



QUICK BITE WEBINAR



Investing Post-Retirement

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Today's Agenda

- Understanding Your Retirement Accounts
- Defining Your Retirement Goals
- Building a Retirement Withdrawal Strategy
- Tips in Retirement

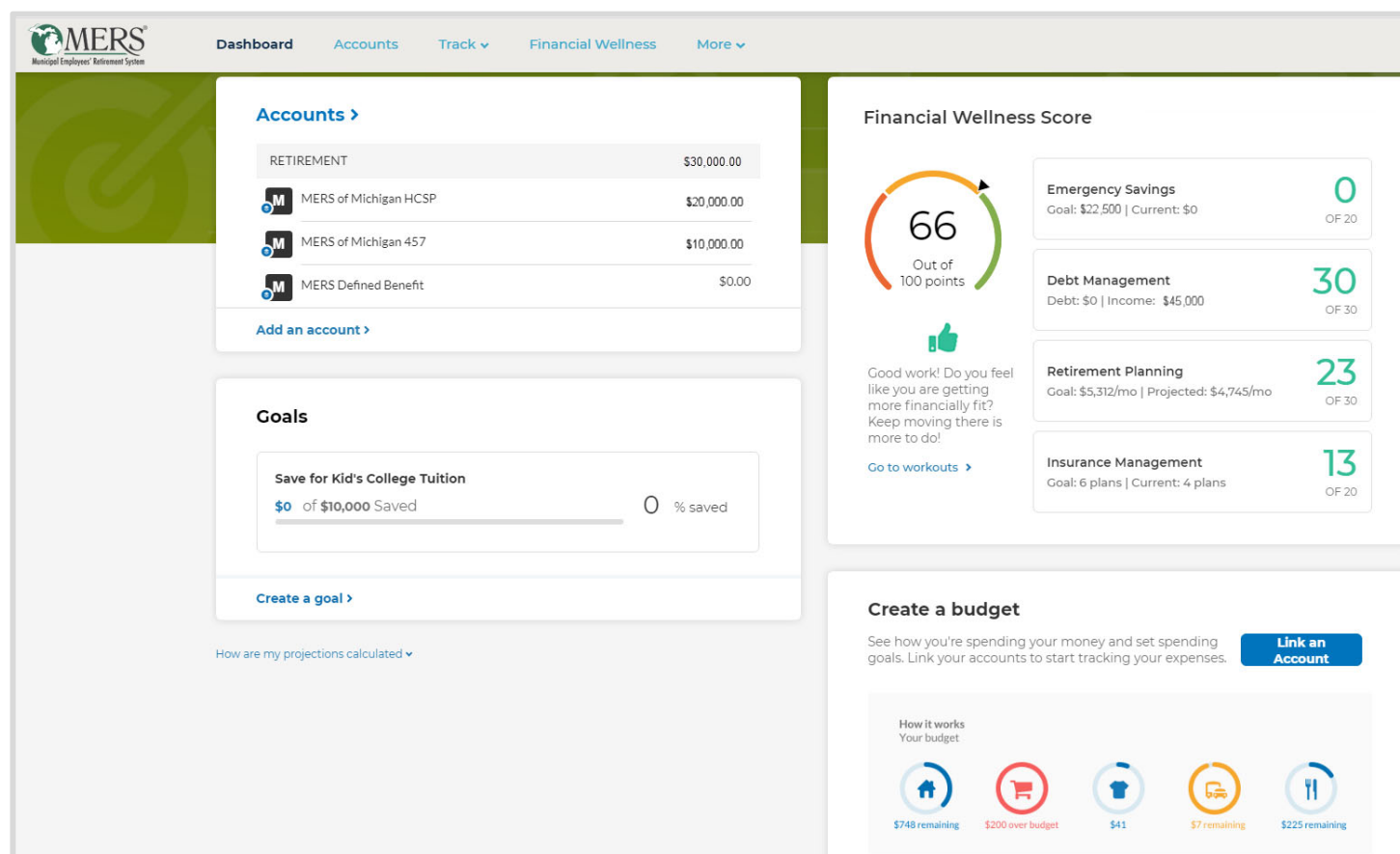
Accessing Your myMERS Account

www.mersofmich.com

The screenshot shows the MERS of Michigan website. At the top left is the MERS logo with the text "Municipal Employees' Retirement System". To the right are social media icons for Facebook, LinkedIn, and YouTube. Below these are navigation links: "Home", "Forms", "Contact Us", and "Log In". A dark green horizontal bar contains links for "PARTICIPANT", "RETIREE", "EMPLOYER", "MEDIA", and "MERS", along with a search bar labeled "Search ..." and a green "SEARCH" button. Below this bar, a yellow banner titled "MERS' Response to Coronavirus (COVID-19)" features links for "Participant Information" and "Employer Information". The main content area is split into two sections. The left section, titled "NEW! MERS IRA", describes "Flexible saving options for you and your spouse" and includes a "Get started today" link. It features a photo of a smiling couple and a pink piggy bank. The right section, titled "Account Access", is for "Employers & Participants" and includes a green "LOG IN" button. Below the button are three links: "Create myMERS account", "Forgot Password?", and "Need help?". A large hand cursor icon points to the "Forgot Password?" link. At the bottom of the page, there is a row of small, partially visible promotional banners.

