savingsplus
CALIFORNIA STATE EMPLOYEE 401(k) & 457(b) PLANS

RetireNext

A step-by-step guide for simpler retirement planning at each stage of your career

Welcome

You work hard so you can enjoy life today and face tomorrow with confidence.

RetireNext is your guide for things to consider and steps you can take throughout each life stage as you prepare to live out the retirement you envision.

Get started today. Enroll in Savings Plus.

Steps to take in each life stage

Years to go until retirement

1. Enroll in Savings Plus.
2. Set up online access to gain convenient access to your account.
3. Use the Plan's online tools, webinars and educational resources to help make smart decisions on your road to retirement.
4. Consider increasing your contributions to take full advantage of the power of compounding.

For specific steps you should consider and actions to take, go to **page 4**.

Months to go until retirement

1. Update your My Income & Retirement Planner entries to ensure that you have a complete view of your financial picture (be sure to include pension, Social Security and all other retirement income sources).
2. Maximize your contributions to take full advantage of IRS limits, including any available catch-up options.
3. Schedule an account review with your retirement Specialist to:
   - Analyze your retirement readiness
   - Learn about rollover opportunities to consolidate your savings in one place
   - Discuss what will happen to your account after you retire

For more detailed steps to take during this life stage, go to **page 6**.

Already in retirement

1. Follow cybersecurity best practices to safeguard your financial accounts and assets.
2. Create a will to ensure that your wishes are carried out upon your death.
3. Keep your account beneficiaries up to date.
4. Plan your financial legacy.

For more detailed steps to take during this life stage, go to **page 8**.

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Years to go until retirement

Congratulations for thinking ahead!

Retirement may seem like a distant milestone — especially if you're just beginning your career — but the choices you make today can profoundly shape your financial freedom and lifestyle decades from now. Use these pages not only as to-do list but also as a thought-starter. If ideas arise as you work through these steps, write them down so that you and your Savings Plus Retirement Specialist can discuss them later.

Before you dig into this section, log in to My Income & Retirement Planner®. This interactive tool will help you assemble the information that you will need as you begin thinking about your retirement income and other needs.

As you use the Planner, you'll be developing a strategy for your income and expenses, how to combine all your retirement assets into your Plan account, how to pay for out-of-pocket health and long-term care expenses, caring for loved ones and leaving a legacy.

QR codes to key web pages

Account login

You will need to log in to your account to use My Income & Retirement Planner and revise beneficiary designations.

Webinars

You will find information on how to register for upcoming live webinars as well as access to on-demand webinars.

Tools & calculators

Go to this web page to get a better idea about what you will need to be financially prepared for retirement.

Schedule an appointment

Meet 1-on-1 with a Retirement Specialist or a Personal Retirement Consultant to get personalized guidance tailored to your goals.

Steps to consider and actions to take

Step 1: Create a list of all financial accounts.

The list should include bank accounts, insurance policies, annuities, pensions and brokerage accounts as well as all 457(b), 403(b), 401(k) and IRA plan accounts with current and former employers. Include with each item the account or policy number as well as contact and login information.

// Go to page 10 to store this information in our **Personal information organizer**.

Step 2: Update all beneficiary designations.

Make sure the designations on file with each account provider listed in Step 1 align with your current wishes. Your wishes may change over time, so you should revisit your designations regularly.

// Log in to your account and select **Beneficiary designations**.

Step 3: Establish a personal Social Security account.

Creating an account lets you check your Social Security statement, change your postal and email addresses, verify your reported earnings, and estimate your future benefits — providing useful information for track in My Income & Retirement Planner.

// Visit **ssa.gov/myaccount** to establish your account.

Step 4: Estimate your retirement budget.

Make a list of your estimated income from pensions, Social Security, investments and retirement accounts such as Savings Plus. Add to that list routine living expenses. Be sure to consider potential out-of-pocket health and long-term care expenses.

// Go to **pages 15-17** to use worksheets that make building a budget easier.

Step 5: Reduce your debt.

If you have existing debt such as credit cards or student loans, you may wonder if you should pay it off first or save for retirement. While everyone's financial situation is unique, many experts recommend doing both at the same time.

// Visit **How do I pay off debt and save at the same time?** on our website.

Step 6: Optimize contributions to Savings Plus.

