



Managing & Monitoring Investments Post-Retirement

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Today's Agenda

- Understanding Your Retirement Accounts
- Building a Retirement Withdrawal Strategy
- Learning Through Examples
- Utilizing MERS Resources



Understanding Your Retirement Accounts

Life in Retirement

TIME WITH
FAMILY



HOBBIES,
LEISURE



TRAVEL



VOLUNTEERING

Types of Accounts

**Retirement
Plans**



**Supplemental
Savings
Programs**

Health Care Programs

Retirement Plans

Steady Income Stream



Account Balance



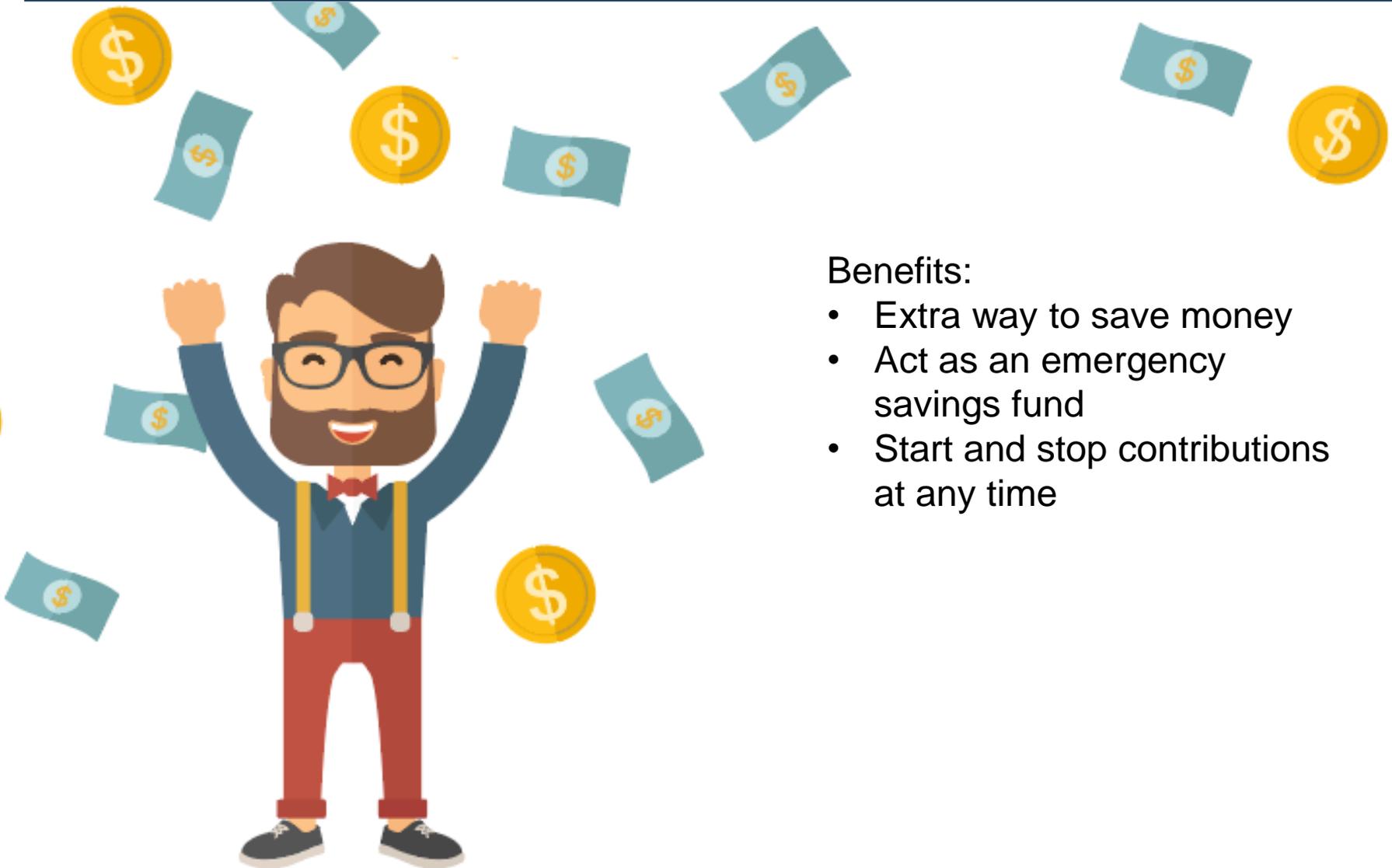
Factors to Consider:

- 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

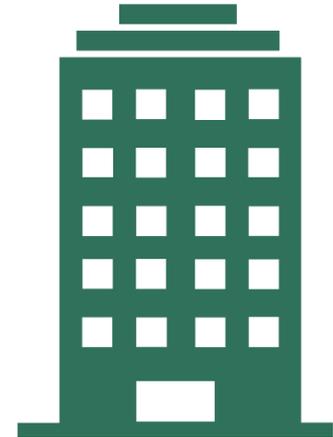
Where to Find Your Information



Your online
myMERS account



Your
statements



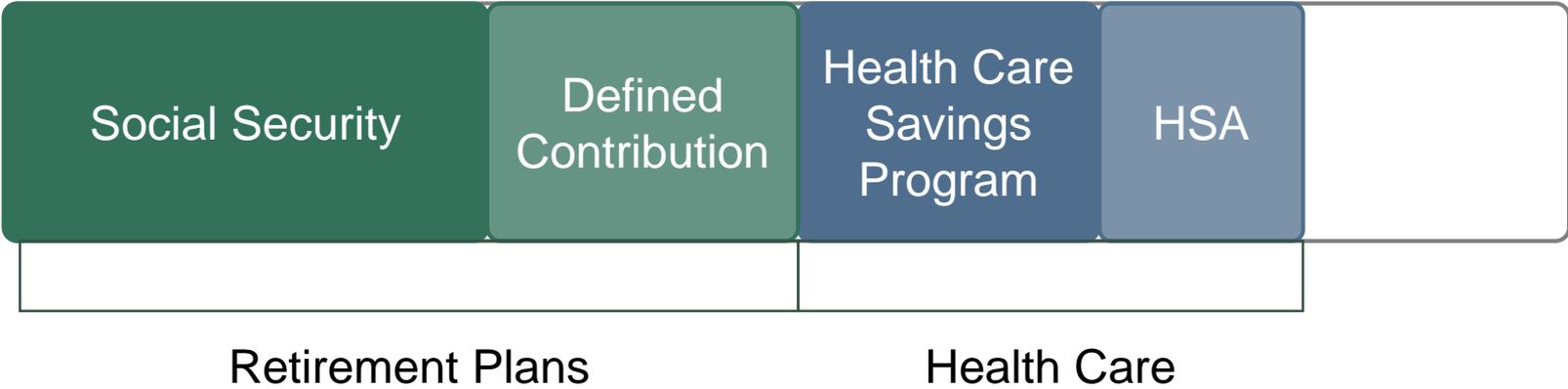
Other retirement
companies

Retirement Funding



Retirement Plans

Health Care Funding



Supplemental Funding



Retirement Plans

Health Care

Supplemental Savings Programs



Building a Retirement Withdrawal Strategy

