

From Snapshot to Full Picture

An Overview of MERS

Retirement Readiness Resources

By Jennifer Mausolf, Marketing Director

Eliot Freeman, DST Retirement Solutions, LLC

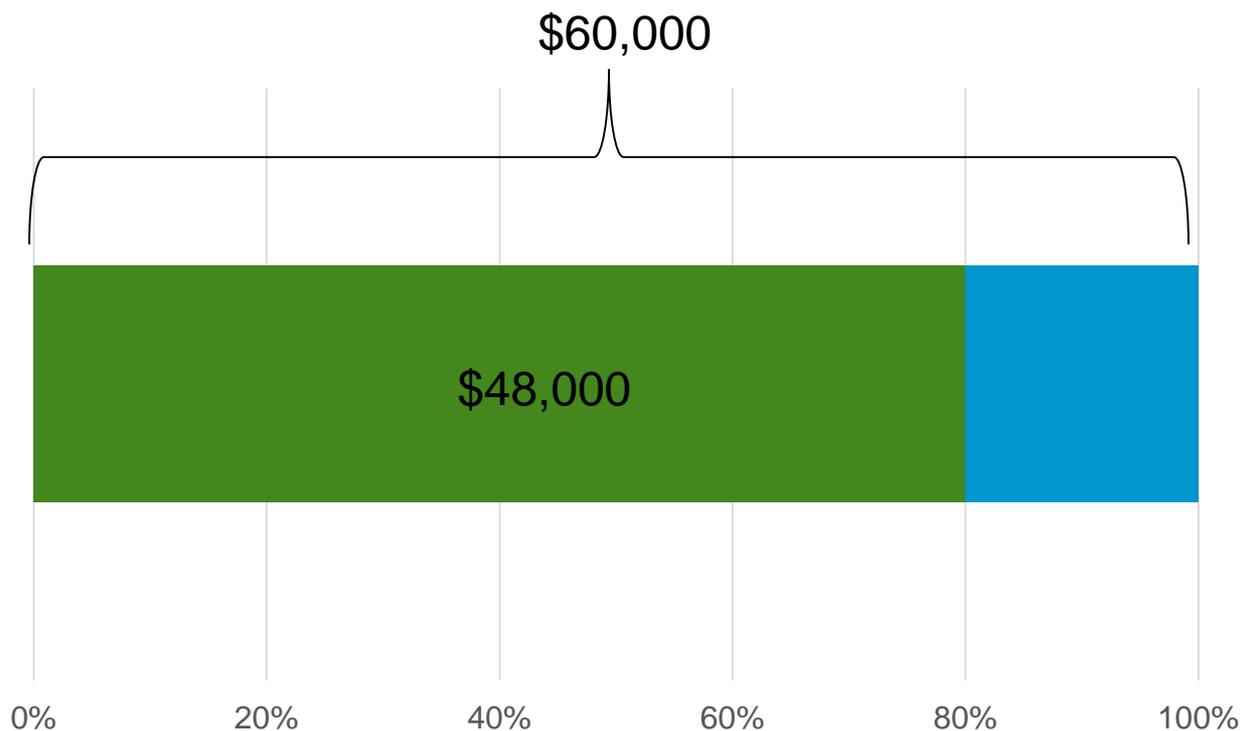


Welcome to Your Snapshot Report

- This mailed report is intended to give you a “snapshot” of your retirement readiness using the information we have along with a projected Social Security benefit
- Our goal is to give you an understanding of where you are in meeting an industry standard definition of retirement readiness

Recommended Retirement Income Goal

The industry standard income replacement rate is 80% of pre-retirement income



Johnathan Participant
123 Street
City, ST 12345

Welcome to your Retirement



JOHNATHAN, YOUR RETIRE

This report
retirement
with a pro
to build y
retiremen
providin

Based
59%
replay

* The industry standard income replacement rate is **80% of your income** at retirement. This report assumes that you will **retire at age 62** and assumes a **2% inflationary factor**.