A Complete Financial Picture

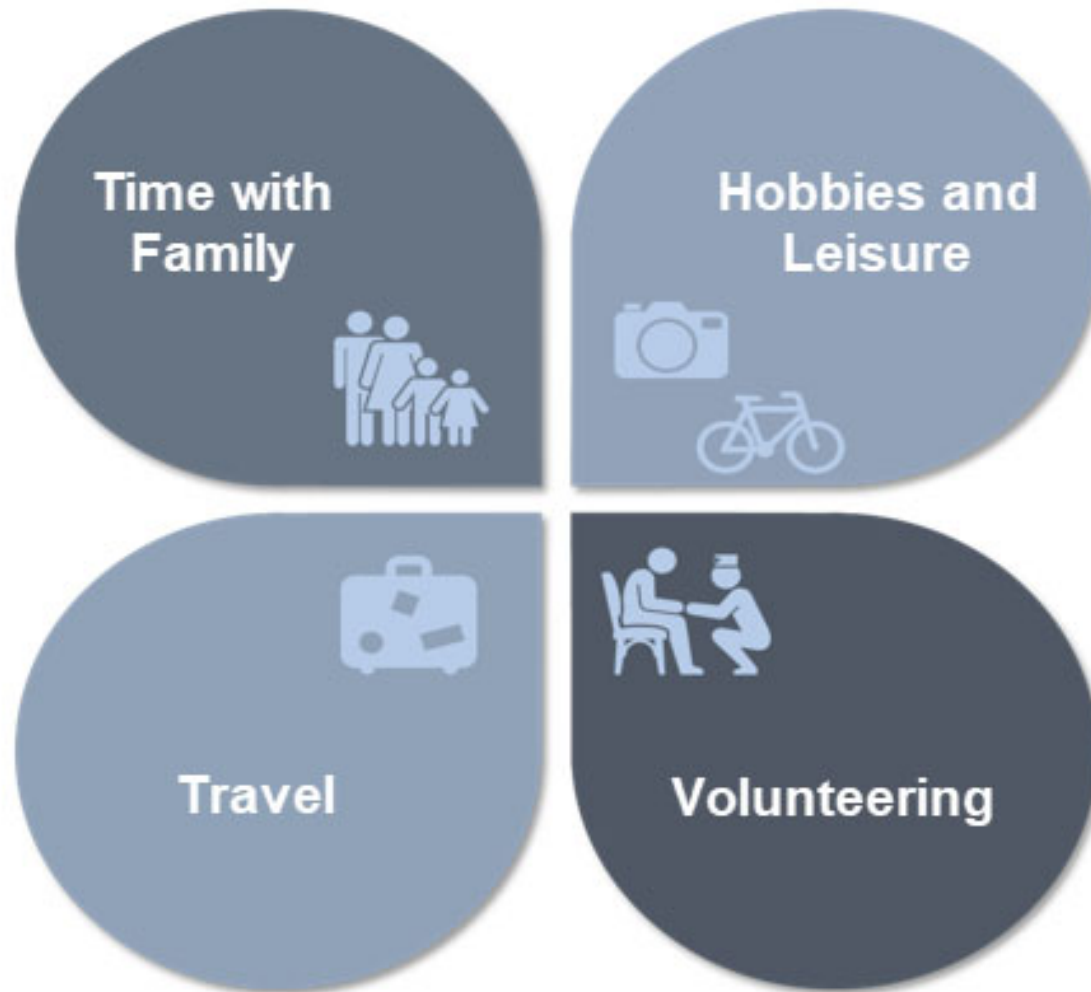
Through your myMERS online account you can bring all your financial information together in one place





Understanding Your Retirement Accounts

Life in Retirement



Types of Accounts

**Retirement
Plans**



**Supplemental
Savings
Programs**

Health Care Programs

Retirement Plans

Steady Income Stream



Account Balance



Factors to Consider:

- How long you'll live
- How much you'll withdrawal

Health Care Programs

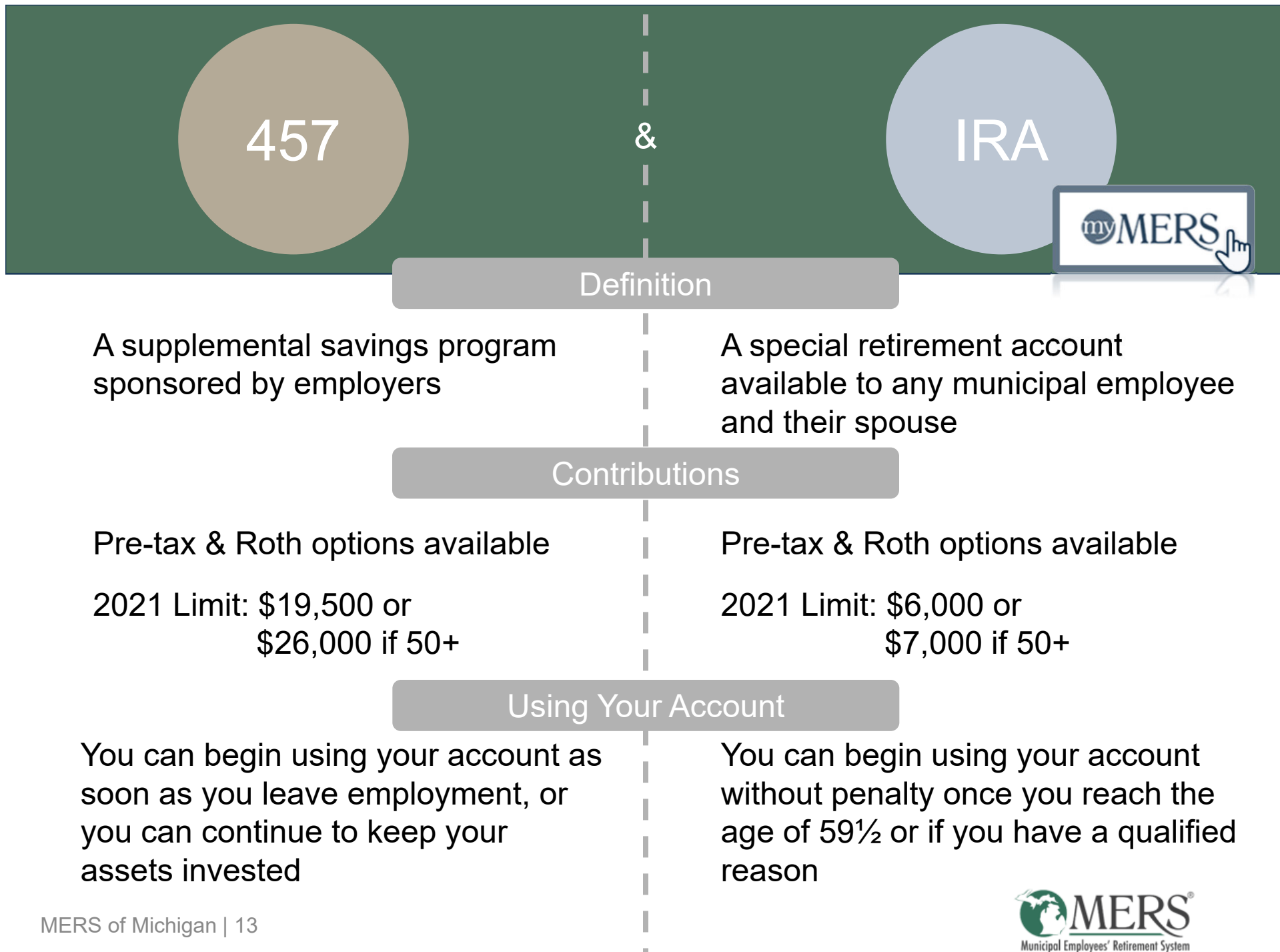


Supplemental Savings Programs



Benefits:

- Extra way to save money
- Act as an emergency savings fund
- Start and stop contributions at any time



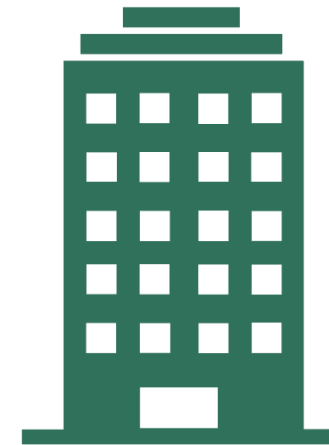
Where to Find Your Information



Your online
myMERS account

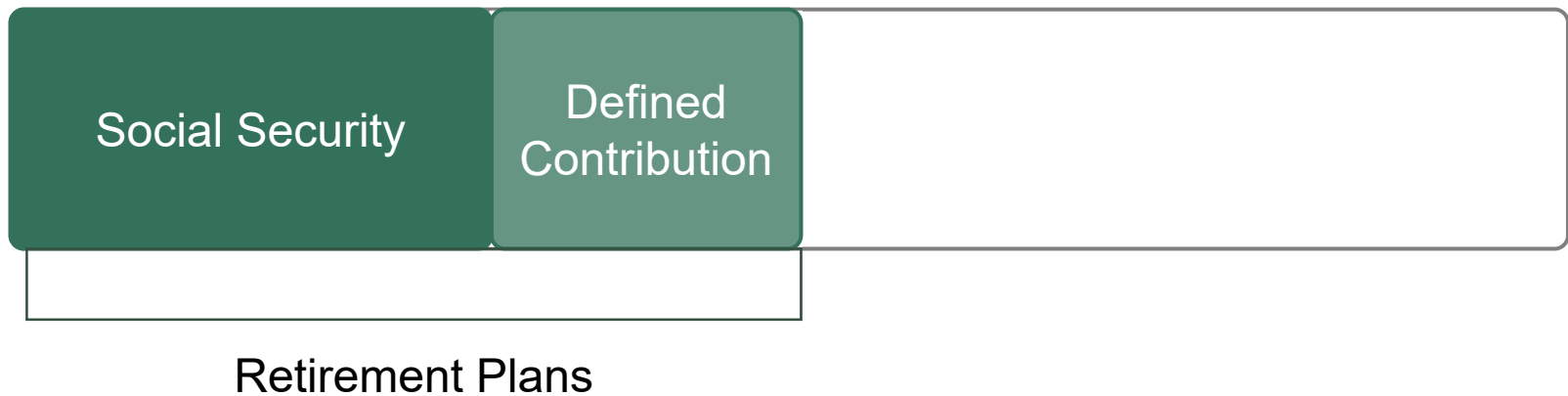


Your
statements

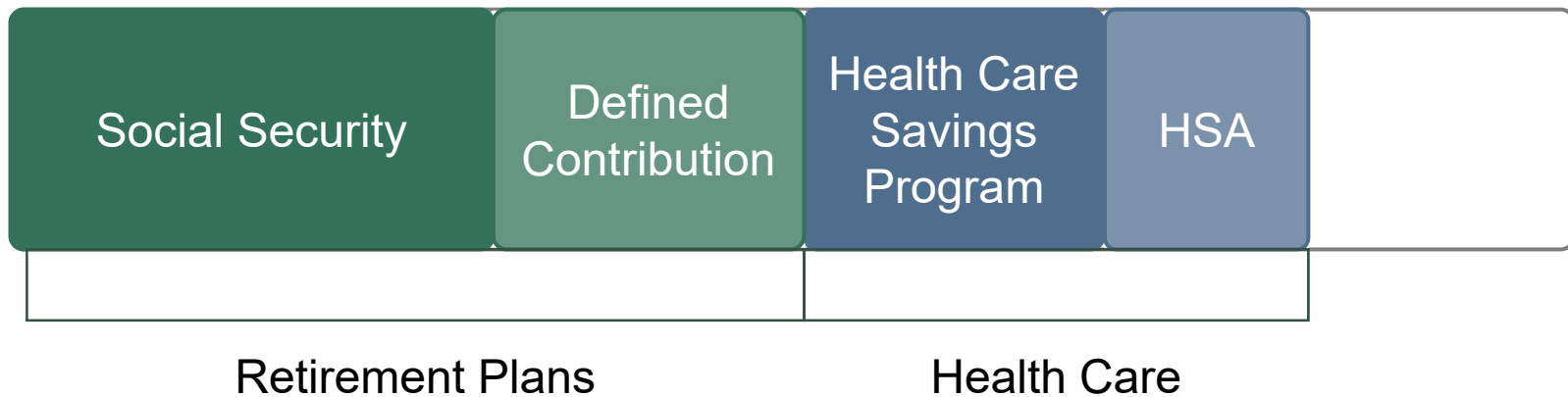


Other retirement
companies

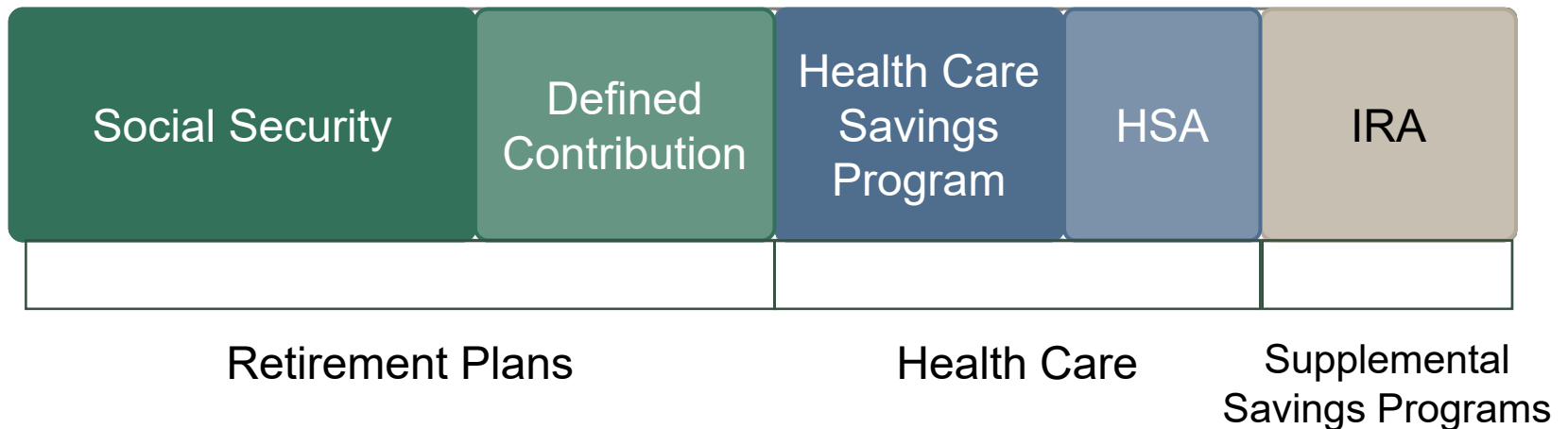
Retirement Funding



Health Care Funding



Supplemental Funding



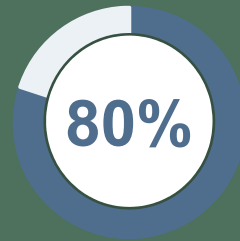


Defining Your Retirement Goals

How Much Is Enough?



