
Emerging market equities	1.75%	3.50%	4.25%	5.00%	6.75%
U.S. investment-grade bonds	51.50%	38.25%	31.75%	25.00%	11.75%
U.S. high yield bonds	6.25%	4.75%	3.75%	3.00%	1.50%
U.S. securitized	20.25%	15.00%	12.50%	10.00%	4.75%
U.S. cash	2.00%	2.00%	2.00%	2.00%	2.00%

Model portfolios can only be distributed by Intermediaries where Advisory Portfolios are available.

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- Our analysis of spending patterns is based on proprietary data across JPMorgan Chase
- All data is aggregated, completely anonymized and kept confidential and secure

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