How Florida First Responders Can Unlock Their Path to Retirement Readiness

5 Steps to Get Ready for Your Retirement or Next Adventure

EVEREST
FINANCIAL ADVISORS

Table of Contents

Chapter 1:

Why You're Feeling Anxious About Your Next Life Chapter

As a first responder in Florida, your career has been built on protecting others and making rapid, life-saving decisions. But now, as you approach retirement and consider your next adventure, you find yourself facing a new set of challenges that may feel unfamiliar and overwhelming.

The idea of coordinating complex retirement benefits and making decisions that impact your financial future can lead to anxiety. You may be worried about making the wrong choice when choosing your pension election or when to start your Deferred Retirement Option Program (DROP), and the last thing you want is to deplete your nest egg prematurely. The prospect of managing a fixed income or understanding how to make all your benefits work together might feel daunting.

But here's the good news: You can align your benefits and income with your goals and dreams. This ebook is designed to provide you with the tools you need to make informed decisions so that you enjoy the next stage of your life with confidence.

In the following chapters, we'll walk you through five steps to help you prepare for retirement:

1. **Know What Your Lifestyle Costs:** Understand the expenses that come with your desired lifestyle and how to cover them.
2. **Outline Your Goals, Ambitions & Dreams:** Clarify what you want out of your retirement and the next stage of your life.
3. **Evaluate How Predictable and Safe Your Income Will Be:** Assess the stability of your income sources.
4. **Properly Allocate Your Assets for Maximized Use, Longevity & Legacy:** Learn how to manage your assets for long-term financial health and maximizing wealth.
5. **Be Prepared to Adjust for What Life Throws at You:** Build flexibility into your financial plan to handle life's uncertainties.

Our goal in presenting this ebook is to help equip you to make decisions that support your financial freedom and allow you to enjoy life beyond your public safety career.

Chapter 2:

What's at Stake

Whether you're approaching retirement or a new career, the choices you make will shape your financial future. Without a solid plan in place, you may find yourself constantly worrying about making the right decisions regarding your DROP and defined benefit options. You may end up depleting your nest egg prematurely or shortchanging your family with the wrong decision.

Another risk is failing to implement a strategy for income predictability. Without a clear plan to manage both mandatory and discretionary spending, your income streams could become unpredictable. Whether you're stepping into retirement or a new professional role, you deserve the confidence that comes with knowing your income is reliable and will meet your needs.

Taxes present another challenge. Without a comprehensive tax strategy, you could find yourself jumping up in tax brackets, especially when required minimum distributions (RMDs) kick in. This increase in tax burden can potentially make the government the largest benefactor of your life's work instead of your loved ones. Proper tax planning will help you avoid these pitfalls and protect your financial assets.

At this stage of your life, we think you should be focusing on enjoying your life and pursuing new opportunities. This ebook can help guide you in making informed decisions that allow you to move forward with confidence.

Chapter 3:

Why We Get Where You're at

At Everest Financial Advisors, we understand the challenges that Florida first responders face when it comes to managing benefits. With a combined 56 years of public service, our firm's founders, James Estep and Leo Nunez, know how overwhelming it can be to take ownership of your finances, particularly your benefits.

James and Leo are more than just financial advisors—they are retired firefighters who have dedicated over 25 years to helping others navigate their financial futures. As CERTIFIED FINANCIAL PLANNER® professionals, they have the expertise to help guide you through your financial journey. What's more, our firm uses scenario modeling to help you grasp the impacts of pension elections, DROP decisions, and 457(b) options so that you can select the route that supports your goals.

Our founders' experience extends beyond advisory roles, having served as trustees on the Miramar Firefighters Pension Plan and as IAFF Local 2820 Executive Board members. Affiliated with the Florida Public Pension Trustees Association and holding the Certified Public Pension Trustee designation, they understand the systems and regulations that impact your retirement decisions.