Distribution Options



Lump Sum

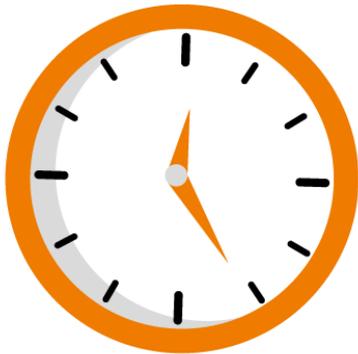


Equal Payments



As Needed

Withdrawal Factors



Longevity



Inflation



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	92 years	94 years	96 years

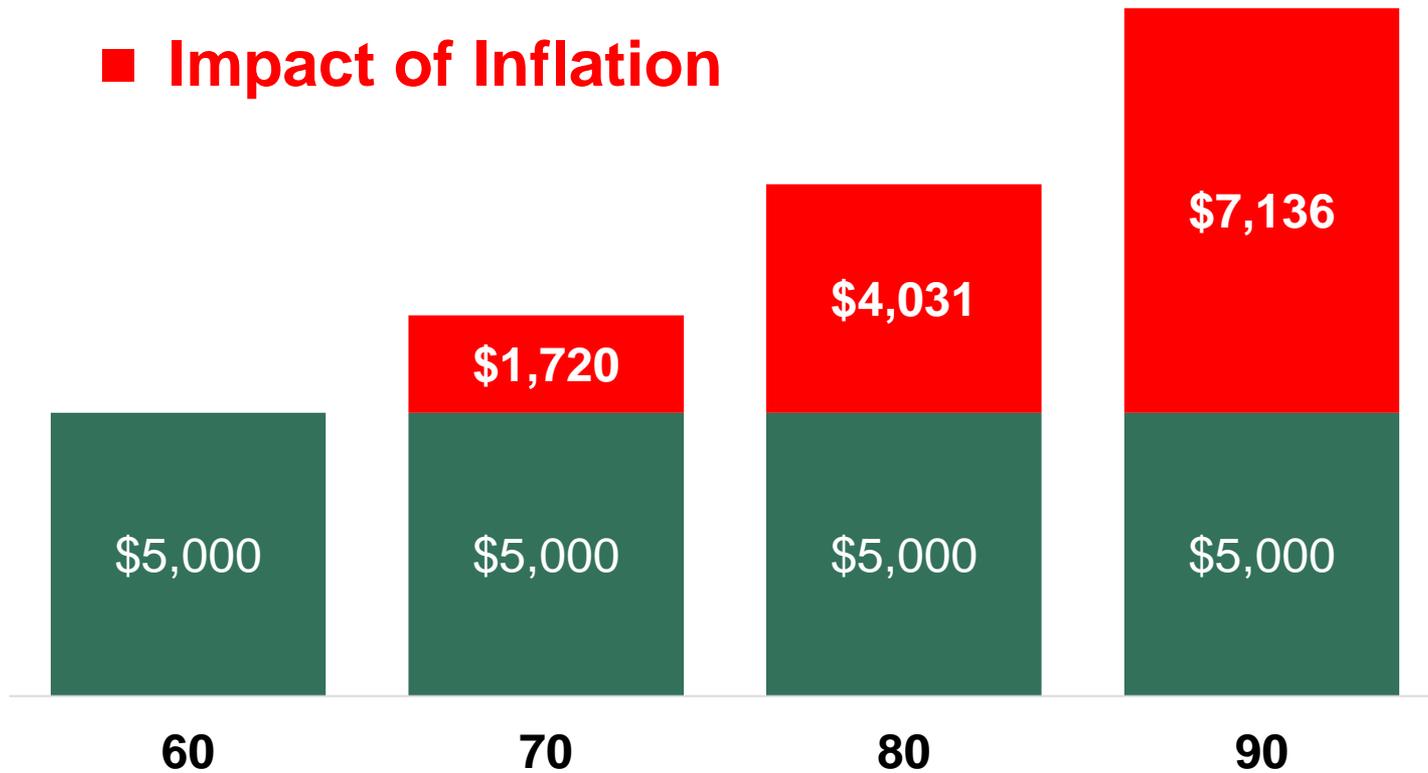
Source: Society of Actuaries RP-2014 Mortality Tables. “Life Expectancy” is 50% of living to this age. “Target Age to Save For” is 25% of living to this age.

