

*How much money will you **NEED** –
How much should you **SAVE**?*



*Are you in the Ballpark
for your retirement income needs?*



Maryland Supplemental Retirement Plans

6 Saint Paul Street - Suite 200

Baltimore, Maryland 21202-1608

Tel: 410-767-8740 or 1-800-543-5605

Board's Web Site: www.MSRP.maryland.gov

This presentation is for educational purposes and should not be construed as tax, legal or investment advice.

Keys to Help Build Financial Security for Retirement



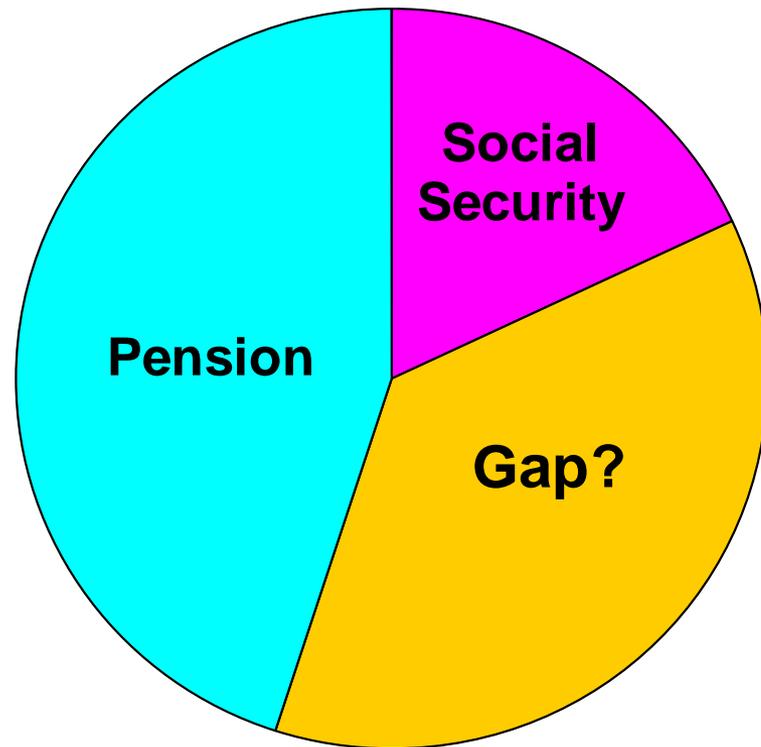
- ❖ Control spending in retirement
- ❖ Aim for 70-90% of your current income at retirement
- ❖ Recommended long term sustainable withdrawal rate is 4-5%
- ❖ Consider all payment options from retirement income sources
- ❖ Employ a long time horizon:
According to actuaries if a married couple are healthy at age 65, there's an even chance that one spouse will live to age 92!

Are You Saving Enough?

Sources of Post-Retirement Income

- ✓ Pension \$ _____
- ✓ Social Security \$ _____
(decide when to begin benefits)
- ✓ 401(k)/457(b), 403(b) \$ _____
- ✓ Traditional/Roth IRA \$ _____
- ✓ Other Investments \$ _____
- ✓ Part-time job \$ _____

- TOTAL \$ _____



Running the bases.....will you hit a “home run”?

State Retirement Agency

Personal Statement of Benefits

Your Estimated Monthly Retirement Benefits

RETIREMENT BENEFITS

	Early Service	Service Retirement
Retirement Date	February 2013	February 2020
Retirement Age	55	62
Lifetime Monthly Estimated Allowance	\$ 584	\$ 1,370

RETIREMENT BENEFITS: The estimated monthly projected lifetime benefits are based on the assumptions that (1) your earnings will remain constant until you retire; (2) the provisions of your plan remain unchanged; (3) you have made all required contributions prior to retirement (i.e., no deficiency); and (4) all projected future credit is assumed to be full time. Any part time employment may result in service credit adjustments and a reduction in your monthly retirement benefits.