James' and Leo's professional and personal experiences uniquely position them to guide you through this important time in your life. They've walked in your shoes, facing the same decisions and challenges that you're encountering. In this ebook, they draw on their experience to provide five steps to help you feel confident you're prepared for your retirement or new career.

Chapter 4:

Step 1—Know What Your Lifestyle Costs

Understanding the true cost of your lifestyle is essential when planning for retirement or a new life adventure. This is the first step in making sure your financial resources will sustain the life you envision. Let's break down this step into key areas that will help you get a clear picture of your expenses.

Where Will You Live and What Will It Cost?

Start by imagining your ideal living situation. Where do you see yourself? Is it a cozy cottage by the sea, an apartment in a bustling city, or a quiet home in the suburbs? Each of these choices comes with different costs, and understanding those costs is important to your financial planning. You will need to consider the rent or mortgage, property taxes, insurance, and even smaller expenses like maintenance.

Housing is a major expense category that will take up a significant portion of your income. If your home is already paid off, it can provide substantial financial relief, freeing up resources for other aspects of your life.

By creating a detailed budget for your housing situation, you'll gain a clearer understanding of whether your dream location fits within your financial plans. This way, you can avoid turning a dream into a financial burden.

Lifestyle and Liabilities

Beyond housing, it's important to reflect on the cost of your overall lifestyle. We like to break down expenses into four categories: Housing, Lifestyle, Taxes, and Goals. Assessing your current lifestyle can be uncomfortable, but it's a necessary step. Are there areas where you should cut back, or are you already living frugally? Don't overlook debt service when calculating monthly expenses. Identifying any debts or ongoing financial obligations is essential, and having a plan to manage or eliminate these liabilities can significantly improve your financial health.

Remember, once you retire or start a new career, you won't have the option of picking up a detail or overtime to cover cash flow gaps. Additionally, retirement or career changes may bring shifts in spending habits, introducing costs you haven't encountered before.

Impacts of Future Taxes on Your Plan

Taxes will play a significant role in determining your financial future. You might have heard that retirement brings lower tax brackets, but for many first responders, this isn't the case.

It's important to understand how your income sources, investments, and retirement accounts will be taxed. That half-a-million-dollar DROP account is not really worth $500K—Uncle Sam has yet to take his cut. Tax laws are constantly changing, and the future might bring higher or lower taxes. This uncertainty means that planning is essential.

Considering how you'll handle required minimum distributions (RMDs) or address the widow's tax trap if you're married will be essential. Consulting with a tax advisor or CFP® professional can help you develop strategies to minimize your tax burden so that more of your hard-earned money remains with you and your heirs.

By taking the time to understand what your lifestyle will cost, you can make informed decisions to support your future.

Chapter 5:

Step 2—Outline Your Goals, Ambitions & Dreams

Planning for retirement or a new career isn't just about managing your finances; it's about envisioning the life you want. This step is not only about identifying your goals, ambitions, and dreams, but also about integrating them into your financial plan so you can feel confident you will achieve them.

Will You Continue Working Once You Separate from Employment?

As you prepare to leave your current role, it's important to consider whether you'd like to continue working in some capacity. Perhaps part-time work, freelancing, or starting a small business interests you. For many first responders, this decision isn't just financial—it's also about staying engaged and making a difference.

You might have children at home or kids heading off to college, and continuing to work could provide the additional income or health insurance coverage you need during this transitional period. We always advise clients to make any post-employment work as flexible as possible. Doing so can help you generate income without compromising the freedom to pursue your dreams. Plus, continuing to work enables you to share your expertise, potentially guiding the future of public safety in the right direction.

What Do You Plan to Do with Your Newfound Time?

This is perhaps one of the most overlooked aspects of planning, especially for first responders who have spent years in demanding, structured roles. Many envision a life filled with hobbies like golfing or fishing, but after the initial excitement wears off, the question remains—what will you do with the next 25 to 30 years of your life?