Inflation



■ Expenses at Age 60

■ Impact of Inflation

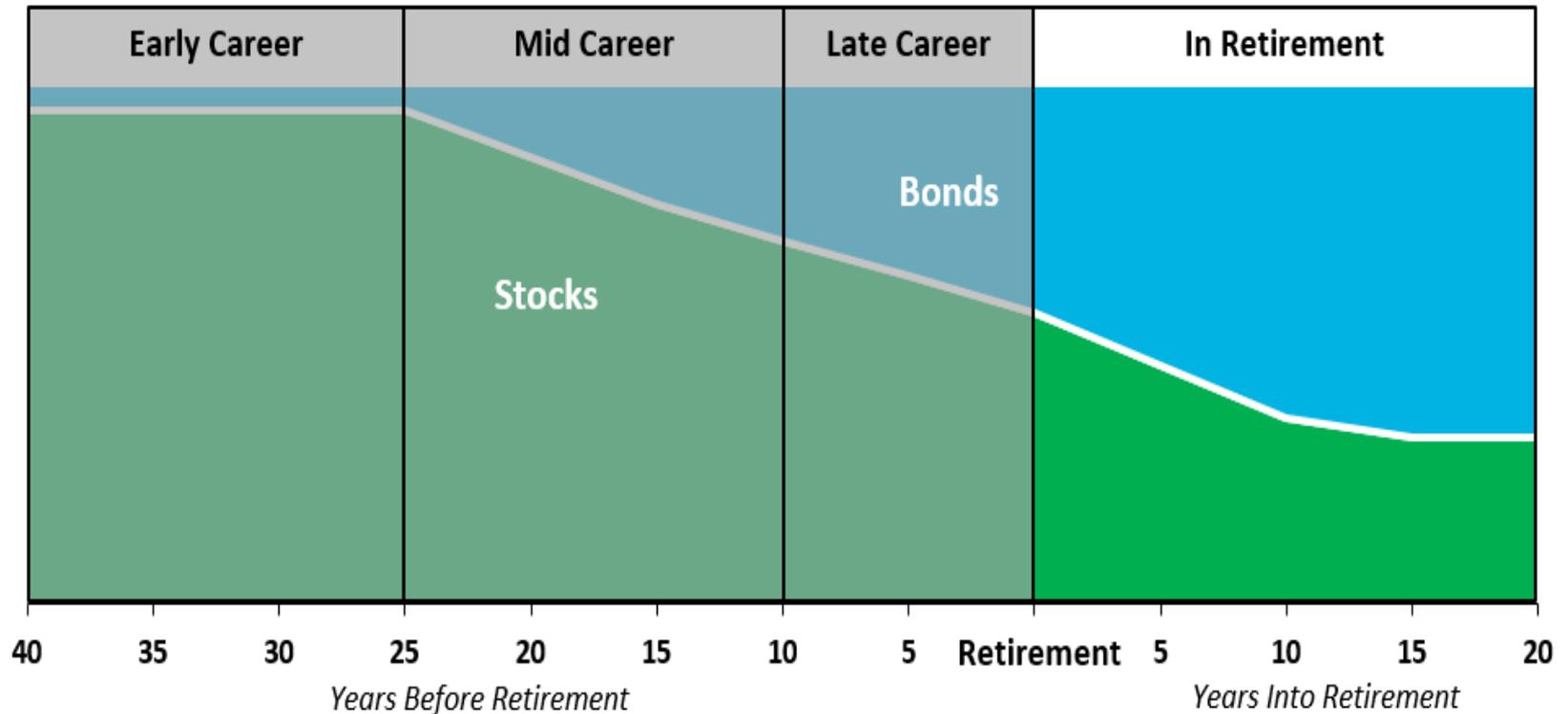


Example shows the impact of inflation at 3% a year.



Investments

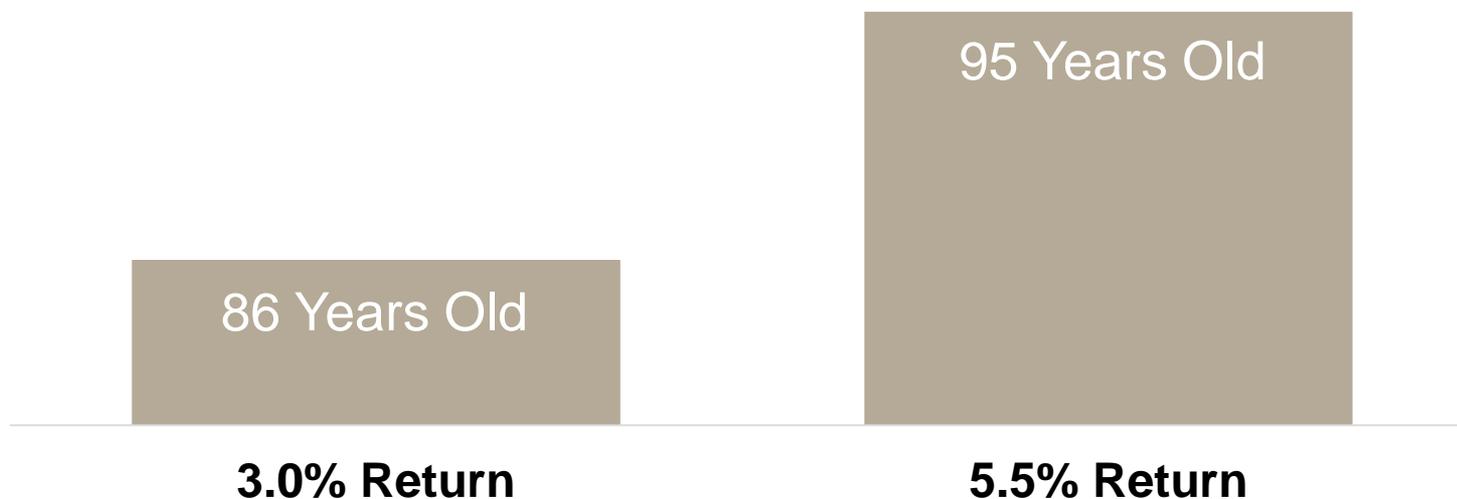
Continue to reduce risk on your accumulated balance



Why Diversify in Retirement

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.