Calculations for correctional officers assume a minimum of five years in an eligible correctional officer classification immediately preceding retirement. Calculations for maximum security attendants assume that past and projected service is in an eligible maximum security attendant classification. Certain elected and appointed officials may be eligible for full benefits after 16 years of service.

The estimated monthly amounts shown are the basic allowances which are the largest benefit amounts that would be paid. At retirement, you may choose another benefit option which will provide a lower monthly benefit to you than shown here while providing some form of protection to your beneficiary(ies). The estimates also do not reflect payment to an alternate payee under an eligible Domestic Relations Order.

www.sra.state.md.us Estimate Your Benefit

What you need to know about Social Security Benefits

www.ssa.gov Get your Statement

Your Estimated Benefits

*Retirement	You have earned enough credits to qualify for benefits. At your current earnings rate, if you continue working until... your <u>full retirement age (67 years)</u> , your payment would be about..... \$ 1,578 a month age 70, your payment would be about \$ 1,967 a month If you stop working and start receiving benefits at... age 62, your payment would be about \$ 1,088 a month
*Disability	You have earned enough credits to qualify for benefits. If you became disabled right now, your payment would be about..... \$ 1,442 a month
*Family	If you get retirement or disability benefits, your spouse and children also may qualify for benefits.
*Survivors	You have earned enough credits for your family to receive survivors benefits. If you die this year, certain members of your family may qualify for the following benefits: Your child..... \$ 1,125 a month Your spouse who is caring for your child..... \$ 1,125 a month Your spouse, if benefits start at full retirement age..... \$ 1,501 a month Total family benefits cannot be more than \$ 2,762 a month Your spouse or minor child may be eligible for a special one-time death benefit of \$255.
Medicare	You have enough credits to qualify for Medicare at age 65. Even if you do not retire at age 65, be sure to contact Social Security three months before your 65th birthday to enroll in Medicare.

*** Your estimated benefits are based on current law. Congress has made changes to the law in the past and can do so at any time. The law governing benefit amounts may change because, by 2037, the payroll taxes collected will be enough to pay only about 76 percent of scheduled benefits.**

We based your benefit estimates on these facts:

Your date of birth (please verify your name on page 1 and this date of birth).....	April 5, 1969
Your estimated taxable earnings per year after 2009	\$43,117
Your Social Security number (only the last four digits are shown to help prevent identity theft)	XXX-XX-1234

Full retirement age.

Updated 07/19/2010 11:41 AM | ID #14

What age can I begin receiving full retirement benefits?

Full-retirement age has been 65 for many years. However, beginning with people born in 1938 or later, that age will gradually increase until it reaches 67 for people born after 1959. The following chart shows the steps in which the age will increase.

Year of Birth	Full Retirement Age
1937 or earlier	65
1938	65 and 2 months
1939	65 and 4 months
1940	65 and 6 months
1941	65 and 8 months
1942	65 and 10 months
1943--1954	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 and later	67

Note: Persons born on January 1 of any year should refer to the full retirement age for the previous year.

Use the Interactive Retirement Planner

You've invested for retirement, but will it be enough to do what you want to do?

Find out right now! In less than 10 minutes:

- set a retirement goal
- track retirement plan progress
- get suggestions to improve retirement outlook

*You will be ahead of 56% of people in the country
once you have used this simple tool*



Brighten your future

My Retirement Planning To Do List

- Consider increasing my contribution amount.
- Make sure my beneficiary designation is up to date.
- Talk to my Retirement Specialist.

[Learn more](#)

ACCESS MY PLAN

Username
(case sensitive)

Password
(case sensitive)

[Log In](#)

Forgot your [username](#) and/or [password](#)?

SIGN UP

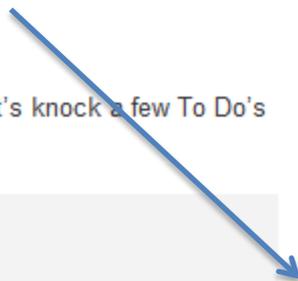
[Sign Up](#) for an Online Account

[Privacy & Security](#)

Check These To Do's Off Your List!