A general rule of thumb is to save



of your pre-retirement income

For example, your salary was **\$75,000** you should have
\$60,000 for each year of retirement saved up

This means if you plan to retire at age **65** and expect to live
to at least 90 years of age, you'd need
\$2.3 million in savings

What is an Adequate Savings Rate?

In order to reach retirement savings goals, experts say you should save between 10-15% of your paycheck toward retirement



Retirement Savings

Mary's Retirement Income Sources

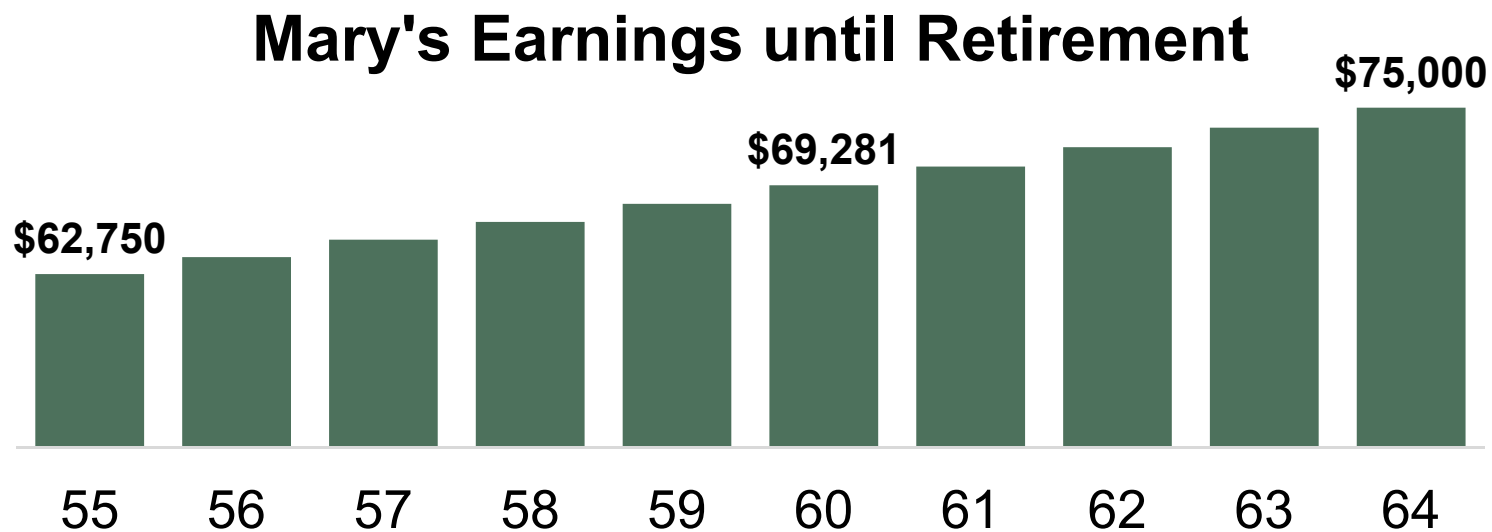


Meet Mary

- 55 and retiring at age 65
- Currently makes \$62,750/year

Social Security	Defined Contribution Plan	Supplemental Savings
Projected Benefit at 65: \$1,531/month	Employer Contribution: 7% Mary's Contribution: 3% Current Balance: \$295,000	Mary's Contribution: 4% Current Balance: \$110,000

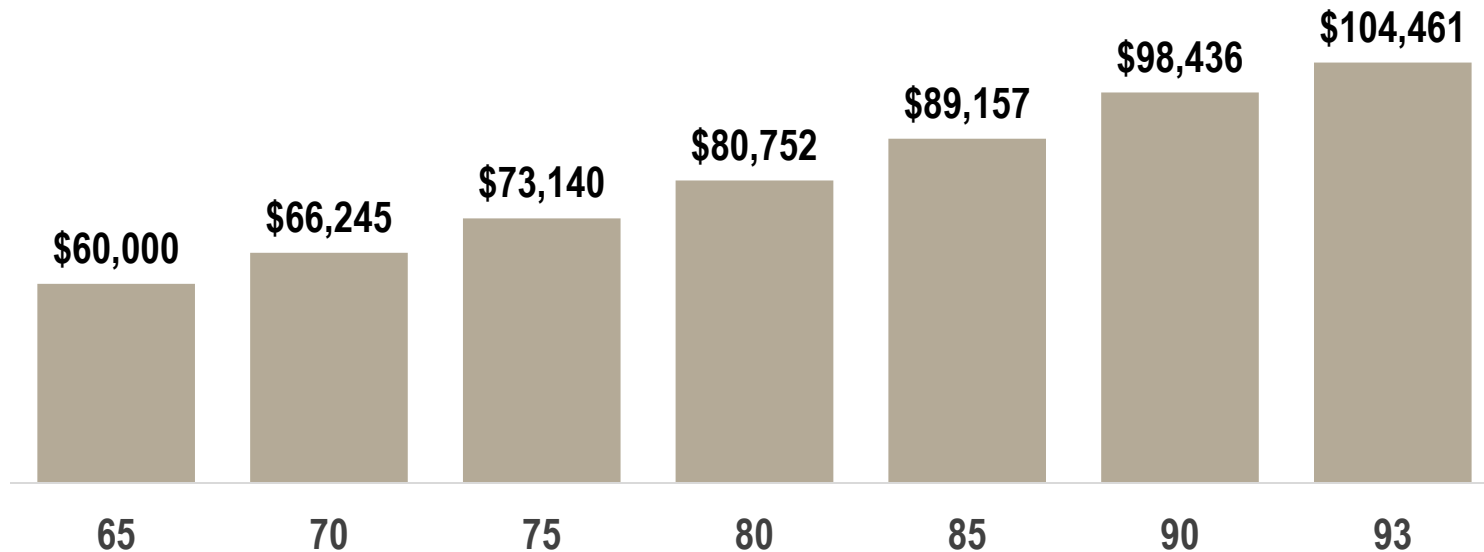
Mary's Income Needs at Retirement



Mary's earnings at retirement: \$75,000
Income Replacement Goal: x 80%
Target Annual Income: \$60,000
Monthly Income: \$5,000