How Long Will Retirement Savings Last?

With the “Investment Savings and Distributions” calculator, you can:

- Enter your contribution information
- See estimated account balance that you’ll start withdrawing from
- Find out how long a monthly distribution amount will last

A distribution of \$3,986.62 monthly runs out in 20 years.

*indicates required.

Contribution information:

Current age: 30

Years to contribute: 30

Starting balance: \$10,000

Amount to contribute: \$500

Annual return: 7%

Expected annual inflation rate: 2.9%

Contribution frequency: Monthly

Inflation adjustment: No adjustment

Withdrawal information:

Calculate: Maximum withdrawal

Withdrawal beginning balance: \$864,155.19

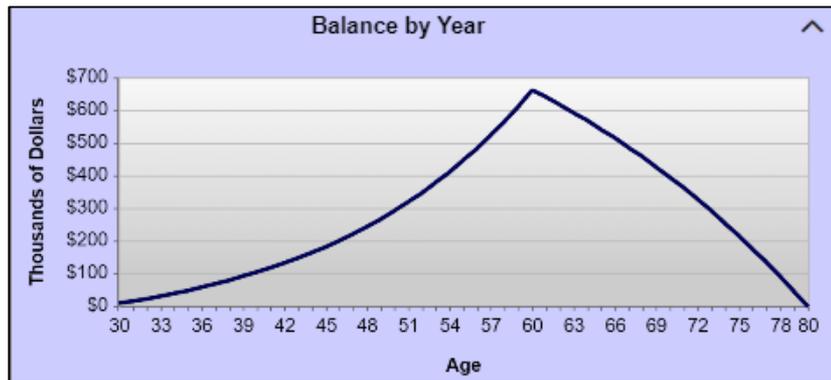
Withdrawals to last: 20

Annual return: 4%

Amount to withdraw: \$3,986.62

Withdrawal frequency: Monthly

Inflation adjustment: No adjustment



How to Make Investment Changes

Select the change you want to make

myMERS

Hello, Mary Jones | [Edit My Profile](#) Sample MERS DC Plan

Change My Investments

Summary
My Balance
My Contributions
Change my Contributions
Change My Investments
Investment Performance
Loan Center
My Statements
Distributions

Change My Investments

Wednesday, 13 June 2018

Pending Transactions

No Transactions pending.

Select the change you want to make

Click one of the available items below to begin.

This selection shows you how to transfer percents from specific funds into other funds. This allows the more advanced investor to make targeted changes to get in or out of specific investments. This change will also automatically cancel any pending scheduled automated realignment.

Schedule Automated Account Realignment Available

This selection allows you to setup a schedule account realignment which will automatically occur on your plan's schedule. This sets up instructions which will realign your account periodically until you cancel it. This option automatically keeps your changing account balance aligned with your investment objectives.



Learning Through Examples

Scenario 1: Introduction



Meet Mary

- 62 and retiring this year
- Currently makes \$60,000/year

Retirement Plans

- **Social Security**
\$1,175/Month
- **Defined Benefit Plan**
\$500/Month
- **Defined Contribution Plan**
\$285,000 Balance