Beyond work, think about how you want to spend your time. Will you travel, volunteer, or dive into a new hobby? What activities bring you joy and fulfillment? Start exploring these passions now, before you leave your career, so you can help ensure your financial plan supports the lifestyle you desire. This way, when the time comes, you can transition smoothly and make the most of your newfound freedom.

What Unfinished Business Do You Have?

Everyone has goals or dreams they've yet to achieve. What's on your list? Perhaps you've always dreamed of becoming a professional chef, starting a nonprofit organization, or learning a new skill. Whether your aspirations are personal or professional, now is the time to create a plan for them.

Achieving these dreams can bring a sense of accomplishment and happiness that goes far beyond financial success, but it's essential to understand how they'll impact your finances. By integrating these goals into your overall financial strategy, you can help make sure that they're not just dreams, but achievable realities.

Outlining your goals, ambitions, and dreams is an important step in preparing for your future. With a clear vision and a financial blueprint, you can move forward with more confidence, knowing that your life beyond your career is full of possibilities.

Chapter 6:

Step 3—Evaluate How Predictable and Safe Your Income Will Be

A predictable and safe income is important as you approach retirement or transition into your new life adventure. Let's explore three key areas to help ensure that your income remains stable.

Is Your Pension Going to Provide for One or Two Lifetimes?

For many first responders, the decision to retire or enter the Deferred Retirement Option Program (DROP) is one of the most important financial choices you'll make. After completing your retirement application, you'll receive a document from your pension office outlining various benefit options that may include life-only, period-certain, joint and survivor, and lump-sum options. These choices can be overwhelming, and making the right decision requires careful consideration.

Consider Joe, a 52-year-old first responder, and his wife, Kathy, who is 49. Joe's pension office offers him a life-only option with a

$5,000 monthly benefit or a 100% joint and survivor option with a $4,625 monthly benefit.

The life-only option may seem more appealing at first, but fast-forward 10 years, and say Joe passes away at 62. If Joe had chosen the life-only option, Kathy would lose that $5,000 monthly income benefit, which was their primary source of financial support. In hindsight, was the additional $45,000 ($375/month difference in monthly benefit x 12 months x 10 years) over 10 years worth the risk of leaving Kathy without income?

Your decision requires careful consideration of several factors:

- **Will your survivors need your income after your passing?** If so, the joint and survivor option may provide more security.
- **Do your survivors have their own retirement savings?** If not, they may be more dependent on your pension.
- **Do they have the temperament and knowledge to manage investments on their own?** If they prefer financial certainty, a more predictable income stream may be better.
- **Will your survivors want certainty and predictability?** A steady income may provide peace of mind.

This decision is one of the most important reasons to have a comprehensive financial plan in writing—consider working with an advisor before making this choice.

How and When Does Social Security Come into the Mix?

Social Security can play a significant role in your retirement income. For example, a 67-year-old retiree who starts collecting $3,000 a month from Social Security can expect to receive over $1.3 million in aggregate payments over 25 years, accounting for inflation adjustments. This makes planning important, especially for first responders, who often retire earlier than the general workforce. Understanding the rules and timing of Social Security benefits can help you maximize your income and strengthen the longevity of your financial plan.

For many, you'll be eligible to start collecting Social Security benefits at age 62. However, while it may be tempting to start benefits as soon as you're eligible, there are important factors to consider:

- **Early Collection and Employment:** If you decide to collect Social Security at 62, you can indeed start receiving benefits, but be aware that you'll receive less than had you waited until your "full retirement age" (FRA). In addition, if you have wage earnings while collecting Social Security before FRA, your benefits may be temporarily decreased. The Social Security Administration sets annual income limits, and if your benefits exceed those limits, you can expect them to be temporarily reduced. Although not permanent, this reduction can have a lasting impact on the total amount you receive over your lifetime.
- **Full Retirement Age and Delaying Benefits:** For most of you, your full retirement age will fall between 66 and 67, depending on your birth year. Waiting until your FRA to collect benefits has its advantages. You'll receive 100% of your benefits that you're eligible for, and there's no reduction if you continue to work.