Mary's Income Needs in Retirement

Projected Income Needs *through Retirement*



Mary's Total Income Needs (ages 65 - 93):
\$2,325,000

Mary's Projected Account Balances at age 65



- Currently makes **\$62,750/year**

Social Security	Defined Contribution Plan	Supplemental Savings
Projected Benefit at 65: \$1,531/Month	Current Balance: \$295,000 Account Balance at 65: Assuming 6% ROR \$630,243	Current Balance: \$110,000 Account Balance at 65: Assuming 6% ROR \$237,530

Projecting Mary's Retirement

Mary's 80% Income Goal

Upon retirement at age 65, she wants to have at least

\$60,000/year or \$5,000/month

Mary's Current Projection

Upon retirement at age 65, we estimate she'll have

\$58,248/year or \$4,854/month

Estimated monthly income
in future dollars:

457 Account: \$884

DC Account: \$2,439

Social Security: \$1,531

Strategies To Address A Shortfall

Option 1:

Increase contributions to 457 or IRA from 4% to 8%

Mary's Goal

Upon retirement at age 65, she
wants to have at least
\$60,000/year or \$5,000/month

Mary's Projection

Upon retirement at age 65, we
estimate she'll have
\$60,396/year or \$5,033/month

Estimated monthly income
in future dollars:

457 Account:	\$1,063
DC Account:	\$2,439
Social Security:	\$1,531

Strategies To Address A Shortfall

Option 2:

Lower Your Income Replacement Goal

Mary's New 75% Goal

Upon retirement at age 65, she wants to have at least

\$56,250/year or \$4,688/month

Mary's Current Projection

Upon retirement at age 65, we estimate she'll have

\$58,248/year or \$4,854/month

Estimated monthly income in future dollars:

457 Account:	\$884
DC Account:	\$2,439
Social Security:	\$1,531

Strategies To Address A Shortfall

Option 3:

Delay Retirement by 1 Year to Age 66

Mary's Adjusted Goal

Upon retirement at age 66, she wants to have at least

\$61,200/year or \$5,100/month

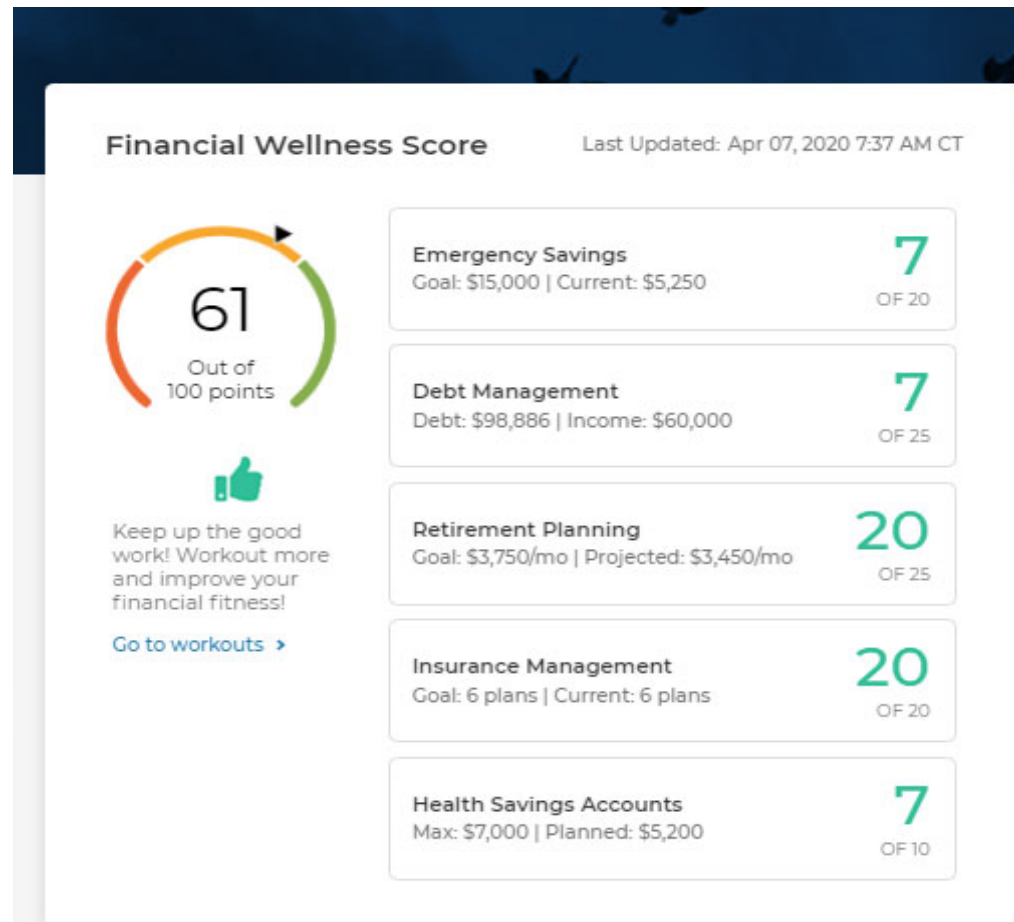
Mary's Projection

When Mary retires at age 66, we estimate she'll have
\$64,932/year or \$5,411/month

Estimated monthly income in future dollars:

457 Account:	\$1,016
DC Account:	\$2,693
Social Security:	\$1,702

Personalized Tools to Help You Succeed



Retirement Planning

Retirement Age

Your desired and acceptable retirement age.

My desired retirement age is:

60

However, I am willing to work up to

65

to meet my retirement needs.

How important is this goal to you?

Extremely Important ★★★★★

Retirement Income

Your preferred and acceptable retirement income.

I would like to earn a retirement income of

85 % = \$4,250.00/mo

However, I am willing to accept a lower income of

75 % = \$3,750.00/mo

to meet my retirement needs.

How important is this goal to you?

Important ★★★★☆

Savings Rate

How much you like to save per month. [Learn more about IRS rules >](#)

Ideally, I would like to save:

5 % = \$250/month

of my salary into my retirement plan.

However, I am willing to save up to:

10 % = \$500/month

of my salary to meet my retirement needs.

How important is this goal to you?