In just a few minutes, you can get a lot done on your all-new MSRP website. So, let's knock a few To Do's off your list. Act now to:

- 1 **Increase** contribution amount
- 2 Make sure **beneficiary information** is up-to-date
- 3 Talk to a Team MSRP **Retirement Specialist**
- 4 Look up the new **Learning Center**
- 5 **Enroll** in Maryland Supplemental Retirement Plans (MSRP)



LET'S TALK

Have questions? Give us a call.

1-800-545-4730

[Send us an email](#)



Are you prepared for retirement?

Find out with the [On Your Side Interactive Retirement Planner](#)SM



Learn more about the MSRP Supplemental Retirement Plan

[Watch our video](#) to find out how it can work for you.

On Your Side INTERACTIVE RETIREMENT PLANNERSM

1

Set a goal

2

Track progress

3

Review options

You've invested for retirement, but will it be enough to do what you want to do?

Find out right now! In less than 10 minutes:

- set a retirement goal
- track retirement plan progress
- get suggestions to improve retirement outlook

Retirement plan, investment account, Social Security or pension statements can be used with this planner, but aren't necessary.

Help is a phone call away - call 1-800-545-4730 if you have trouble using this tool.

*Required Field

*Current age? years old

*How many years in retirement?

Start at age **62** Until age **90**

 **28** years in retirement

*Current annual income? \$

Next ▶



On Your Side INTERACTIVE
RETIREMENT PLANNERSM

- 1 Set a goal 2 Track progress 3 Review options

How much will be spent in retirement? ?



75%

of current annual income

A simple life, likely in good health. Mortgage may be paid off, and there's little debt and reduced expenses.



85%

of current annual income

A lifestyle that's similar to today's. Traveling from time to time, enjoying hobbies and volunteering.



95%

of current annual income

There's more going on now than when working! Perhaps enjoying new hobbies, more travel, and helping family with expenses.



105%

of current annual income

Financially comfortable. Likely to leave a sizeable estate, buy a vacation home or travel abroad.

If these numbers don't fit, enter a custom percentage: % ?

◀ Previous

Next ▶



On Your Side INTERACTIVE
RETIREMENT PLANNERSM

1

Set a goal

2

Track progress

3

Review options

Retirement spending needs:



Retirement spending needs are **\$2,833** per month, which is **85%** of current annual income.

Now, let's track progress against this goal...

◀ Previous

Next ▶



Let's start by looking at investments:

Personal investments (we'll look at the primary retirement account now and pensions later)

Retirement account - 401k, 401a, 403b or 457 (deferred compensation) plan:

Current retirement account balance? \$?

Contribution from each paycheck? Dollars ?

Paycheck frequency?

Employer matches contributions? Yes No ?

◀ Previous

Next ▶



On Your Side INTERACTIVE
RETIREMENT PLANNERSM

1 Set a goal

2 Track progress

3 Review options

Let's continue looking at investments:

More investments (we'll look at additional retirement accounts now and pensions later)

Additional retirement investments? Yes No

◀ Previous

Next ▶



Let's look at other expected income:

Additional income (now we'll look at Social Security and pensions)

*Required Field

Include Social Security income? Yes No [?](#)

Use estimated Social Security income

Enter expected Social Security income \$

*Social Security benefits begin at age years

Include pension income? Yes No [?](#)

Expected pension income \$

*Pension benefits begin at age years

Pension includes cost of living adjustment? Yes No [?](#)

*Cost of living adjustment %

◀ Previous

Next ▶

Just a little more information, please:

Only two more questions...