Even small annual increases can make significant difference in your account at retirement.

// Visit **Maximize your retirement** on our website to learn more.

Step 7: Develop a habit of attending Savings Plus webinars.

Invest in your financial education with webinars designed to help you make decisions about managing your money and planning for retirement. We offer a featured webinar every month and an array of on-demand webinars on popular retirement-planning and financial topics.

// Visit the **Webinars** page on our website.

Months to go until retirement

Retirement day is right around the corner

With your retirement date fast approaching, you may have many to-do items to check off before that date arrives. Use the steps to consider and actions to take on the next page not only as a to-do list but also as a thought-starter. If ideas arise as you work through these steps, write them down for discussion with your Savings Plus Retirement Specialist.

Now would be a good time to meet with your local Retirement Specialist to:

> Conduct an account review

> Help you adjust contributions to meet new maximum contribution limits

> Review important dates

> Get an explanation of the benefits of rolling lump-sum separation pay and unused vacation or sick leave into your account

> Discuss what happens to your Savings Plus account after you retire

QR codes to key web pages

Account login

You will need to log in to your account to use My Income & Retirement Planner® and revise beneficiary designations.

Withdrawal strategies to consider

Visit this webpage to learn about 7 commonly used strategies.

Staying in your retirement plan when you retire

Learn how staying enrolled can provide important advantages.

Lump-Sum Separation Pay

Go to this webpage to get a better idea about what you will need to be financially prepared for retirement.

Schedule an appointment

Meet 1-on-1 with a Retirement Specialist or a Personal Retirement Consultant.

Steps to consider and actions to take

Step 1: Estimate your retirement budget.

Make a list of your estimated income from pensions, Social Security, investments and retirement accounts such as Savings Plus. Add to that list routine living expenses. Be sure to consider potential out-of-pocket health and long-term care expenses.

// Go to **pages 15-17** to use worksheets that make building a budget easier.

Step 2: Decide when to begin receiving Social Security retirement benefits.

Discuss your options with your Savings Plus Personal Retirement Consultant (PRC). The Social Security Administration recommends that you contact them about 4 months before you want to receive income.

// Schedule an appointment with a Savings Plus PRC.

Step 3: Contact Human Resources to submit retirement paperwork.

Be prepared to indicate your decisions about pension income as well as what to do with any DROP, lump-sum, accrued leave and/or unused vacation payments that you may qualify for. Contributing those payments to your Savings Plus account could help you catch up for lost time, boost your retirement readiness, defer taxes, and use the funds as you need them.

// Visit our **Lump-Sum Separation Pay** webpage.

Step 4: Choose your withdrawal strategy.

There are many reasons to continue your Savings Plus participation in retirement, but now may be the time to consider what type of tax-efficient withdrawal or retirement income strategy could be right for you.

// Visit our **7 withdrawal strategies to consider for retirement** webpage.

Step 5: Update all beneficiary designations.

Make sure the designations on file with the providers of your life insurance, annuity, pension and 457(b), 403(b), 401(k) and IRA plan accounts with current and former employers align with your current wishes.

// Log in to your account and select **Beneficiary designations**.

Step 6: Create your initial retirement income plan.

Use My Income & Retirement Planner to start building a detailed income plan that shows all assets that could be converted into income. The Planner will allow you to print a report to take as you meet with a Savings Plus Retirement Specialist.

// Schedule an appointment with a Savings Plus Retirement Specialist.

Step 7: Consult a Savings Plus Personal Retirement Consultant (PRC).

Get guidance on establishing a retirement budget, developing an estate plan and how to leave a legacy for heirs or causes you support.

// Schedule an appointment with a PRC.

Step 8: Stay enrolled in Savings Plus after you retire.

Continuing Savings Plus participation offers the same free support and lower fees you had before. You can allow your money to potentially keep growing — and still have access to it when you need it. And you can get financial planning at no extra cost.

// Visit our **Staying in your retirement plan when you retire** webpage.

Already in retirement

Before you go, stay!

Planning for retirement doesn't end on your retirement date. You still need to manage your finances prudently so that you can continue to live comfortably. But retirement isn't all about finances. You should consider the legacy you want to leave.