Johnathan Participant
123 Street
City, ST 12345

Welcome to your Retirement Report



JOHNATHAN, YOU YOUR RETIREMENT

This report is intended to give you a "snapshot" of your retirement readiness using the information we have along with a projected Social Security benefit. We encourage you to build your *Full Picture Report* online, by adding other retirement assets, customizing your assumptions, and providing spousal information (if applicable).

Based on the information we have, you have a **69% chance** of meeting the recommended income replacement rate each year in retirement*.

* The industry standard income replacement rate is **80% of your income** at retirement. This report assumes that you will **retire at age 62** and assumes a **2% inflationary factor**.

1134 Municipal Way | Lansing, MI 48917 | www.mersofmich.com | 800.767.MERS (6377)

Johnathan Participant
123 Street
City, ST 12345



Welcome to your Retirement Readiness Snapshot Report!

JOHNATHAN, CONGRATULATIONS! YOU'RE ON TARGET TO MEET YOUR RETIREMENT INCOME GOAL.

This report is intended to give you a "snapshot" of your retirement readiness using the information we have along with a projected Social Security benefit. We encourage you to build your *Full Picture Report* online, by adding other retirement assets, customizing your assumptions, and providing spousal information (if applicable).

Based on the information we have, you have a **89% chance** of meeting the recommended income replacement rate each year in retirement*.

* The industry standard income replacement rate is **80% of your income** at retirement. This report assumes that you will **retire at age 62** and assumes a **2% inflationary factor**.

1134 Municipal Way | Lansing, MI 48917 | www.mersofmich.com | 800.767.MERS (6377)

1134 Municipal Way | Lansing, MI 48917 | www.mersofmich.com | 800.767.MERS (6377)

Meet Abby



- She is 35 years old
- Her current annual salary is \$56,258
- At age 62 is projected to make \$96,026 (2% inflation each year for 27 years)



Welcome to your Retirement Readiness Snapshot Report!



Abby, **YOU MAY NOT BE ON TARGET TO MEET YOUR RETIREMENT INCOME GOAL.**

This report is intended to give you a "snapshot" of your retirement readiness using the information we have along with a projected Social Security benefit. We encourage you to build your *Full Picture Report* online, by adding other retirement assets, customizing your assumptions, and providing spousal information (if applicable).

Based on the information we have, you have a **5% chance** of meeting the recommended income replacement rate each year in retirement*.

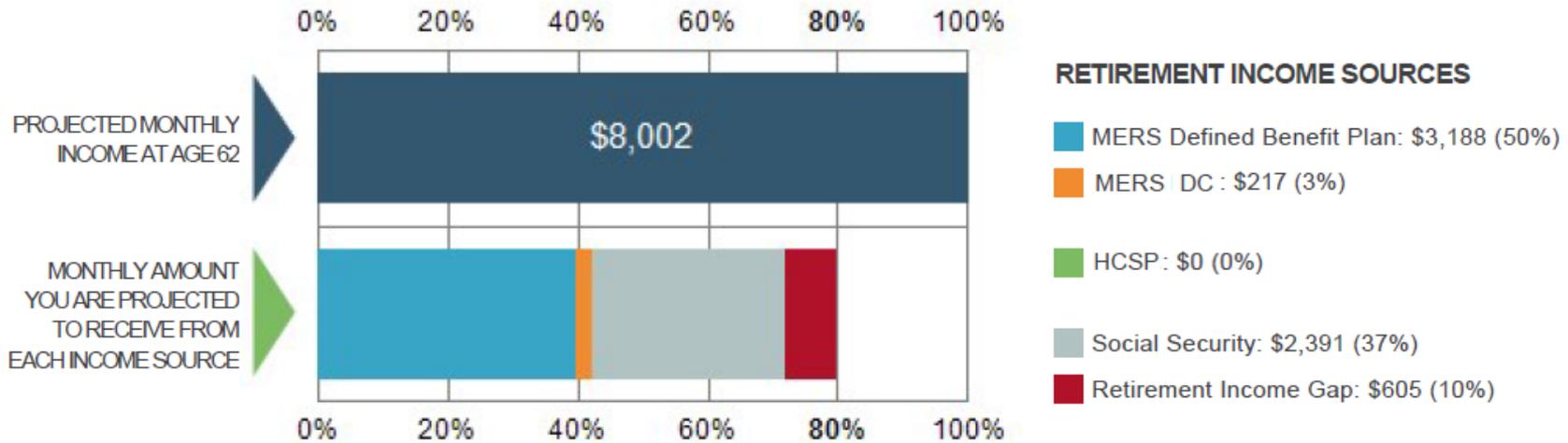
*The industry standard income replacement rate is **80% of your income** at retirement. This report assumes that you will retire **at age 62** and assumes a **90 year life span**. Your income target increases each year based on an assumed **2% inflationary factor**.