*Required Field

*Assumed average rate of return before retirement %

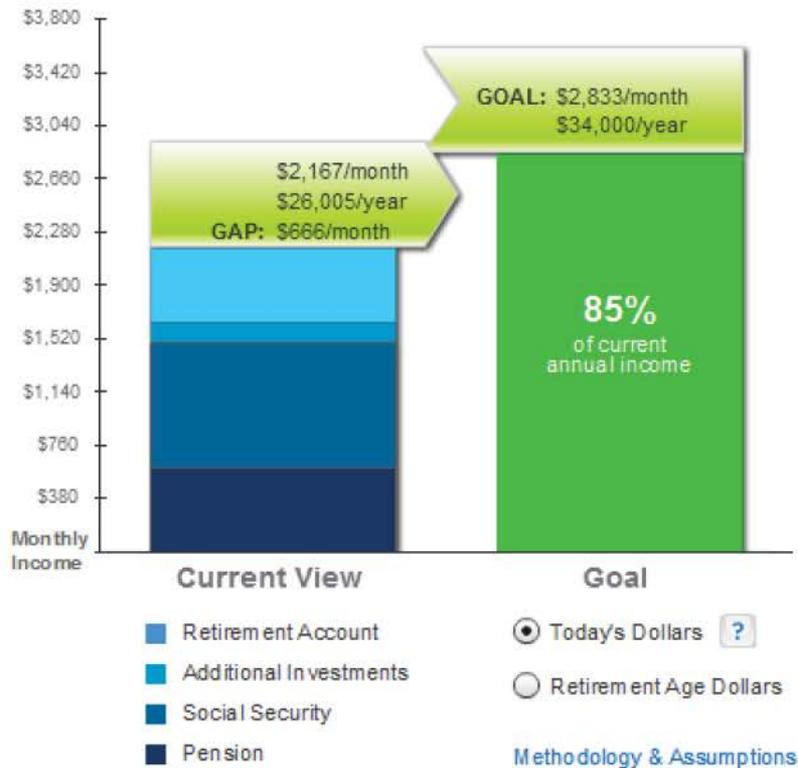
*Assumed average rate of return after retirement %

◀ Previous

Next ▶



On track for retirement?



Options to get on track ...

Adjustments Details Investments Other Income

Contribution (per paycheck) Dollars ▾
 TIP: Increase retirement investments to get on track
8%
 paycheck impact \$94
 \$125

Years in Retirement
 TIP: Delay the start of retirement to get on track
 Start at age **62** Until age **90**
 28 years

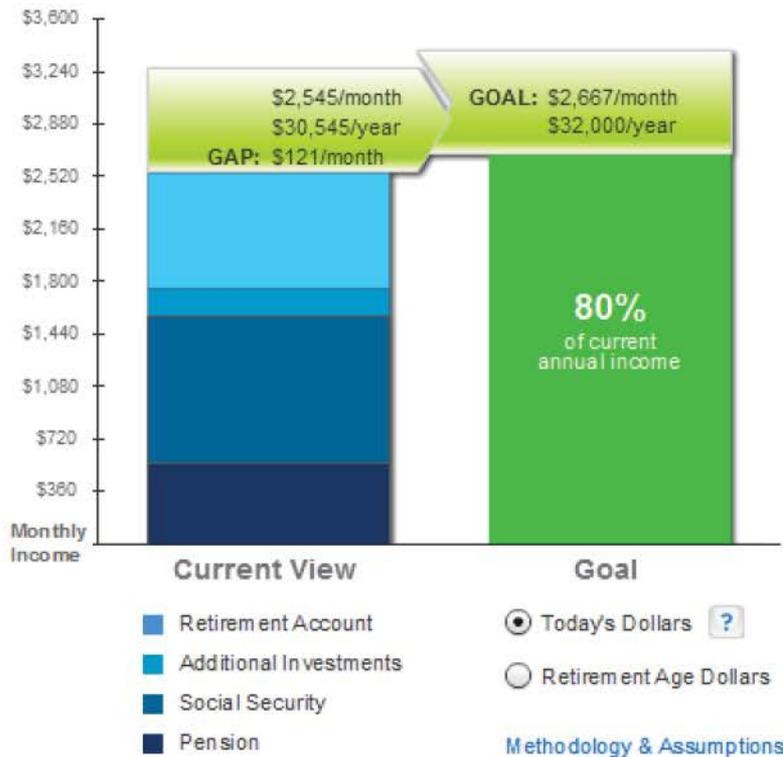
Retirement Spending Needs (Goal) %
 TIP: Lower retirement spending needs to get on track
\$2,833
 per month
 85%





Don't Panic...
You're not OUT yet!

