MFS ADVISOR EDGE®

Milestone Marketing®

Retirement planning opportunities at milestone ages in your clients' lives

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Accelerate your business

Taking the time to offer smart retirement planning strategies to clients and prospects in their 50s, 60s and 70s will potentially help you win assets from your competitors.

Milestone Marketing can help you identify and address key retirement planning issues through the decades.

This age-based program offers you

- **milestone opportunities** on retirement planning topics, such as catch-up contributions, early retirement withdrawal options and tax-efficient drawdown ideas
- **conversation starters** to help you connect easily with clients and prospects
- **support material** to help you execute your plans and talk knowledgeably to clients about retirement income planning

50s

Last chance to accumulate

Clients and prospects in their 50s may be in their last decade of being able to accumulate assets for retirement. It's also an important time for them to consider a retirement income strategy, especially if they are looking to retire early.

Age 50 Catch-up contributions

Call all of your clients age 50-plus for a contribution review. Make sure they know about catch-up contributions to qualified retirement plans and IRAs.

Opportunities to target include

- spousal IRAs
- building out funding vehicles that will give your client future tax-planning flexibility when they start taking distributions

Age 55 Early retiree candidates

Affluent clients considering retiring early could potentially use Separation From Service After Age 55 to withdraw assets from their 401(k) plan and pay only ordinary income tax on the amount withdrawn with no penalty.

Age 59½ Penalty-free IRA withdrawals available

Let clients and prospects know they can now withdraw assets from retirement plans without a 10% penalty from the IRS. Invite them in for a retirement income planning session.

Opportunities to uncover may include

- in-service distributions
- Roth IRA conversions
- asset allocation; portfolio positioning

Also, remind clients that when they are between ages 60 and 63 they will be eligible to make an additional catch-up contribution to their employer sponsored plans.

Conversation starter

"I want to make sure we do all we can today to add more to your retirement plans so we have more to work with when you retire. Let's take a look at your catch-up contribution opportunities."

Conversation starter

"Before you decide what to do with your retirement plan, let's make sure your CPA, your attorney and I review what's in your plan and when and how you plan to use your funds. We want to make sure we help you avoid unnecessary taxes or penalties."

Conversation starter

"You're approaching a key milestone in terms of retirement planning, and there are interesting options allowed by the IRS. I'd like to get together with you and your tax advisor to review what this means to you and make sure we're on track for helping you meet your retirement goals."

60s

Transitioning to retirement

Your clients in their 60s need to understand the importance of building a distribution strategy aimed at maximizing income in a tax-efficient way.

Age 62 First eligible for Social Security benefits

Sixty-two is the age at which Social Security benefits become available. However, clients who take Social Security at age 62 will receive a 25% to 30% permanent benefit reduction. Be sure to call clients several months in advance of their 62nd birthday to alert them to the reduction, as well as Social Security taxation and limited distribution strategy consequences.

Opportunities to target include

- meeting with clients' CPAs and starting to create distribution strategies
- consolidating clients' retirement plan assets
- Roth IRA conversion

Conversation starter

"You're approaching the age at which it's important to start retirement income planning, and I'd like to get together with you to review your plan." When you meet, tell your client, "Although I'm not an expert on Social Security, I can help you consider how your potential Social Security benefits fit into your overall plan."

Age 65 First eligible for Medicare benefits

Make sure your clients understand their Medicare options on or before their 65th birthday.

Opportunities to consider include

- working with clients' CPAs to execute drawdown strategies
- additional Medicare Part B and D premium amount for higher income retirees

Conversation starter

Send a birthday card three to four months before each client's 65th birthday. Include a note that says, "Happy early 65th birthday. Your Medicare enrollment clock is ticking! Let's meet to make sure you know what this means for you." Or call and say, "This is a big birthday in terms of retirement planning. Let's meet for lunch to review what's coming up."

Age 66* Full Social Security benefits

Clients between ages 66 and 70 are eligible for their full Social Security benefits at Full Retirement Age.

Opportunities to consider include

- adjusting drawdown strategy to account for taxation of benefits
- possible partial Roth IRA conversions
- strategies to help optimize benefits at age 70 (pros and cons of withdrawing from portfolio or letting Social Security benefits accrue in value)
- for married couples, reviewing survivor benefits

Conversation starter

"Now that you're eligible for full Social Security benefits, I thought it'd be a great time for us to review your retirement income strategy with your CPA. We may have to make adjustments to account for the taxation of your Social Security benefit."

*Full Retirement Age is 66 for anyone born 1943 to 1954. It increases by two months for every year from 1955 to 1959. FRA is age 67 for anyone born in 1960 or later.

70s

Taking tax-efficient income distributions

Tax-efficient income distribution becomes paramount when clients are in their 70s. At this time they may also want to discuss their beneficiary designations and consider their legacy strategy.

Age 70 Maximum Social Security benefits

At age 70, Social Security maxes out. This may be a good opportunity to help clients reposition assets before required minimum distributions (RMDs) begin. Once RMDs begin at 73, strategies for tax-efficient management become more limited.

Opportunities to pursue now include

- consolidating assets
- Roth IRA conversions
- getting to know beneficiaries

Conversation starter

Call clients several weeks before their 70th birthday and say, "This is a major milestone, and I'd love to celebrate it with you. How about a birthday lunch next week?" Encourage them to invite a friend or two. (If a client's plan is to take Social Security at age 70, make this call six months prior to his or her 70th birthday to review the current income plan.)

Age 73+ RMDs for traditional IRAs

Make sure your clients are aware of the RMDs from their traditional IRAs and perhaps other retirement plan accounts. Help them avoid the high price of failing to take their RMDs — there is a tax penalty on the amount that should have been taken.* You, your clients and their CPAs will need to determine the aggregate RMD from their traditional IRAs.

Some clients will be required to take an RMD that is more than they need. Consider using the excess to

- fund a 529 savings plan for grandchildren
- add to insurance for estate planning purposes
- make a charitable gift
- add to a brokerage account

Conversation starter

"I wanted to make sure you know that you have to take a required minimum distribution this year. I'd like to suggest we meet to make sure you're on track to take your required IRA distributions, and to make sure you avoid the penalty the IRS assesses for mistakes.*

Comprehensive retirement income planning support material is available for you. Call MFS® at 1-800-343-2829.

*In 2023, the SECURE Act 2.0. reduced the IRS penalty for taking out less than your full RMD from 50% of the underpayment to 25% (10% if corrected in a timely manner). You should consult your investment professional or tax advisor about your specific situation.

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