A Look at Your First Month in Retirement

Current Annual Salary as reported by your employer: \$56,258 (\$4,688 monthly)

Your Projected Annual Salary at Age 62: \$96,026 (\$8,002 monthly)

Target Annual Income in Retirement (80% of projected income from salary at age 62): \$76,821 (\$6,402 monthly)



The first month projection above may not reflect future months in retirement.

Retirement Age

- Choosing when to retire is one of the most important decisions you will make
- You may decide to “retire” but not begin withdrawing certain benefits right away
- The majority of people take their Social Security benefits before their full eligibility age (age 67 if born in 1960 or later)
 - On average they are taking 25% less by doing this
 - For every year you delay claiming, your benefits increase about 8% over the amount you would receive at age 62

Thinking About Age

64

Laura Ingalls Wilder published her first book

65

Winston Churchill became prime minister

70

Benjamin Franklin signed the Declaration of Independence

79

Asa Long became the oldest U.S. checkers champion

92

Paul Spangler Finished his 14th marathon

95

Nola Ochs became the oldest person to receive a college diploma

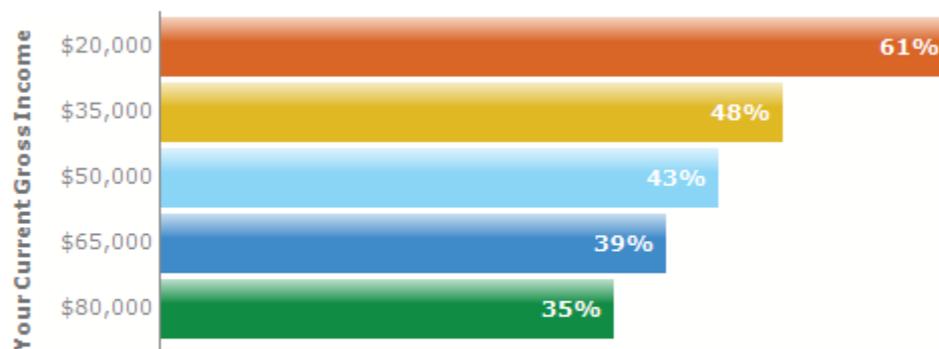


© 2010 MARK D. DIORIO

Social Security

Social Security benefits may be the source of some of your retirement income, but chances are, it will not provide more than 25% to 30% of the amount you'll need to live on