On track for retirement?



Options to get on track ...

Adjustments Details Investments Other Income

Contribution (per paycheck) Dollars

TIP: Increase retirement investments to get on track

10%
 paycheck impact \$113

\$150

Years in Retirement

TIP: Delay the start of retirement to get on track

Start at age **65** Until age **90**

25 years

Retirement Spending Needs (Goal) %

TIP: Lower retirement spending needs to get on track

\$2,667
 per month

80%

Print/download retirement outlook report (PDF)

Take the next step



Ready to take the next step? Here are some options:

Talk with a
retirement specialist

You don't have to go it alone - a retirement specialist can help you plan and select products that suit your needs.

Reach your retirement specialist at 1-800-545-4730.

Learn more about
retirement topics

Increase your knowledge about financial products and concepts as you work to meet your financial goals.

Visit [your retirement plan's website](#) to learn more.

Change your
contribution or investments

Contact [your retirement plan](#) to change how much you invest or the funds you're selected.

If you're not already doing so, consider contributing the maximum allowed to your employer-sponsored retirement plan to help invest for the future.

[Print/download retirement outlook report \(PDF\)](#)

[Download Adobe Acrobat Reader](#)

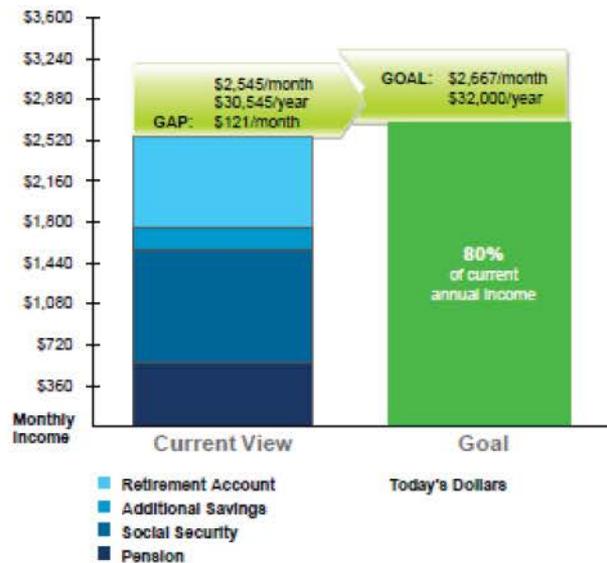
◀ Previous

Exit ▶



ON YOUR SIDE INTERACTIVE RETIREMENT PLANNERSM - Retirement Outlook Report

Summary of latest information entered into the tool



Contribution (per paycheck): \$150 (10% of pay)

TIP: Increase retirement savings to get on track.

Years in retirement: 25 (age 65 to 90)

TIP: Delay the start of your retirement to get on track.

Retirement spending needs: 80% of current annual income

TIP: Lower retirement spending needs to get on track.

Ready to take the next step? Here are some options:

Talk with a retirement specialist

You don't have to go it alone - a retirement specialist can help you plan and select products that suit your needs.

Learn more about retirement topics

Increase your knowledge about financial products and concepts as you work to meet your financial goals.

Change your contribution or investments

Contact your retirement plan to change how much you invest or the funds you're selected.