Important ★★★★☆

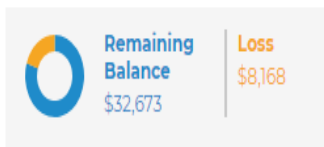
Investment Risk

How much risk you can take with your investments.

In a poor year, I can stand a loss of

20 %

which translates to losing **\$8,168** of my **\$40,841** retirement account balance.



How important is this goal to you?

Least Important ★★☆☆☆

Retirement Planning

Suggested Retirement Plan

Your retirement goal: Receive at least **\$3,750/month** when you retire at **age 60**

Current Retirement Plan

VS

Suggested Retirement Plan

\$3,450/mo ⓘ 69% of today's income	PROJECTED RETIREMENT INCOME	\$3,800/mo 76% of today's income
0%	SAVINGS RATE	6% ✎ Edit
Current 22% Loss Potential ⓘ	INVESTMENT	Conservative Growth 15% Loss Potential ⓘ

[< Back](#)[Adjust Goal](#)[Next](#)



Building a Retirement Withdrawal Strategy

Develop Your Retirement Investment Strategy

KEY FACTORS

LONGEVITY

The risk your money runs out before your death



INFLATION

The risk your purchasing power decreases



RATE OF RETURN

The risk of having low returns from both short and long-term investments



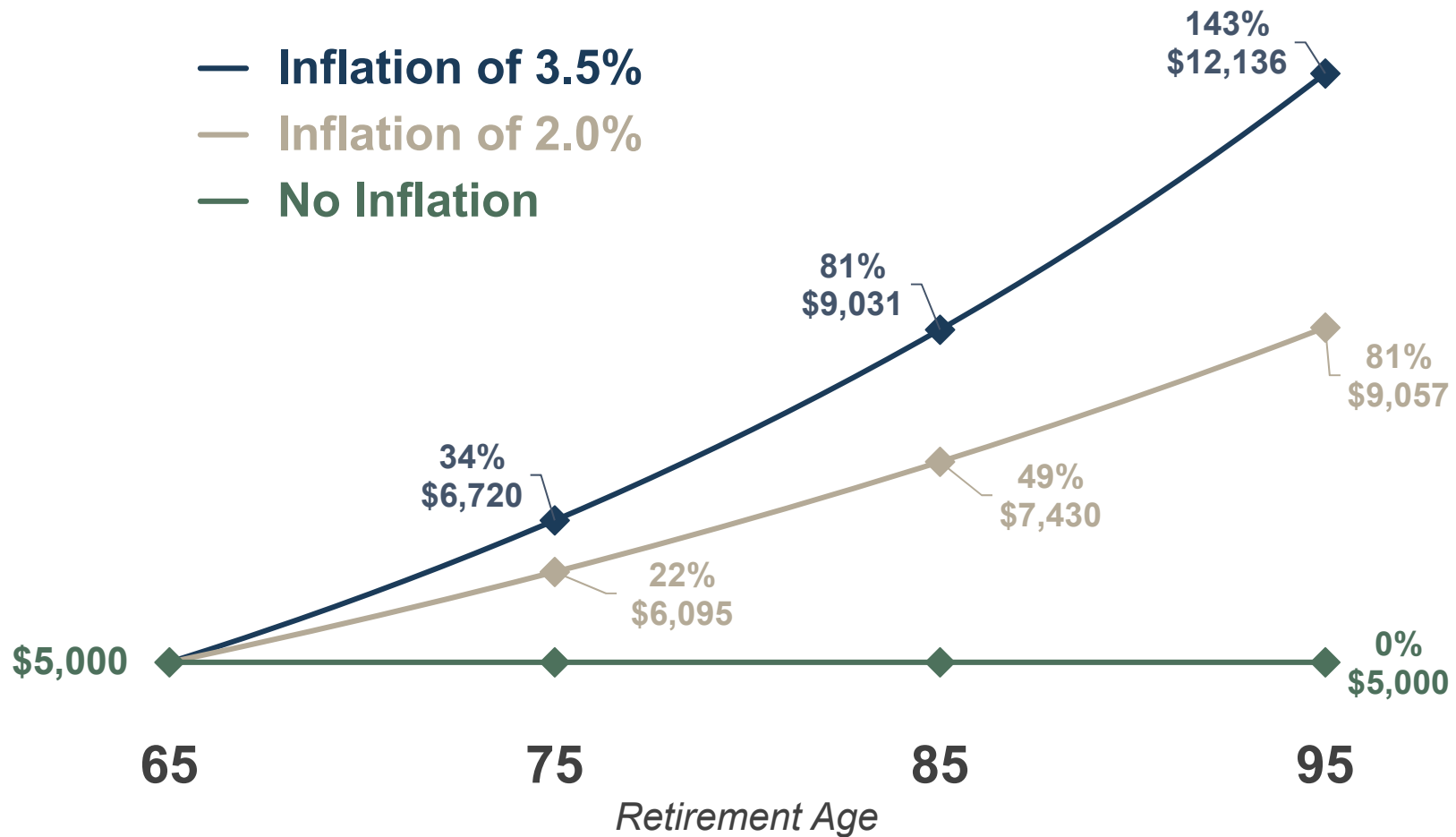
Longevity

	65-year-old Male	65-year-old Female	65-year-old Couple*
Life Expectancy	86 years	88 years	92 years
Target Age to Save For	91 years	93 years	97 years

“Target Age to Save For” is the Life Expectancy age plus five years in order reduce the chance of running out of assets to draw down.