Keep in mind that your monthly benefit amount can increase the longer you delay claiming past FRA, up until age 70. Delaying benefits could be particularly beneficial if you expect to live a long life or if you want to maximize the amount your spouse will receive if you pass first.

How do you decide when to begin collecting benefits? Here are some strategic considerations:

- **Health and Longevity:** Consider your health and family history in deciding when to start collecting Social Security. If you believe you may live a longer-than-average retirement, delaying benefits could significantly increase your lifetime payout**.**

- **Other Income Sources:** Evaluate your pension, savings, and any potential earnings from part-time work. If these sources can comfortably support your retirement, delaying Social Security might be a wise choice.

- **Spousal Benefits:** If you're married, consider the impact of your decision on your spouse. Delaying benefits can increase the amount they receive if they outlive you, which can be an essential consideration for long-term financial security.

For first responders, the decision of when to collect Social Security needs to be based on what is best for your particular situation. Balancing the desire to access benefits early with the potential advantages of waiting can make a significant difference in your retirement strategy. Consider your health, expected lifespan, and financial needs carefully, and if possible, consult with a CFP® professional to develop a blueprint tailored to your unique circumstances.

But what if you didn't fully participate in Social Security? For some first responders, particularly those who worked for agencies that didn't participate in Social Security, the situation can be complex. In these cases, it's essential to ask yourself:

- **Am I entitled to spousal benefits under Social Security?** Understanding your eligibility can impact your overall retirement plan.
- **What about income from other sources that did contribute to Social Security?** This can affect your benefit calculations.
- **Was I previously affected by the Windfall Elimination Provision (WEP)?** The Social Security Fairness Act, signed into law in 2025, repealed WEP entirely. If your benefit was previously reduced under WEP, you may be entitled to a retroactive adjustment, and your ongoing benefit should now be recalculated.
- **Was I previously subject to the Government Pension Offset (GPO)?** GPO was also fully repealed under the same legislation. If you receive a government pension and were previously denied or received reduced spousal or survivor benefits, it is time to revisit your Social Security picture entirely.

Social Security is a key piece of the puzzle, and how it fits into your overall retirement plan requires thought. Whether you use it as longevity insurance with income predictability or to supplement your income needs in the early retirement years, coordinating and maximizing Social Security benefits is essential.

Is Pension Maximization Right for Me or Not?

Often, we are approached by pre-retirees asking whether they should purchase a life insurance policy before retirement. Our answer is usually, "It depends."

Pension maximization involves selecting the highest-possible single-life pension benefit and using a portion of this income to purchase a life insurance policy. The idea is that the life insurance policy will provide for your spouse or dependents if you pass away, potentially giving you higher monthly income during your lifetime compared to opting for a known joint-life pension benefit.

Unsurprisingly, it is often life insurance sales agents who present this option as a way of selling more policies, without truly considering how well your dependents will fare in the long run. Like any strategy, the devil is in the details. While this option may appear to provide higher monthly income, premium payments need to be subtracted from those monthly benefits to keep your policy in place.

Returning to Joe and Kathy's example, a premium of less than $375 a month would need to purchase enough insurance to provide for Kathy over her remaining lifetime. Is the death benefit enough to meet all of Kathy's needs? Will she feel confident in managing those assets to provide her income without outliving them? These are critical questions to consider.

Pension maximization can be a powerful strategy for increasing your retirement income, gaining flexibility, and ensuring your loved ones are provided for. However, it’s not suitable for everyone. Carefully considering the cost of insurance, your health, and the complexity of managing retirement income in the later stages of life can help you determine whether this strategy is right for you.

By thoroughly evaluating how predictable and safe your income will be, you can make informed decisions that help provide peace of mind for you and your loved ones.

