

PLANNING FOR TWO WITH PRIDE AND CONFIDENCE

After [Obergefell v. Hodges](#), retirement income planning became easier for many same-sex couples. Marriage grants access to Social Security benefits and other income sources. Could there still be special issues to consider? The answer is maybe.

Retirement income planning for married couples requires planning for the longest likely period of time that both, then the survivor, will need income. When couples are the same sex, managing longevity risk and healthcare planning can require additional considerations.

The statistical life expectancies for men and women are different. The most recent [CDC National Vital Statistics Reports](#) show that a male, age 65, has a life expectancy of 18.1 years, or slightly older than age 83. For a female, it is 20.7 years, or to just older than age 85½. Excellent health can push the number higher. Family genetics can move the number up (or sometimes down) as well.

Retirement income planning is part science and part art. First, spending does not tend to be level. In his 1998 book, *The Prosperous Retirement: Guide to the New Reality*, Michael Stein contends there are three periods in retirement: the Go-Go, the Slow-Go, and the No-Go years. Spending tends to be higher in the Go-Go years as bucket lists are checked off. As retirees age, they tend to be less active, and thus spend less. In the No-Go years, even less activity may be counterbalanced by increased caregiving or medical expenses.

Could these factors affect same-sex couples? Maybe. It can help to ask two key questions:

- 1. What life expectancy fits us?** Statistically, two men likely have a different overall life expectancy than two women. These differences could affect income planning. As an example, two women might need to plan for both to reach age 95 or older. Strategic Social Security benefits claiming may be more important for this couple. Absent a pension, lifetime income from an annuity may be a way to guarantee sufficient income in their later years. This type of planning can help same-sex couples better manage their income needs.
- 2. What is the healthcare plan?** All couples need to plan for healthcare. Because of the statistical life expectancy and health issues between men and women, planning may be different for a same-sex couple. [Fidelity Investment's 2021 estimate of retiree medical expenses](#) noted that a couple should plan for \$300,000—a new high. But a woman should plan for \$157,000 and a man for \$143,000. While some of the cost difference may be the result of considering each as a single individual, overall costs tend to be higher for women. This may need to be built into the plan.

For couples, a spouse is most often the primary caregiver. While it is always true that both spouses could begin to fail at the same time, it can be a higher risk for two people who share the same statistical risks. This may make adding long-term care insurance a good option for some same-sex couples.

In honor of Pride Month, be sure to share retirement planning tips with clients who may have children or loved ones in same-sex marriages or are in a same-sex marriage themselves. Help them feel confident about reaching their retirement goals and perhaps help them increase the odds for a long, happy retirement!

[Additional Resources and Links](#)

[Pacific Life Resources for Social Security Benefits Planning](#)

[Obergefell, et al v. Hodges, Director, Ohio Department of Health, et al, U.S. Supreme Court, Slip Opinion](#)

[Additional Pacific Life Resources](#)

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