Percentage of income that may be replaced by Social Security



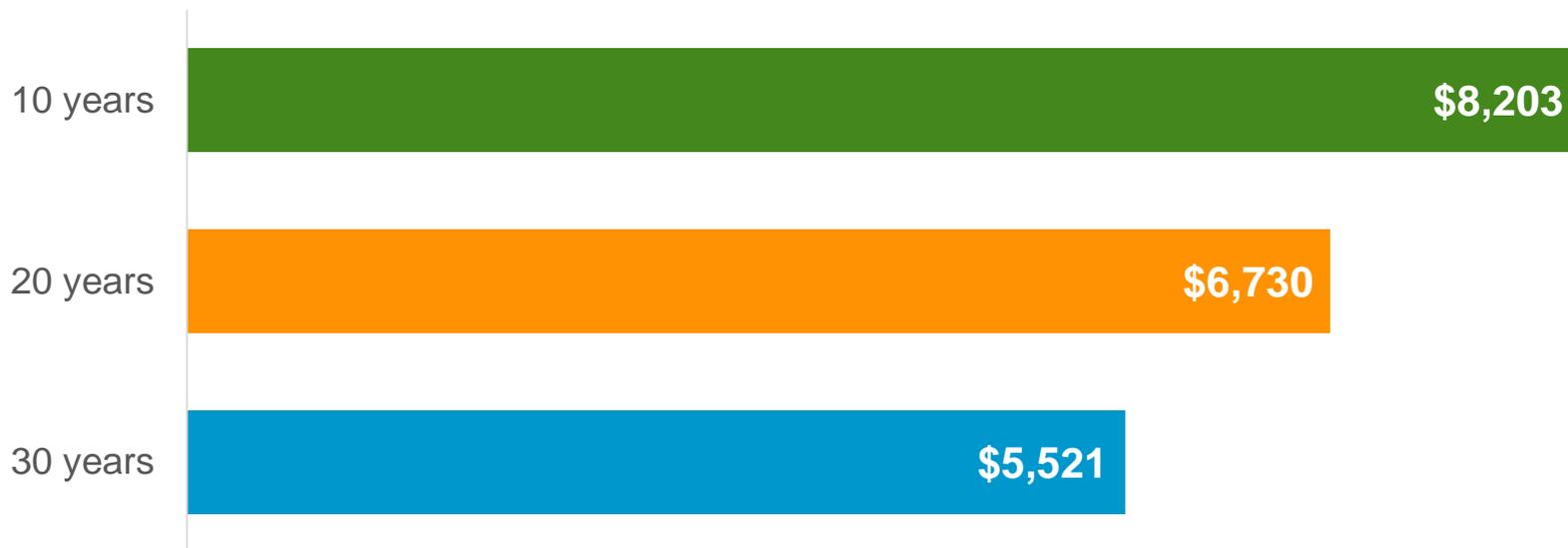
This chart shows approximate Social Security Replacement Ratios for a person whose current age is 35 and under various annual earning assumptions.

Source: 2015 Guide to Social Security and Medicare, Mercer Human Resource Consulting, Inc.

Inflation

- Over time, the rising cost of goods and services can significantly erode the buying power of your retirement savings
- You need to earn a return on your investments that will keep your money growing faster than the inflation rate

Given a modest 2% rate of inflation \$10,000 will be worth:



How Accurate is the Snapshot?

- The answer depends on the available data
- This analysis does not take into account such information a spouse's income or retirement assets outside of MERS
- The advantage, however is that you don't have to do anything to receive the report and hopefully it will motivate you to build your ***Full Picture*** online

Actions to Increase Retirement Readiness



Add additional information online to build your **Full Picture**



Increase retirement savings

- If you have a supplemental savings plan (like the MERS 457), increasing your contributions, even by a small percentage, increases the likelihood that you'll meet your retirement goals
- The Snapshot report gives you the effect that saving an additional \$50, \$100 or \$250 each paycheck can have on your income in retirement

Abby's Example (she originally had a gap of \$605 per month)

Increasing Bi-Weekly Retirement Plan Contributions	Projected Additional Retirement Plan Balance	Projected Increase in Monthly Retirement Income at 62
\$50	\$87,613	\$539
\$100	\$175,226	\$1,078
\$250	\$438,064	\$2,695

Actions to Increase Retirement Readiness

- Review investment selections
- Consider delaying your retirement
- Customize your retirement income replacement rate