By staying with the Plan, you will continue to receive excellent customer service, group pricing for your investment options, unique Plan features, competitive fees and guidance for how to enjoy life in retirement. On the next page, you will find some things that you should consider as you enjoy this chapter of life.

QR codes to key webpages

Account login

You will need to log in to your account to use My Income & Retirement Planner and revise beneficiary designations.

Benefits of continuing to work in retirement

You'll find ideas to help you consider whether being a working retiree makes sense for you.

Safeguarding your retirement

Learn how to protect yourself against fraud and cybersecurity threats.

Schedule an appointment

Meet 1-on-1 with a Retirement Specialist or a Personal Retirement Consultant.

Steps to consider and actions to take

Step 1: Take a new look at your investing strategy.

While it may seem natural to reposition all your assets to preserve capital, keep in mind that studies show public employees have a longer life expectancy than private-sector workers, potentially living to 90 or older.[1] This means that if you plan to retire before you turn age 60, you may need to invest to help ensure that your assets can potentially last over 3 decades.

// Schedule an appointment with a Savings Plus Retirement Specialist to conduct an account review.

Step 2: Consider working while retired.

As more people retire early and live longer, some may continue working for a variety of reasons. But you should consider why you want to go back to work and how to balance work with your retirement life.

// Visit our **Benefits of continuing to work in retirement** webpage.

Step 3: Safeguard your financial assets and accounts.

Savings Plus has state-of-the-art protection working for you, but you play an important role in safeguarding your assets. Identify warning signs and explore real-world examples of fraud and cybersecurity that are relevant to retirement planning.

// Visit our **Safeguarding your retirement** webpage.

Step 4: Prepare an estate plan.

Leaving something that will be valued and treasured by those who survive you requires thought to ensure that any items that have meaning to you will also have meaning to those you designate to inherit them.

// Schedule an appointment with a Savings Plus Personal Retirement Consultant (PRC).

Step 5: Write your will.

Creating a will may seem like a complicated task, but a little planning upfront can make it easier. Our personal info organizer is a great tool for helping you gather the documents you'll need before you meet with your legal counsel to create a will.

// Go to **page 10** to gather information in our personal information organizer.

Step 6: Stay enrolled in Savings Plus after you retire.

Continuing Savings Plus participation offers the same free support and lower fees you had before. You can allow your money to potentially keep growing — and still have access to it when you need it. And you can get financial planning at no extra cost.

// Visit our **Staying in your retirement plan when you retire** webpage.

[1] "Public Employees Are Living Longer Than Previously Assumed, New Report Finds," Anil Niraula for Reason Foundation, reason.org/commentary/public-employees-living-longer-than-previously-assumed-new-report (April 3, 2019).

Your personal information organizer

Keep essential info at your fingertips

In an emergency, you and your family members need to be able to locate important information and documents quickly. This personal info organizer is designed to help you put account details and other documentation in one place.

Fill out each section and keep this organizer in a secure location.

Review the beneficiary information on your accounts and make sure it reflects your intended plans.

Be sure to let a loved one or the executor of your estate know where this organizer is stored and how to access it.

Review and update the planner yearly and after major life changes to keep it current (for example, after having children or getting divorced).

Pro tip: Consider using the information to help you answer questions and set goals in My Income & Retirement Planner. You'll find this digital retirement and financial planning tool inside your retirement account.

Personal information

Your name:
Birthdate and birthplace:
Social Security number:
Current employer:
Address:
Spouse/partner's name:
Birthdate and birthplace:
Social Security number:
Current employer:
Address (if different):

Family member information

Name/relationship:
Birthdate:
Address/phone number:
Name/relationship:
Birthdate:
Address/phone number:
Name/relationship:
Birthdate:
Address/phone number:
Name/relationship:
Birthdate:
Address/phone number:

Emergency information

Medical information	Name/address	Phone number
Preferred hospital		
Doctors		
Dentist		
Health insurance		
Policy number		

Retirement accounts

Account type	Account number	Financial institution/ trustee	Phone number	Beneficiary name(s)
401(k), 403(b), 457(b) plans and other workplace plans				
IRAs				
Pension				
Social Security			ssa.gov 1-800-772-1213	
Other				

Regular financial accounts

Financial firm's name/address	Account/ID number	In whose name
Checking accounts		
Savings accounts		
Certificates of deposit and money market certificates		
Trust accounts		
Safe-deposit boxes		

Other investments | List additional investments such as mutual funds and education accounts.