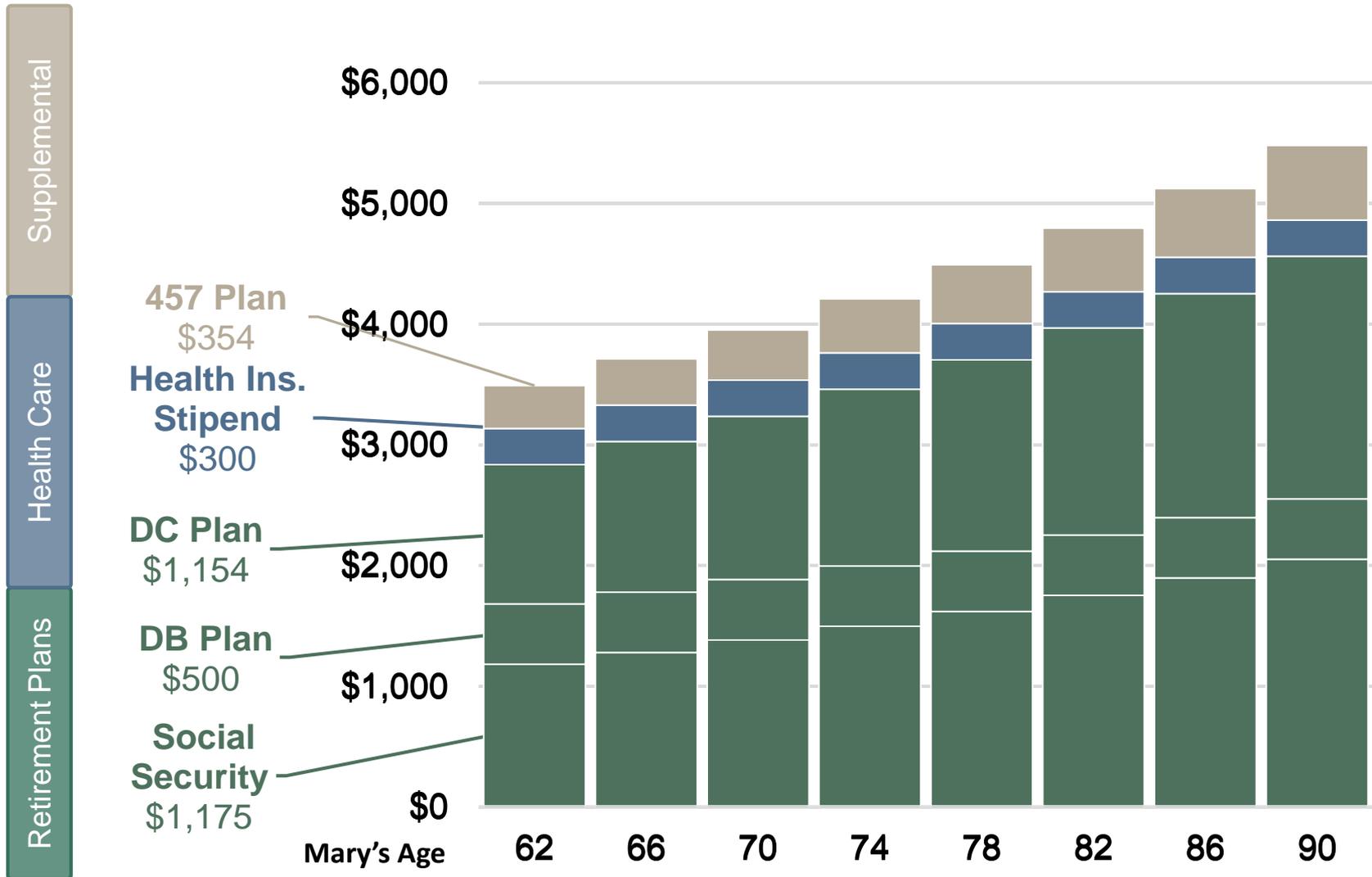
Health Care

- **Employer Provided Health Care Stipend**
\$300/Month

Supplemental Savings

- **457 Program**
\$87,500 Balance

Scenario 1: Full Retirement Picture



Assumes 4% investment return and 2% inflation.

Scenario 2: Introduction



Meet Mary's Spouse, John

- 63 and retiring this year
- Currently makes \$55,000/year

Retirement Plans

- **John's Social Security**
\$1,206/Month
- **John's 401(k) Plan**
\$335,000 Balance