Abby's Example (she originally had a gap of \$605 per month)

Income Replacement Rate	Monthly Projected Retirement Income Goal at 62	Monthly Target Income in Retirement	Monthly Retirement Income Surplus/(Gap)
60%	\$4,801	\$5,796	\$995
70%	\$5,602	\$5,796	\$194
80%	\$6,402	\$5,796	(\$606)
90%	\$7,202	\$5,796	(\$1,406)



Hello, Jennifer Mausolf

myMERS: Home

Select Plan

Please select a Plan

Events

Whether you're close to retirement, looking for ways to save money for retirement, or trying to understand your retirement plan better, we have events to suit your needs.

GET THE 
FULL PICTURE
RETIREMENT READINESS

 **Pizza & Planning**
Events for Participants

 **Quick Bites**
Webinars for Participants

Contact Us

Please call the MERS Service Center weekdays at 800.767.MERS(6277)

Give Feedback

 Click here to take a quick survey and inform us on your experience.

Online Full Picture Builder *Powered by GudiancePlus*

GuidancePlus

- Provides plan participants with retirement and investment-planning education and “guided near advice”

Determining Results

- Personal risk assessment
- Portfolio optimization
- Monte Carlo simulation

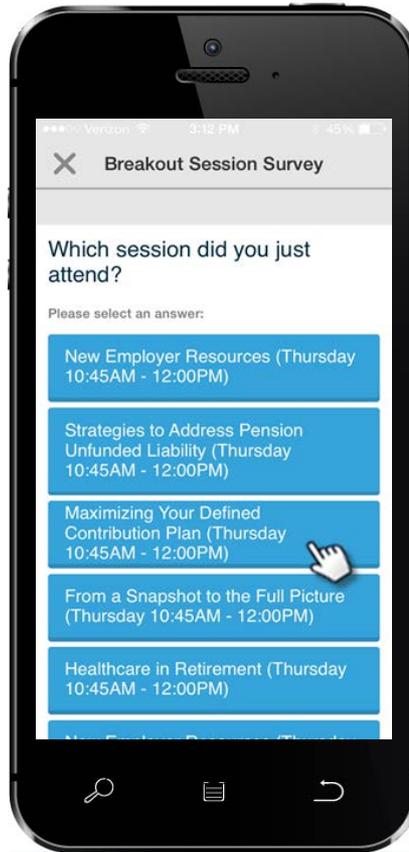
Demonstration

Please Complete a Session Survey!



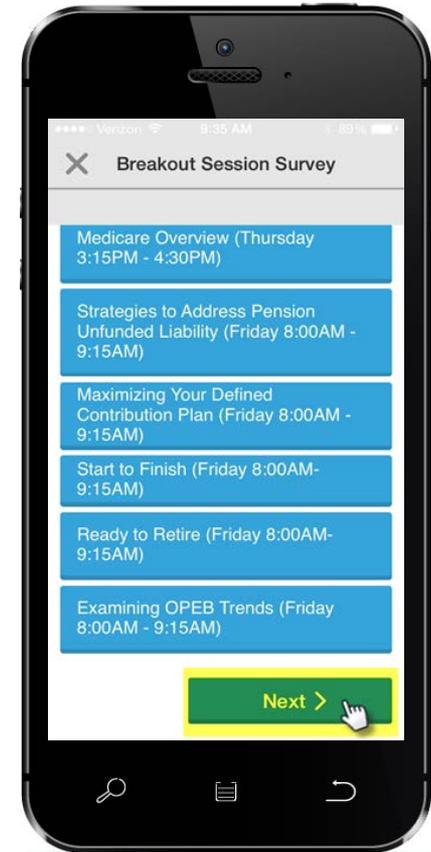
Step 1:

Locate and access the "Breakout Session Surveys" Icon



Step 2:

Select the date and time of the session you just attended



Step 3:

Scroll down and click "Next" to complete the survey