Company and asset/fund	Account number	Contact information	Owner/ beneficiary

Outstanding liabilities | List current debts such as mortgages, credit cards and student loans.

Type	Creditor/company name	Creditor phone number/address	Account number

Life insurance and annuities

Person insured	Type	Face value	Policy number	Beneficiary name(s)	Insurance company

Family advisors

Type of advisor	Name	Phone number	Address (postal/email)
Accountant/ tax preparer			
Executor of estate			
Attorney			
Banker			
Financial planner/ investment advisor			
Insurance agent(s)			
Employer benefits office			

Valuable papers
Under **Location**, clearly describe where you keep specific documents (such as a locked drawer, safe or safe-deposit box).

Document type	Location
Marriage license/family birth certificates	
Will/trust and powers of attorney	
Mortgage papers/real estate deeds	
Homeowners insurance policies	
Motor vehicle insurance policies	
Life insurance policies	
Motor vehicle title(s)	
Passports	
Military service papers	
Other	
Other	

Digital information
Update this section frequently, especially when you change your passwords or security codes.

Account or device	Password/security code

Your retirement income worksheet

Enter your monthly income amounts before taxes to find out what your income in retirement will look like. If you're not sure of an amount, enter your best estimate. Remember, you can adjust these amounts and totals as you learn more information.

Guaranteed monthly income

Questions to ask yourself as you complete the table below:

> Have I received estimates of my monthly benefits from all sources?

> Do these income sources adjust with inflation?

> What are the tax considerations of these income sources?

> What happens to these income sources if I or my significant other passes away?

Defined benefit pension	
Your CalPERS benefit amount	$
Other pension benefit amount	$
Social Security	
Your retirement benefit amount	$
Spouse/partner Social Security benefit amount	$
Veteran's benefits	
Your retirement benefit amount	$
Other veteran's benefit amount	$
Annuities	
Annuity income amount	$
Spouse/partner or other annuity benefit amount	$
Other guaranteed income	
Income amount	$
Total guaranteed monthly income	**$ 0.00**

Nonguaranteed monthly income

Questions to ask yourself as you complete the table below:

> Do I have a strategy for taking distributions from each account?

> Have I checked into converting these accounts to guaranteed income, if needed?

> How do the IRS required minimum distribution rules affect these accounts?

> What are the tax considerations of these income sources?

Your Savings Plus account	
Your distribution amount	$
Spouse/partner distribution amount	$
Other 457(b), 401(k), 403(b) and IRA	
Your distribution amount(s)	$
Spouse/partner distribution amount(s)	$
Brokerage and savings accounts	
Your distribution amount(s)	$
Spouse/partner distribution amount(s)	$
Full- or part-time work	
Income amount	$
Spouse/partner income amount	$
Non-employment	
Rental income	$
Other	$
Total nonguaranteed monthly income	**$ 0.00**
Total monthly income	**$ 0.00**

Your retirement expenses worksheet

Fill in the **Amount now** column with your current expenses. If you're not sure of an amount, enter your best estimate. Then, multiply those amounts by the i**nflation factor** to yield the **amount in 10 years** totals. For the inflation factor, we have assumed a 3% annualized inflation rate, as suggested by the Department of Labor.[2] For health care-related expenses, we have assumed a 10% annualized inflation rate.

Remember, you can adjust these amounts and totals as you learn more information.

[2] "Taking the Mystery out of Retirement Planning," U.S. Department of Labor (November 2023).