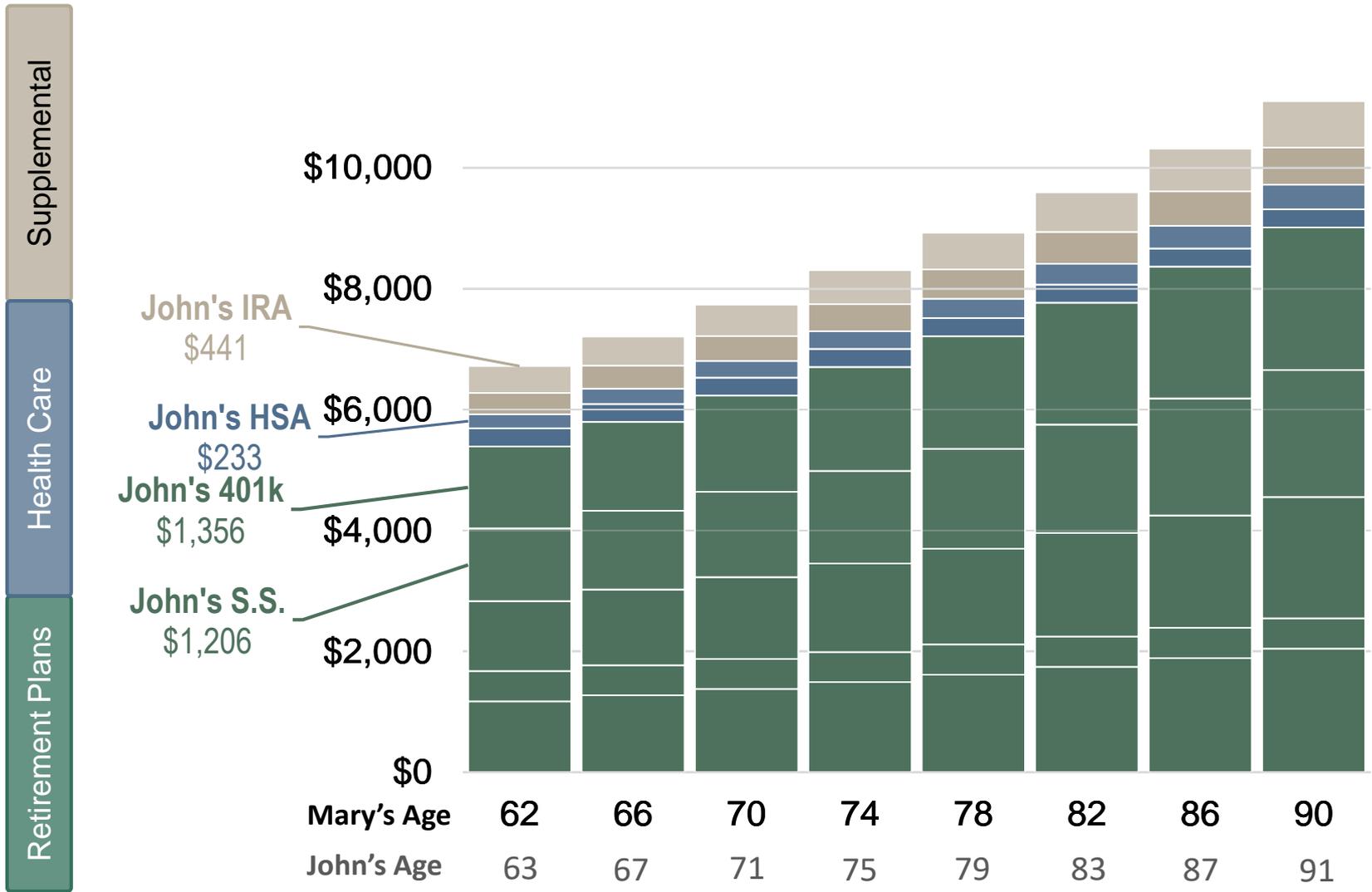
Health Care

- **John's HSA**
(Health Savings Account)
\$57,500 Balance

Supplemental Savings

- **John's IRA**
\$109,000 Balance

Scenario 2: Full Retirement Picture



Assumes 4% investment return and 2% inflation.



MERS Resources

Consolidate Your Money

Simplify your finances by rolling your outside retirement accounts into a MERS IRA

Sit. Stay. Roll Over!



- Convenience
- Investment Options
- Account Growth

Why Choose MERS IRA?



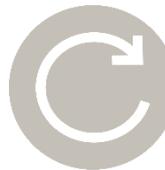
Roth & Traditional IRA options available



Estate planning savings vehicle



No age limit to open or contribute



Rollover to consolidate

MERS
Municipal Employees' Retirement System

IRA
(Individual Retirement Account)

Flexible saving options
for you and your spouse

Saving with a MERS IRA can help you reach a variety of financial goals:

- Benefit from tax-free growth or tax-deductible contributions
- Generate income in retirement
- Pay for your children's (or grandchildren's) college education
- Make a down payment on your first home
- Leave an inheritance for your loved ones