ON YOUR SIDE INTERACTIVE RETIREMENT PLANNERSM - Retirement Outlook Report

This is a summary of the information entered and the assumptions used to make the calculations for the chart:

Basic Entries

Contribution (per paycheck)	\$150 (10% of pay)
Retirement starts	65
Retirement until	90
Retirement spending needs (in today's dollars)	80% of current income (\$2,667 / month)

Assumptions

Inflation rate	3.0%
----------------	------

Details

Current age	40
Current annual income	\$40,000
Assumed average rate of return before retirement	7%
Assumed average rate of return after retirement	4%

Savings and other income

Current retirement account balance	\$20,000
Paycheck frequency	Bi-Weekly (26 times per year)
Employer matches contributions	No
Employer matching limit	-
<i>Additional retirement savings</i>	
Traditional IRA	-
Roth IRA	Balance \$20,000
Roth 401k	-
401k, 401a, 403b, 457 (deferred compensation) from prior employer	-
Stocks, bonds, mutual funds	-
Other	-
Estimated/Expected Social Security Income	\$1,100 per month
Social Security benefits begin at age	67 years
Expected pension income	\$1,300 per month
Pension benefits begin at age	65 years
Cost of living adjustment	2.0%

*Hitting it out of the Ballpark...
Things to Consider When
Saving for Retirement*



Time is Money!

Your Monthly Investment of \$100

Starting Age	Total amount contributed through age 65	4% rate of return	7% rate of return	9% rate of return
25	\$48,000	\$118,590	\$264,012	\$471,643
30	\$42,000	\$91,678	\$181,156	\$296,385
35	\$36,000	\$69,636	\$122,709	\$184,447
40	\$30,000	\$51,584	\$81,480	\$112,953
45	\$24,000	\$36,800	\$52,397	\$67,290
50	\$18,000	\$24,691	\$31,881	\$38,124
55	\$12,000	\$14,774	\$17,409	\$19,497
60	\$6,000	\$6,652	\$7,201	\$7,599

Investing involves risk including possible loss of principal. Please consult your tax advisor for more information.

The Importance of Asset Allocation

Asset allocation is the process of investing your account among cash, stocks and bonds. The objective is to establish a long-term investment strategy that seeks an appropriate level of risk and then to maximize returns at your risk level. You get further diversification by dividing your stock investments between the various categories.

	Conservative	Moderately Conservative	Moderate	Moderately Aggressive	Aggressive
International	5%	10%	15%	25%	30%
Small-Cap Stocks	0%	0%	5%	5%	10%
Mid-Cap Stocks	5%	10%	10%	15%	15%
Large-Cap Stocks	10%	20%	30%	35%	40%
Bonds	35%	35%	25%	15%	5%
Cash	45%	25%	15%	5%	0%
Column Totals	100%	100%	100%	100%	100%