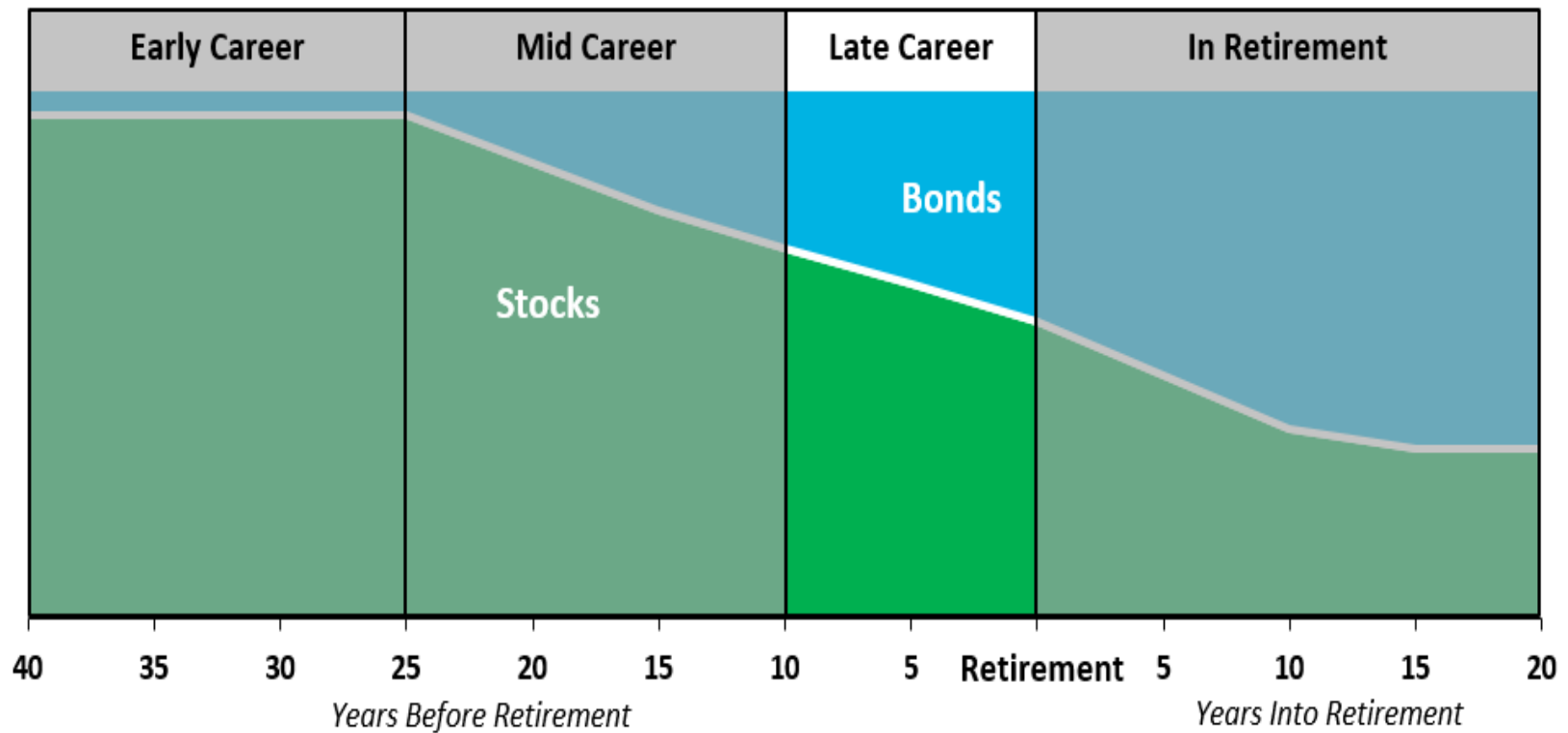
Source: <https://www.longevityillustrator.org/calculator>, using the 2017 Social Security Administration mortality table, with future mortality improvement using the Society of Actuaries RP-2019 scale, for an individual of “average health” and a “non-smoker.”

Inflation



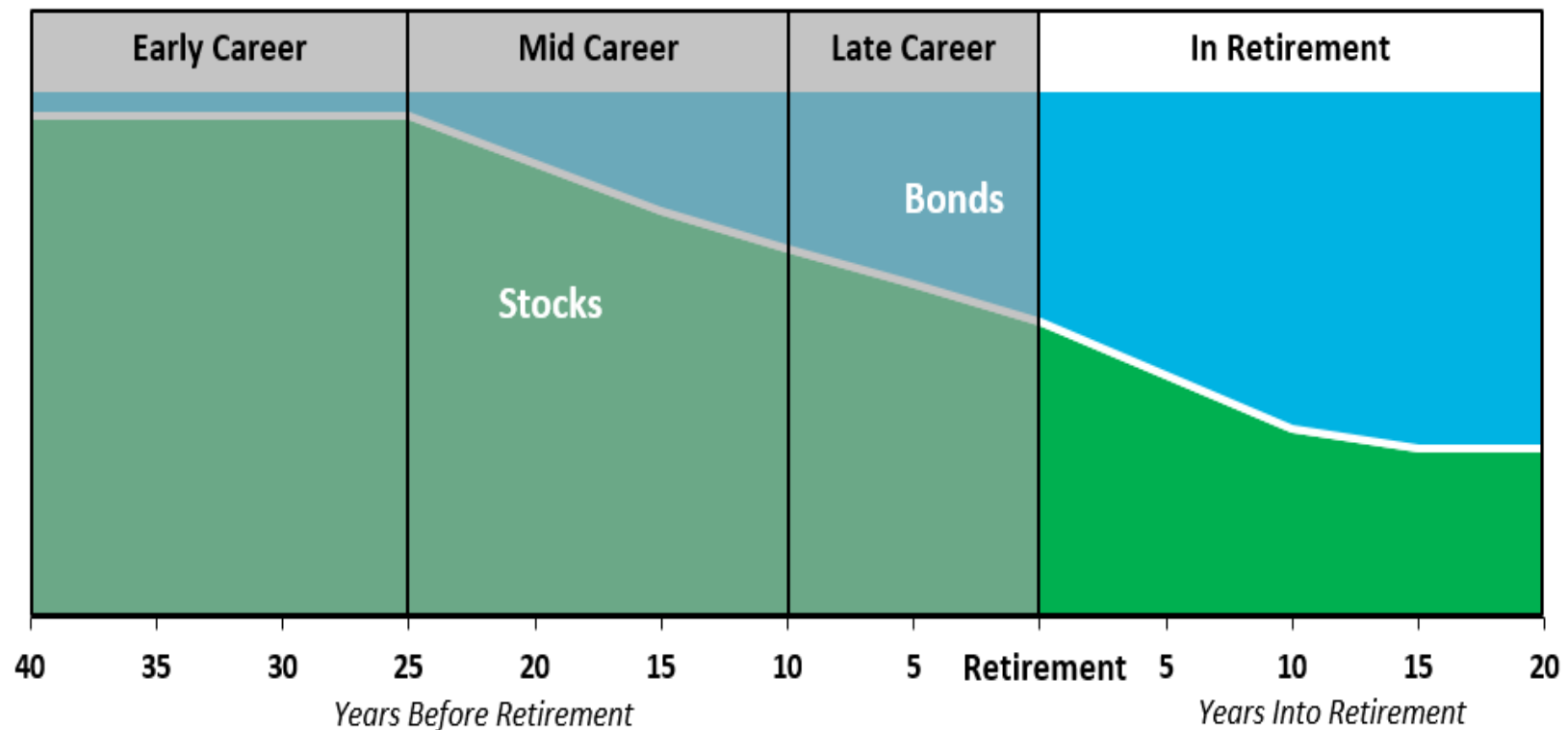
Example shows the impact of inflation on retirement income needs in retirement.

