HR Summit
April 24, 2014
RETIREMENT READINESS
Retirement Readiness

- Keatrick Johnson, University Director Retirement Program Services
- Ann Mahrdt, Retirement Plan Consultant
What is Retirement Readiness?

- Retirement Plans
- Savings
- Social Security
- Healthy Lifestyle
- Hobbies
- Charitable Work
- Travel
At what age does full Social Security start?

A. 62
B. 65
C. 66
D. 67
E. 70
F. I need more information
How many sources of retirement income can a person have?

A. Two
B. Three
C. Five
D. None of the above

0% 0% 0% 0%
What is a supplemental retirement plan?

A. A 401(k) plan
B. A plan for faculty
C. A supplement to PERF
D. An employee funded plan
E. An IU funded plan
How many supplemental retirement plans does IU sponsor?

A. None  
B. One  
C. Two  
D. Four
How much impact can saving an additional 2% have on retirement income?

A. $3,000  
B. $5,000  
C. $9,000  
D. $14,000
Retirement Readiness Online Calculator

**INPUTS**

- Desired retirement age
- Model different % contributions in supplemental retirement plans
- Include outside retirement savings
- Include non-IU retirement benefits
- Adjust Social Security
Scenario #1

“Julie”

- IUPUI
- Scientist/scholar
- 39 years old
- Salary = $117K
- Had school loans, home, car, but interested in saving more
Scenario #1 - Current

ESTIMATED ANNUAL LIFETIME RETIREMENT INCOME

Projected IU Salary/Wages at Retirement Age: $180,900

Estimated Annual Lifetime Retirement Income: $129,700

IU retirement Plan: $24,400
IU Supplemental Retirement Plans: $91,500
Social Security: $13,800

IU-SPONSORED RETIREMENT PLANS

<table>
<thead>
<tr>
<th>Plan Name</th>
<th>December 31, 2013 Account Balance</th>
<th>Contribution Rates as of December 31, 2013</th>
<th>Indiana University</th>
<th>Employee</th>
</tr>
</thead>
<tbody>
<tr>
<td>IU Retirement Plan</td>
<td>$135,364</td>
<td>10.00%</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>IU Supplemental Retirement Plans</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IU Retirement Savings Plan</td>
<td>50</td>
<td>n/a</td>
<td>10.00%</td>
<td>10.00%</td>
</tr>
<tr>
<td>IU Tax Deferred Account Plan</td>
<td>50</td>
<td>n/a</td>
<td>100.00%</td>
<td>100.00%</td>
</tr>
<tr>
<td>Total</td>
<td>$135,364</td>
<td>10.00%</td>
<td>11.00%</td>
<td></td>
</tr>
</tbody>
</table>

HOW TO SAVE MORE FOR RETIREMENT

IU sponsors two supplemental retirement plans:
- IU Retirement Savings Plan
- IU Tax Deferred Account Plan

IU supplemental retirement plans provide eligible IU employees with an opportunity to save additional money for retirement. As an example, if you saved 2% more between now and your selected retirement age, your estimated annual lifetime income would increase by approximately $6,800 per year.
Scenario #1 - Future

**Estimated Annual Lifetime Retirement Income**

![Graph showing estimated annual lifetime retirement income]

The graph illustrates your estimated annual lifetime retirement income before taxes at your selected retirement age and includes as estimated Social Security income benefits. See page 2 of this statement to review the assumptions that were used to estimate these amounts.

**IU-Sponsored Retirement Plans**

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<tr>
<th>Plan Name</th>
<th>December 31, 2013</th>
<th>Contribution Rate as of December 31, 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>IU Retirement Plan</td>
<td>$115,364</td>
<td>10.00% (Indiana University) n/a (Employee)</td>
</tr>
<tr>
<td>IU Supplemental Retirement Plan</td>
<td>$0</td>
<td>n/a</td>
</tr>
<tr>
<td>IU Retirement Savings Plan</td>
<td>$0</td>
<td>15.00% (Indiana University) 15.00% (Employee)</td>
</tr>
<tr>
<td>IU Tax Deferred Account Plan</td>
<td>$0</td>
<td>n/a</td>
</tr>
<tr>
<td>Total</td>
<td>$115,364</td>
<td>10.00% (Indiana University) 20.00% (Employee)</td>
</tr>
</tbody>
</table>

**How to Save More for Retirement**

IU sponsors two supplemental retirement plans:
- IU Retirement Savings Plan
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IU supplemental retirement plans provide eligible IU employees with an opportunity to save additional money for retirement. As an example, if you saved 2% more between now and your selected retirement age, your estimated annual lifetime income would increase by approximately $11,300 per year.
Scenario #2

“Max”

- IUB
- Residential Program Services
- 23 years old
- Salary = $30K
- Wanted to contribute 4% to the TDA to receive the match in the Retirement & Savings Plan
Scenario #2 - Current

**INDIANA UNIVERSITY**

**University Human Resources**

**RETIRED READINESS STATEMENT**

The purpose of this statement is to provide IU-sponsored retirement plan participants with a lifetime retirement income estimate. IU sponsors retirement plans and contributes to Social Security to assist IU employees with meeting retirement income needs.