Expense	Amount now	Inflation factor	Amount in 10 years
Taxes		1.3439	
Federal	$	1.3439	$ 0.00
State	$	1.3439	$ 0.00
City	$	1.3439	$ 0.00
Household			
Mortgage/rent	$	1.3439	$ 0.00
Property tax	$	1.3439	$ 0.00
Insurance	$	1.3439	$ 0.00
Homeowners association dues	$	1.3439	$ 0.00
Repair and maintenance	$	1.3439	$ 0.00
Utilities			
Electricity	$	1.3439	$ 0.00
Gas	$	1.3439	$ 0.00
Water and sewage	$	1.3439	$ 0.00
Trash and recycling services	$	1.3439	$ 0.00
Internet and/or cable service	$	1.3439	$ 0.00
Cell phone service	$	1.3439	$ 0.00
Food and household items			
Groceries	$	1.3439	$ 0.00
Dining out	$	1.3439	$ 0.00
Household supplies	$	1.3439	$ 0.00
Transportation			
Vehicle loan	$	1.3439	$ 0.00
Vehicle insurance	$	1.3439	$ 0.00
Fuel	$	1.3439	$ 0.00
Vehicle maintenance and repairs	$	1.3439	$ 0.00
Public transportation	$	1.3439	$ 0.00
Health and personal care (10% inflation)			
Life insurance premiums	$	2.5937	$ 0.00
Health insurance premiums	$	2.5937	$ 0.00
Medical out-of-pocket expenses	$	2.5937	$ 0.00
Prescriptions	$	2.5937	$ 0.00
Long-term care insurance premiums	$	2.5937	$ 0.00
Gym/health club dues	$	2.5937	$ 0.00
Clothing	$	2.5937	$ 0.00
Personal care products and services	$	2.5937	$ 0.00
Entertainment and recreation			
Movies, concerts, sports, other events	$	1.3439	$ 0.00
Pet care	$	1.3439	$ 0.00
Subscriptions (newspaper, magazine, streaming)	$	1.3439	$ 0.00
Vacation/travel	$	1.3439	$ 0.00
Hobbies	$	1.3439	$ 0.00
Gifts	$	1.3439	$ 0.00
Debt			
Credit card	$	1.3439	$ 0.00
Loan payments	$	1.3439	$ 0.00
TOTAL	**$ 0.00**		**$ 0.00**

Discover our financial planning resources

Savings Plus is focused on helping you prepare for every step of your journey to and through retirement. From educational videos and tip sheets to investment tools and planning resources, we are here to be your guide.

My Income & Retirement Planner

This tool offers the flexibility to customize and adapt to your evolving financial needs. Whether you're just starting your retirement journey or have more complex planning requirements, this interactive resource provides a streamlined experience to help you make informed decisions about your future.

Learn more about how using the Planner could benefit you.

Webinars and educational videos

We offer webinars designed to help you make decisions about managing your money and planning for retirement.

Access the featured webinar every month and an array of on-demand webinars on popular retirement planning and financial topics.

My Investment Planner℠

This tool is designed to help you decide which Savings Plus investment options may be right for you. Powered by Wilshire, My Investment Planner takes you through a questionnaire that can help you identify your:

> Investment style, including:
  - Target retirement date
  - Personal goals
  - Tolerance for investment risk

> Asset mix

> Investment options

You'll find My Investment Planner under the Tools & calculators tab on our website.

My Retirement by Nationwide℠ app

Use this app to:

> Keep your retirement plans on track with 24/7 access to your account and balance

> Help improve your retirement readiness by updating your contributions

> Ensure that your asset allocations meet your goals by managing your investments

> Help ensure that your assets will be distributed as you intended by reviewing your beneficiaries

> Tackle financial hardships with online withdrawals and loan initiation

You'll have access to your retirement account anytime you want. Download the My Retirement by Nationwide app.

Retirement Resource Group®

Get the help you need. Whether you need immediate assistance or prefer to plan ahead, our Retirement Resource Group offers:

> Access to Retirement Specialists, ready to help you prepare for retirement, consolidate assets, and answer questions about your investments or current plan

> Advanced retirement planning using our Comprehensive Financial Analysis, which combines modern tools and specialized guidance to help you make informed decisions confidently

Meet 1-on-1 with a Retirement Specialist or a Personal Retirement Consultant.

How to find a financial advisor

Some financial situations are beyond the scope of services offered by Savings Plus. For these situations, you may need to consult a financial professional. "Financial advisor" is a broad term that can apply to many roles. Different advisors have different specialties and compensation structures, as described below.

> **Financial planner** — A planner works with you to create a comprehensive financial plan that can cover budgeting, debt repayment, and long-term goals.

> **Wealth managers** — These advisors typically work with high net worth individuals to offer a wider range of services, including investment management and estate planning.

> **Investment advisor** — These professionals offer investment advice and can manage your assets.

A key factor in selecting an advisor is compensation; that is, how they are paid. The following compensation models are typical.

