

Planning Your Retirement Income Global Webcast

Frequently Asked Questions

1. Q: *Is there an online tool that can help me determine whether I am on track to retire when I want to?*

A. *myOrangeMoney*® shows estimated future potential retirement income based on your current retirement savings. This may help you understand your future financial needs, and helps you determine when you may be ready to retire. You can access *myOrangeMoney*® from your plan's website, or at voya.com.

2. Q: *How do I know what type of investor I am and how do I review my asset allocation?*

A. You should select funds only after you've determined the right asset allocation for you. One way to determine your asset allocation is by completing a Risk Tolerance Questionnaire. A Risk Tolerance Questionnaire makes asset allocation suggestions based on information you enter about your investment objectives and experience, time horizon, risk tolerance, and financial situation. This should be completed annually as your financial situation may change as you get close to your retirement. You may find a sample questionnaire on your retirement plan's website.

3. Q: *Can you explain the ways to receive a Federal income tax free distribution from a regular Roth IRA?*

A. Qualified distributions from Roth IRA's take place at least 5 years after the first contribution AND:

- on or after reaching age 59 ½
- after you die, (distribution to your beneficiary or estate)
- if you become disabled within the definition of the IRS code
- If used to pay for qualified first-time homebuyer expenses

These rules also apply to designated Roth 401(k) plans with the exception of first time home buyer expenses.

4. Q. *What is the best way to estimate your expenses in retirement?*

A. There are difference schools of thought. One method is to simply take 70-80% of your current income which is a generally used guideline for estimating the income you'll need to replace in retirement. In another method, from your current income subtract the current expenses you believe will still exist in retirement leaving off those that will not, such as 401(k) contributions. You should also add in any expenses that do not exist today but may in retirement, such as health care. The last method, use any retirement income projection tools that is offered by your retirement account provider.

5. Q. Are there limits/restrictions on withdrawals from retirement accounts?

A. In regards to company sponsored retirement plans, you should refer to the administrator of your retirement plan for details. If you are no longer working for your employer of your retirement plan, when you reach age 70 ½ the Required Minimum Distribution (RMD) requirement will apply to all of your accounts, and you'll need to take a yearly minimum distribution from each account. Traditional IRA's also have RMD rules. Roth IRA's are not subject to RMDs. If you take an early withdrawal from your company sponsored retirement plan or IRA prior to age 59 ½ you could pay an IRC 10% premature distribution penalty tax, unless an exception applies. Roth IRAs must also meet the 5 year requirement described above in order to avoid the penalty tax.

6. Q. Will withdrawals from my IRA affect my Social Security benefits?

A. Social Security does not count pension payments, annuities, or the interest or dividends from your savings and investments as earnings. They do not lower your Social Security retirement benefits. However, withdrawals from an IRA or an employer sponsored retirement plan could impact the taxability of your Social Security benefit. Please visit ssa.gov for more information.

7. Q. How far in advance can I apply for Social Security Retirement benefits?

A. You can apply online for retirement benefits if you:

- are at least 61 years and 9 months old;
- are not currently receiving benefits on your own Social Security record;
- have not already applied for retirement benefits;
- **and** want your benefits to start no more than 4 months in the future.

The Social Security Administration cannot process your application if you apply for benefits more than 4 months in advance. Please visit ssa.gov for more information.

8. Q. Can I contribute to my employer sponsored retirement plan after I retire?

A. No. To be eligible to contribute to your employer sponsored retirement plan, you must be an active employee on payroll.

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