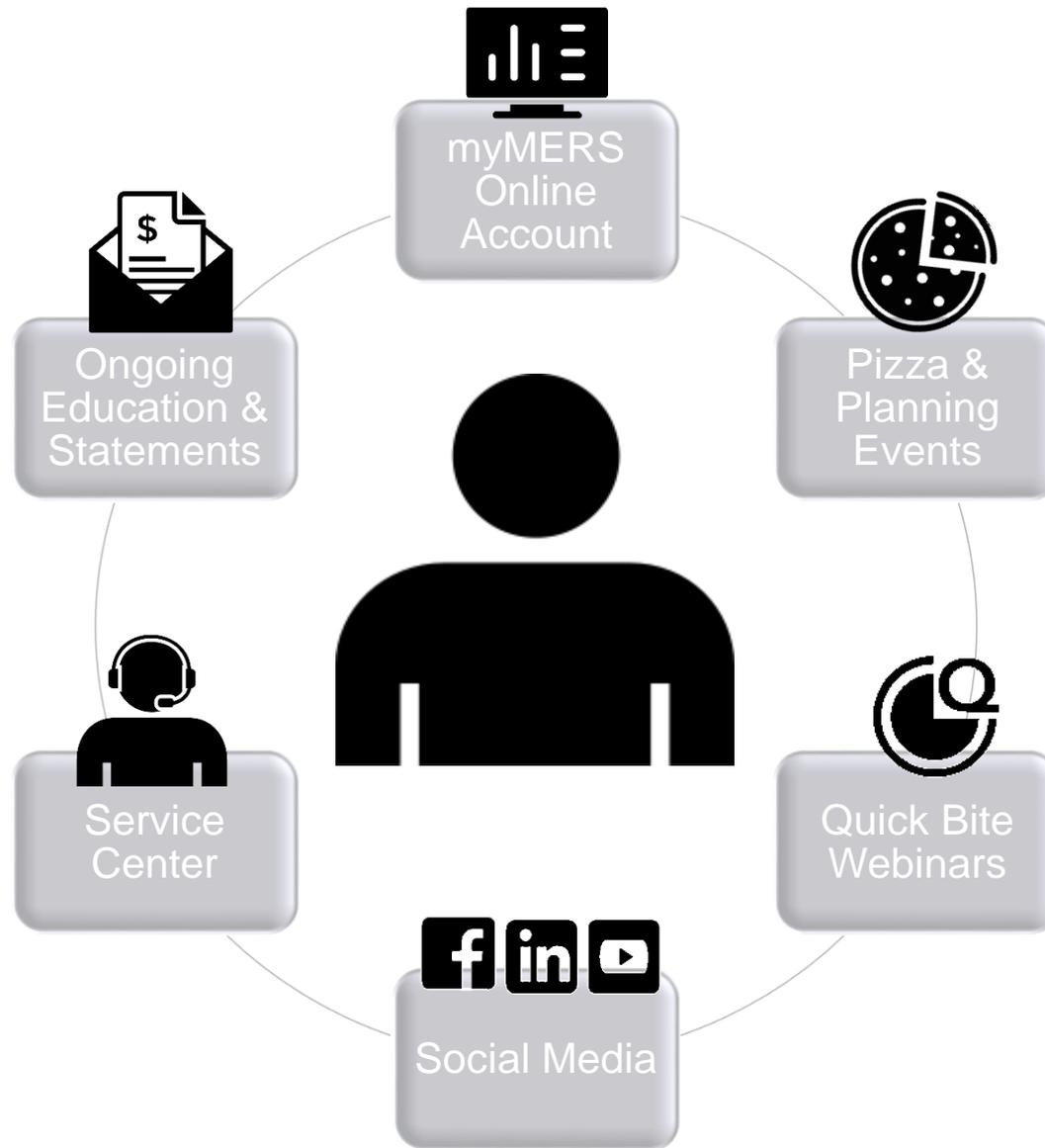
A Smart Financial Decision

Opening a MERS IRA is a great way to build retirement security through tax-advantaged saving, with flexible withdrawals that can help you reach your other financial goals at the same time. It is also a smart choice for bringing diversity to your investment portfolio with MERS' professionally-managed, low-cost investment choices. You can contribute any time through check, automated payment, or rollover.

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www.mersofmich.com

Your Resources

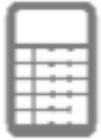


MERS Website

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Calculators



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Upcoming events live and online

Contacting MERS of Michigan

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