Chapter 7:

Step 4—Properly Allocate Your Assets for Maximized Use, Longevity & Legacy

Properly allocating your assets will help you make sure your financial resources last as long as you need them to. This step involves developing a distribution strategy, considering asset location, and utilizing strategies like the bucket plan to maximize your assets while reducing risk.

Having a Stated Distribution Strategy Will Help Reduce the Risk of Running Out of Money

Retirement is a time to enjoy the fruits of your labor, but careful management of your finances is necessary to make sure your money lasts. Having a well-defined distribution strategy can reduce the risk of running out of money while allowing you to spend guilt-free.

One common approach is the 4% rule, which suggests withdrawing 4% of your portfolio each year, aiming to make your funds last up to 30 years. While this strategy has a good historical track record, it may not account for individual needs, market conditions, or changing circumstances. Depending on whether your portfolio is too conservative or too aggressive, the difference could mean leaving unused funds because of limiting yourself or running out of money prematurely.

Whatever strategy you decide to implement, remember that you don't have to navigate it alone. One of the biggest misconceptions we encounter is that clients believe the only reason they need a financial advisor is to pick the best investments. A good advisor serves as a sounding board when life happens, an accountability partner on your financial journey, and a manager and mitigator of risks in your overall plan.

For first responders, who are often skeptical, this may be the first time you've had to manage such a large sum of assets with the responsibility of not outliving them. Having a professionally created plan for when and how to use your assets may be paramount to your success.

Risk Tolerance Alone Is a Poor Way to Allocate Your Assets

When allocating your assets as you enter retirement, you cannot rely solely on your risk tolerance. Anyone providing you with portfolio advice without assessing your overall financial situation is doing you a disservice.

You are no longer in the accumulation phase of your investing journey, so you need to adjust accordingly. Now that you are entering the distribution phase, it's essential to evaluate your risks in the context of your overall income needs, inflation, and longevity risk, among other factors. Relying on average returns to evaluate investments is truly a thing of the past.

Asset location should be a major consideration when allocating your investments. You might be asking yourself, what do we mean by asset location? The biggest hurdle to maximizing the use of your assets in the future and leaving a legacy is taxes. Yes, we're talking about your silent partner, Uncle Sam. Now is the time to plan for buying out your partner because the sooner you get him out of your plan, the sooner the income generated will be free of the burden of taxes.

As mentioned earlier, RMDs and the widow's tax trap for married folks are all under the control of your silent partner. Uncle Sam sets the rules and tax rates without any real input from you. Your plan should take these factors into consideration on an annual basis. This is another reason why working with a CERTIFIED FINANCIAL PLANNER® professional throughout your retirement journey can be valuable.

Having a Bucket Plan Can Put You at Ease

Having a plan and a written distribution strategy can help support your financial success. Have you ever wondered why star athletes like Tom Brady have quarterback coaches or why premier artists like Celine Dion have voice coaches? That's because their coaches have a plan, and their partnership enables achievement at the highest levels.

Our preferred strategy for helping clients maximize the use of their assets without the risk of running out of money is the bucket strategy. We find that, in conjunction with other factors, this strategy is easy to understand, provides clients with a logical framework for how they're invested, and, most importantly, helps provide peace of mind by reducing the anxiety associated with market volatility. While some critics argue that the short-term bucket can drag down overall returns, we believe the pros far outweigh the cons.

By dividing your assets into different “buckets” based on your short-term, medium-term, and long-term needs, you may find that you better manage your finances. You can feel reassured that your income to pay rent, buy groceries, or even go on that lavish vacation overseas is accounted for and not subjected to the volatility you see on TV when they tell you how the Dow Jones did that day.

In summary, properly allocating your assets requires careful consideration of your distribution strategy, tax implications, and how to balance short-term needs with long-term growth. By working with an advisor and utilizing strategies like the bucket plan, you can help position your assets for use, longevity, and legacy.

