

## 5 Steps to Get Retirement Ready

**If retirement is coming soon, you need to prepare now.**

You may be thinking about retiring soon. But are you retirement ready? Through the Kohler Co. 401(k) Savings Plan, Kohler is committed to providing you with the information and tools necessary to increase your financial well-being, both today and during retirement.

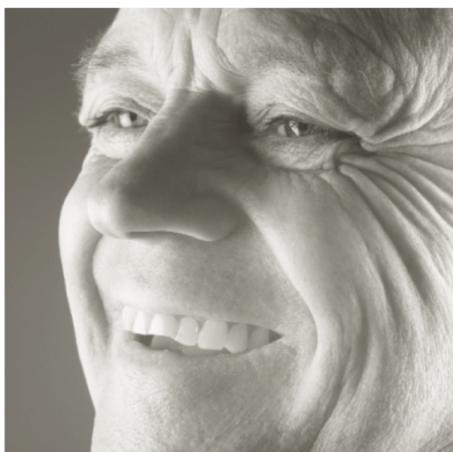
This guide offers a step-by-step plan to help get you on track for retirement. Share this information with your spouse or partner.

**Take Charge**  
of your 401(k)

**KOHLER**<sup>®</sup>

## Step 1.

Determine your retirement income goal



If you're in good health, your retirement assets may need to last 25 years or longer. Calculate the amount you'll need to cover your living expenses during your retirement years. Include such factors as:

- Retirement age
- Projected income
- Monthly expenses
- Lifestyle and travel plans

Because the cost of living rises slightly most years, you may need to give yourself a raise of around 3% annually. You may also want to meet with a financial planner who can consider all the variables and help you make the right moves to meet your retirement income needs.

### **Learn more at the Kohler Plan Web site**

*ING Advisor Service offers personalized, objective investment advice. You can access self-directed advice online or get advice by phone with the help of an investment professional. You decide which approach is best for you. To learn more, log onto **KOHLER.ingplans.com** and select ING Advisor Services under "Plan Highlights" in the Plan Information section.*

Visit the Kohler Co. 401(k) Savings Plan Web site:  
**KOHLER.ingplans.com.**

## Step 2.

### Know your income sources — and have a drawdown strategy.

You may have several sources of retirement income with different withdrawal and tax rules. So you will need an overall income strategy. Start by making a list of your income sources and include the monthly income amounts.

Include sources such as:

#### **Social Security**

Go to [www.ssa.gov](http://www.ssa.gov) to confirm the age at which you can receive full benefits. You can begin taking reduced benefits at age 62, but consider waiting until you are eligible for the full benefit amount.

#### **Personal Savings**

- IRAs
- Annuities
- Cash value life insurance
- Stocks, bonds, mutual funds
- Real estate

If you have savings that are not tax-deferred, consider tapping into them first so your Kohler Co. 401(k) Savings Plan assets can continue to grow tax-free.

#### **Employer-sponsored retirement plans**

- You may be eligible for a monthly retirement benefit under the Kohler Co. Pension Plan. Contact Kohler Konnect if you need a personalized benefit estimate.
- Consider any pension or savings plan accounts from prior employers.
- You can begin withdrawing money without penalty from the Kohler Co. 401(k) Savings Plan at age 59½.

#### **Work**

If you plan to keep working during your retirement years, check with Social Security to see if employment will affect your benefits.

#### **Personal Online Advisor Tool**

*If you like to do things on your own, you can use the Online Advisor Service tool located under "Investment Advice" in the Resource Center of the Plan Web site. Using interactive software, you can see how different savings and investment choices could impact your savings.*

## Step 3.

Ensure your health and wellness—  
and prepare for the unexpected.

According to the AARP, a 65-year-old couple who retires in 2009 with Medicare coverage can expect to pay about \$240,000 out of pocket for health care expenses over the course of their lives,\* and that figure does not include dental, vision, hearing, or long-term care expenses. So be sure to investigate your health insurance options and understand how they work, including:

### **Medicare**

National health insurance for people age 65 and over

### **Medicare supplemental insurance (Medigap)**

Helps cover Medicare's co-insurance and deductibles

### **Long-term care insurance**

For nursing home or caregiver services

\* Source: AARP Bulletin Today, March 31, 2009

### ***Learn more on the Kohler Co. 401(k) Savings Plan Web site***

*Go to "Family & Finances" under "Personal Finance" in the Resource Center for audio presentations on medical insurance and preparing for unexpected events.*

**Kohler Co. 401(k) Savings Plan Web site**  
KOHLER.ingplans.com

**Kohler Co. Plan Information Line**  
888-401-5722

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## Step 4.

### Get your estate in order.

An estate includes all the things of value that you own. You need a plan to ensure the orderly transfer of assets to your intended heirs—and to protect and manage those assets if you cannot. Consider meeting with an estate attorney and ask about:

- Will
- Durable power of attorney
- Living trust
- Living will

Enlist a tax professional to help you sort through your options and make informed choices.

Learn more at the Kohler Co. 401(k) Savings Plan Web site: Go to “Estate Planning” under “Personal Finance” in the Resource Center for information about beneficiaries, understanding trusts, and more.

## Step 5.

### Plan for lifestyle changes as you approach this new stage of life.

Living the way you want in retirement may take some planning now. Your desired lifestyle might include:

- **Relocation** – research communities and, if necessary, prepare your home for sale
- **Part time employment or job change** – start networking, sign up for classes or training
- **Clubs and activities** – start building relationships with organizations to make the transition to retirement easier

However you spend your retirement years, managing your assets wisely will make them more fulfilling and enjoyable. As you move ahead, get all the information you need before making any big decisions.

Visit the Kohler Co. 401(k) Savings Plan Web site:  
**KOHLER.ingplans.com.**



## When will you be retirement ready?

Use this checklist as a guide:

- I know what my Social Security income will be in retirement.
- I have developed a retirement savings strategy.
- I know the approximate future income from my investments—401(k), pensions, IRA, savings, etc.
- I have discussed my finances with my spouse or partner.
- I have advance medical directives in place (i.e., health care proxy, durable power of attorney, and living will).
- I have my important papers, including those listed above, where my family can find them. I have reviewed the papers with my spouse or partner.
- I have reviewed my health and life insurance coverages, both now and for retirement.
- I have discussed my retirement plans, such as where I want to live, with my spouse or partner.

### Resources

#### **AARP**

[www.aarp.org](http://www.aarp.org)

#### **Internal Revenue Service**

[www.irs.gov](http://www.irs.gov)

#### **Medicare**

[www.medicare.gov](http://www.medicare.gov)

#### **Social Security Administration**

[www.ssa.gov](http://www.ssa.gov)