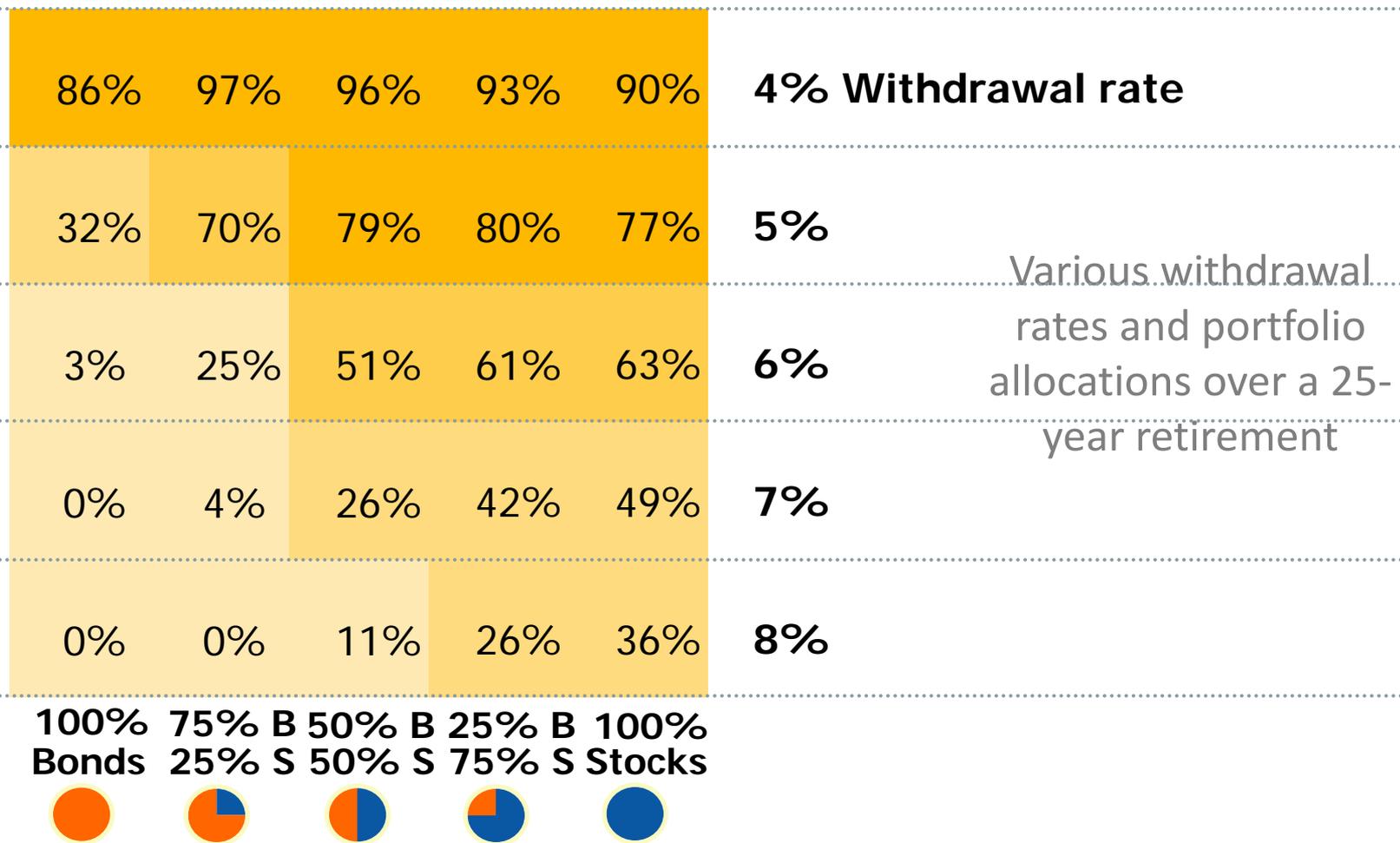
Click on asset class for more information

Click on pie-charts for more information



*The use of asset allocation does not guarantee returns or insulate you from potential losses. Asset allocation is a rational strategy for investment selection. Simply put, it is the process of diversifying your investment dollars across different asset classes. It helps you maximize your return potential while helping to reduce your risk. *Asset allocation pie charts provided by Ibbotson Associates.*

Probability of Meeting Income Needs



IMPORTANT: Projections generated by Morningstar regarding the likelihood of various investment outcomes using the Ibbotson Wealth Forecasting Engine are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. Results may vary over time and with each simulation. This is for illustrative purposes only and not indicative of any investment. An investment cannot be made directly in an index. © 2013 Morningstar. All Rights Reserved. 3/1/2013

*Hit a Home Run....
Plan for your retirement NOW!*





MSRP Education Workshops “To Go”

- ✓ Overview
- ✓ Age 35 and Younger: Who’s responsible for YOUR Retirement?
- ✓ Charge! Wise Use of Credit Cards
- ✓ How much is enough for YOUR Retirement?
- ✓ Go for Broke or Buy Long Term Care Insurance?
- ✓ Investment Options: Managing Volatility
- ✓ Tax Me Now or Tax Me Later: Is the Roth Right for Me?
- ✓ Stretch Your Dollars
- ✓ Retirement Planning For Women
- ✓ The Sandwich Generation
- ✓ When the Nest Egg Hatches: Investing and Withdrawing During Retirement
- ✓ Social Security: One Piece of the Puzzle