Chapter 8:

Step 5—Be Prepared to Adjust for What Life Throws at You

No matter how carefully you plan, life is unpredictable, and things rarely unfold as expected. Flexibility will be vital as you move forward. This means regularly revisiting your goals—at least annually—to help ensure you're still on the right track.

What You Think Will Happen Today Will Probably Be Wrong

Even with the best intentions and meticulous planning, the reality is that life will throw curveballs. Whether it's unexpected health issues, changes in the economy, or shifts in your personal goals, staying adaptable is essential.

Planning for the unexpected doesn’t mean you’ll avoid surprises, but it does mean you’ll be better prepared to handle them. The key is to embrace this uncertainty rather than fear it. By staying flexible, you can make the necessary adjustments to help keep your financial plan on track, even when life doesn’t go as planned.

Having a Plan in Place Is Essential to Be Able to Adjust

By now, it should be clear that having a financial plan is essential. But not just any plan—a comprehensive plan that includes contingencies for unexpected events. Imagine running a business that generates $150,000 a year without a plan to account for unexpected contingencies. The idea seems reckless, so why would you approach your personal finances any differently? Your household and your family's financial security deserve the same level of care.

An adaptable financial plan is one that can accommodate changes in your personal and financial situation. This means staying informed about economic trends, market conditions, and legislative changes that could impact your financial health. In an ever-changing world, the only constant in the economy, markets, and Washington, D.C., is change. Regularly updating your plan to reflect these changes helps make sure you're not caught off guard when life happens.

Have a Professional by Your Side to Help Navigate the Ever-Changing Landscape

Navigating the financial world can be complex, especially when you're dealing with life's uncertainties. Having a professional by your side can make all the difference.

Financial professionals can help you stay informed, provide sound advice, and offer the guidance you need to make well-informed decisions. Building a relationship with an advisor who understands your goals and offers personalized advice can lead to you being the Tom Brady or Celine Dion of your life.

Regular consultations with your advisor will allow you to review your financial plan and make necessary adjustments as your circumstances change. Whether it's revisiting your investment strategy, adjusting your spending, or rethinking your long-term goals, having a trusted professional can help you navigate the ever-changing landscape with confidence.

Being prepared to adjust to whatever life throws at you is an important aspect of financial planning. By embracing flexibility, staying informed, and working with a professional, you can help maintain a robust financial plan, even in the face of life's uncertainties.

Chapter 9:

Gain a Financial Blueprint and an Accountability Partner

Success in your financial journey isn't just about making the right decisions today—it's about having a plan that supports you for the rest of your life. At Everest Financial Advisors, we specialize in helping first responders take ownership of their benefits and confidently navigate the next chapter of their lives. By working with us, you gain more than just financial advice; you can gain a comprehensive financial blueprint and an accountability partner who will be with you every step of the way.

With personalized guidance, we help reduce your stress and help you make informed decisions about your benefits. We work together to create a financial plan to help provide income predictability so that you have the resources to enjoy life without constantly worrying about depleting your savings.

Having us as your guide can mean you confidently set up vacations, plan for goals, and know exactly how much you can spend without jeopardizing your financial health. We work to allocate your investments appropriately and align them with your cash flow needs and long-term objectives. We help you create an income distribution plan for retirement to maximize your tax savings so that more of your hard-earned money stays in your pocket.

The peace of mind that comes from having a sound financial plan and a reliable partner to consult with whenever life changes cannot be overstated. With our team by your side, you can feel empowered to face the future with certainty, confident that you're prepared for whatever comes your way.

Ready to take the next step toward financial security? Schedule a consultation with us today by visiting EverestFA.com. Let's work together to create a financial blueprint that supports your goals and gives you the confidence to embrace your future.

Take the First Step

Schedule a Call

Are you ready to stop worrying about making choices that will deplete your nest egg too soon? Take the first step toward making informed decisions that will help you approach the next chapter of your life with confidence.

Schedule an introductory call today: EverestFA.com

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