Investments – Late Career



Investments – In Retirement

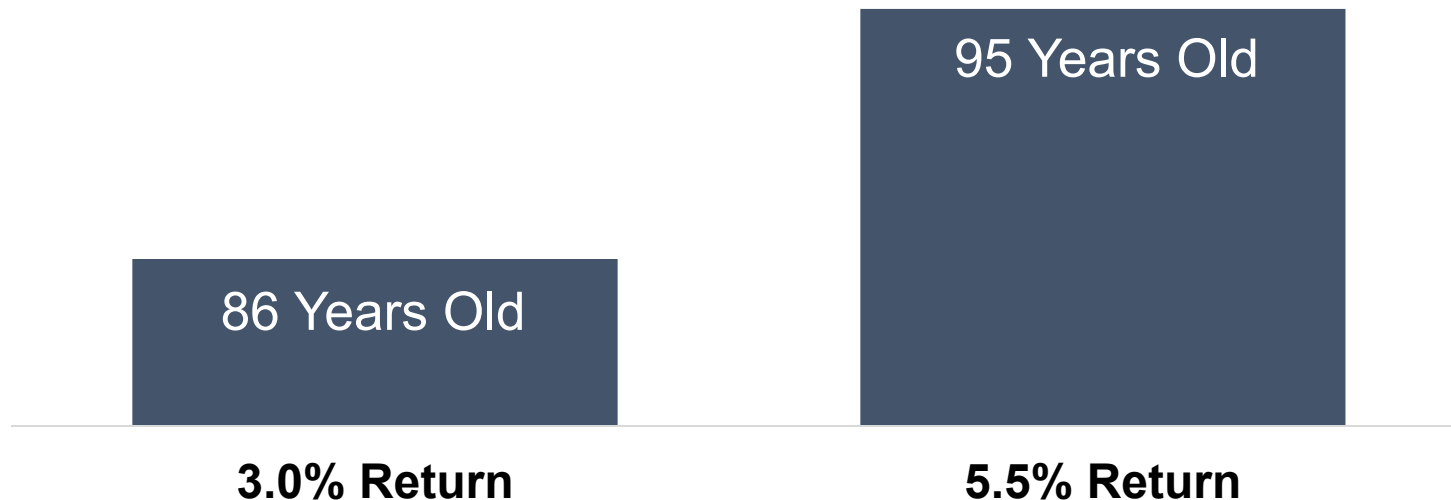
Continue to reduce risk on your accumulated balance



Investments

Should I move all of my retirement savings into the **lowest risk** investment?

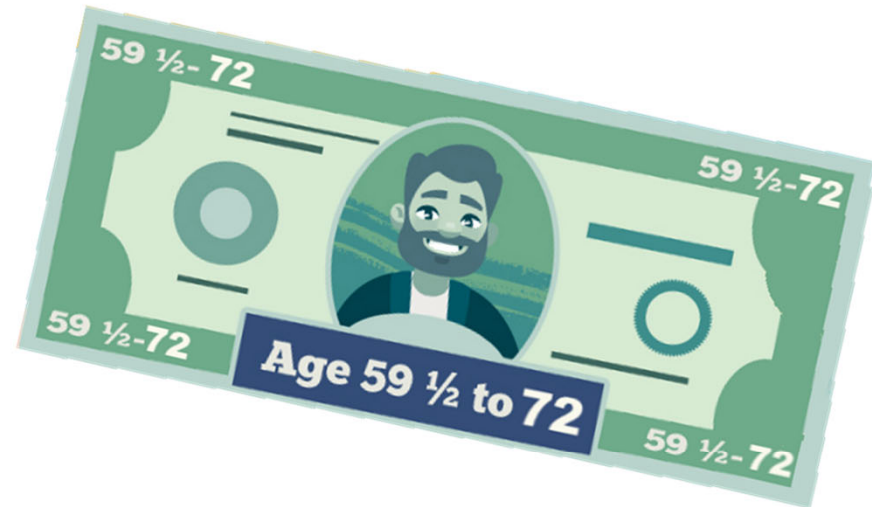
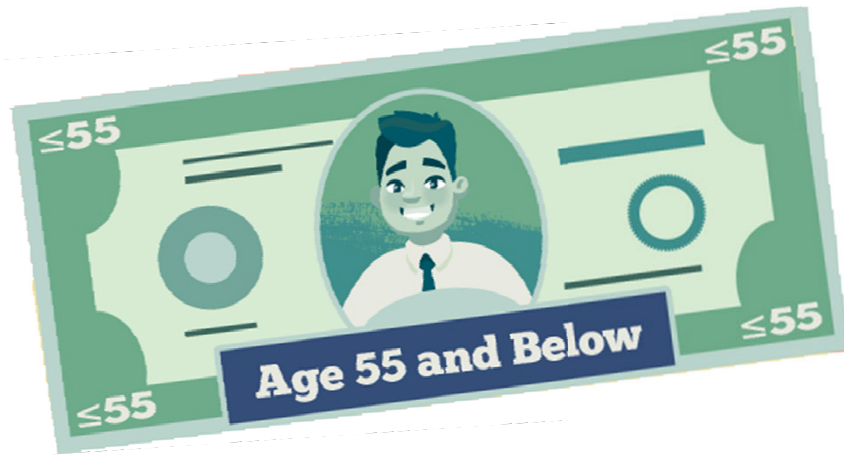
How Long Would Monthly Payments Last?



Example: Participant retires at age 60, and draws down a \$500,000 account balance by taking a \$2,000 monthly payment, adjusting it upward with inflation at 3.0% each year.

Create Your Distribution Plan

When to Use Your Account



Distribution Options



Lump Sum Payments

Receive a full or partial amount of your account balance



Periodic Payment Options (Installments)

Receive a set amount monthly, quarterly, semi-annually or annually until your balance is exhausted



Tips in Retirement

Stay in the Plan

Consolidate Your Retirement Accounts



Keep Your Beneficiary Designations Current



- Review your beneficiary designations periodically, especially after major life events
- Remember to designate beneficiaries for ALL accounts
- If your beneficiary dies, be sure to name a new one

Retirement Tips



Spend Wisely



Enjoy!



Maintain an
Emergency Fund



Stay in Touch

Connect with MERS

www.mersofmich.com



Live Chat



1-on-1 Appointment
Scheduler

MERS of Michigan

1134 Municipal Way
Lansing, MI 48917



Social Media



800.767.MERS (6377)



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