**ESTIMATED ANNUAL LIFETIME RETIREMENT INCOME**

<table>
<thead>
<tr>
<th>Retirement Plan</th>
<th>IU Supplemental Retirement Plans</th>
<th>Social Security</th>
</tr>
</thead>
<tbody>
<tr>
<td>$67,866</td>
<td>$95,000</td>
<td>$190,000</td>
</tr>
</tbody>
</table>

Estimated annual lifetime retirement income: $534,000

Projected retirement income: $568,000

**IU-SPONSORED RETIREMENT PLANS**

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<th>December 31, 2013 Account Balance</th>
<th>Contribution Rate as of December 31, 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retirement and Savings Plan</td>
<td>$0</td>
<td>4.20%</td>
</tr>
<tr>
<td>IU Supplemental Retirement Plans</td>
<td>$20</td>
<td>n/a</td>
</tr>
<tr>
<td>IU Retirement Savings Plan</td>
<td>$0</td>
<td>n/a</td>
</tr>
<tr>
<td>IU Tax Deferred Account Plan</td>
<td>$0</td>
<td>0.05%</td>
</tr>
<tr>
<td>Total</td>
<td>$20</td>
<td>4.20%</td>
</tr>
</tbody>
</table>

*The plan has two distinct contributions: 1) a contribution equal to 4% of base wages and 2) a matching contribution equal to your designated contributions to the IU Tax Deferred Account Plan (TDA) up to 4%.*

**HOW TO SAVE MORE FOR RETIREMENT**

IU sponsors two supplemental retirement plans:
- IU Retirement Savings Plan
- IU Tax Deferred Account Plan

IU supplemental retirement plans provide eligible IU employees with an opportunity to save additional money for retirement. As an example, if you saved 2% more between now and your selected retirement age, your estimated annual lifetime income would increase by approximately $7,900 per year.
Scenario #2 - Future

RETIREMENT READINESS STATEMENT

The purpose of this statement is to provide IU-sponsored retirement plan participants with a lifetime retirement income estimate. IU sponsors retirement plans and contributes to Social Security to assist IU employees with meeting retirement income needs.

ESTIMATED ANNUAL LIFETIME RETIREMENT INCOME

- Retirement and Savings Plan: $11,409
- IU Supplements Retirement Plans: $19,866
- Social Security: $283,300

Projected IU Salary/Wages at Retirement Age: $69,000

Estimated Annual Lifetime Retirement Income: $522,000

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<th>December 31, 2013 Account Balance</th>
<th>Contribution Rates as of December 31, 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retirement Savings Plan (including match)</td>
<td>$0</td>
<td>3.60%</td>
</tr>
<tr>
<td>IU Supplemental Retirement Plans</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IU retirement savings plan</td>
<td>$0</td>
<td>n/a</td>
</tr>
<tr>
<td>IU Tax Deferred Account Plan</td>
<td>n/a</td>
<td>3.60%</td>
</tr>
<tr>
<td>Total</td>
<td>$0</td>
<td>3.60%</td>
</tr>
</tbody>
</table>

*This plan has two distinct contributions: 1) a contribution equals 3% of base wage and 2) a matching contribution equals to your designated contributions to the IU Tax Deferred Account Plan (TDA) up to 4%.

HOW TO SAVE MORE FOR RETIREMENT

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IU supplemental retirement plans provide eligible IU employees with an opportunity to save additional money for retirement. As an example, if you saved 2% more between now and your selected retirement age, your estimated annual lifetime income would increase by approximately $7,500 per year.

nyhart
Resources for Participants

UHRS Website:
www.hr.iu.edu

IU Retirement Program Services & Individual Counseling:
Email  retplans@iu.edu
Phone:  812.856.5191

Fidelity –
http://plan.fidelity.com/indiana
1.800.642.7131

TIAA-CREF-
www.tiaa-cref.org/indiana/
1.800.732.8353