> **Fee-only** — You directly pay for the services you receive, often through a flat fee, an hourly rate, or as a percentage of assets under management.

> **Commission-based** — The advisor is paid a commission by third parties for selling certain investment or insurance products to you.

> **Fee-based** — The advisor may charge a fee and earn commissions from selling products.

Because these professionals will help you make important financial decisions, you should do some research to identify candidates. There are several online resources available, but you can also ask for recommendations from trusted friends, family members, or colleagues who have worked with advisors in the past.

Key questions to ask

"Are you a fiduciary 100% of the time?"

The answer to this question will confirm whether they are legally obligated to act in your best interest.

"How are you compensated?"

Ask for a transparent explanation of their fee structure, whether fee-only or fee-based.

"What are your qualifications and certifications?"

Look for credentials such as CFP®, CFA®, or CPA, but also consider their experience.

"What is your experience working with clients in a similar situation to mine?"

An advisor who specializes in your specific needs, such as retirement planning or estate planning, may be a better fit.

"How will we communicate, and how often?"

Clarify how frequently you will meet and what their communication style is.

Based on these and other questions, you can choose the advisor you feel most comfortable with and who you believe will be a partner in achieving your long-term financial goals.

Consolidate retirement assets

As you take control of your finances, you may realize that you are managing — or perhaps not managing — a mix of diverse retirement accounts. You may have an IRA or old 401(k) or 403(b) account from a past job. You may even have a 457(b) deferred compensation account from a previous employer. Managing these accounts can be costly, time-consuming, and easy to forget. That's where account consolidation comes in.

For many people, consolidating retirement accounts can simplify their finances and reduce headaches both now and down the road. The key advantages include:

> **Streamlined asset management** — With investments in more than one account, you could assume more risk than you intended or have assets working against your financial goals.

> **Potential for lower fees** — Some accounts charge maintenance or management fees. You could have assets in the same funds in more than one account, paying fees on each. Bringing your retirement assets into your Savings Plus account could help reduce your overall costs.

> **Help avoid errors with required minimum distributions (RMDs)** — By consolidating your accounts, you may be able to take one RMD instead of several. This reduces the likelihood of errors and makes tax planning in retirement much more manageable.

- Savings Plus will calculate and disburse your RMD each year, unless you make other arrangements, helping ensure that you remain compliant with this IRS regulation.

Let us help you keep things simple

Consolidating your retirement accounts may help reduce stress, cut down on paperwork, and make it easier to manage your finances. If you have outside retirement accounts, contact us to begin moving your assets into your Savings Plus account.

Learn more about why consolidating retirement accounts may make sense for you.

Envision your retirement

Retirement is often considered to be the end of something, usually one's working career. But it also can be the beginning of something. What you want that life to be can guide your financial decisions today, including how much to contribute to your Savings Plus account going forward.

Here are three questions to consider as you prepare for the next phase of your life.

What did you wake up to do today?

Try not to think about what you are retiring from, but rather what you are retiring to. What new hobbies or business ventures could be ahead of you? What significant relationships do you want to pursue?

Where do you gain your energy from?

Deciding what your retirement will be could start with what activities, experiences, and conversations energizes you. Identifying these areas can show what may be the next focal point for this new season of life.

What's the money for?

Throughout your working years, there may have been certain experiences and purchases that you've declined so that you could save for retirement. As your retirement date gets closer, you can now think about whether those experiences and purchases should be part of your future. What else would you like to do? Once you've budgeted for the everyday expenses of life, take time to dream.

Know your pension benefits

If you work for the State of California or are in public education, you may have a pension through CalPERS or CalSTRS. These plans provide a steady monthly income for life when you retire, based on a formula that calculates your years of service, your age at retirement, and your highest salary — not the ups and downs of the stock market.

CalPERS serves state, school and many local public employees, while CalSTRS is for teachers and education professionals. Both may have additional benefits such as disability and survivor coverage, health coverage in retirement, and tools to help you plan ahead.

Visit

CalPERS.ca.gov or CalSTRS.com

for calculators, webinars and personalized resources about these specific plans.

Know your Social Security benefits

If you, as a public employee, are exempt from Social Security participation, you will not be eligible for retirement benefits from the program. Consider investing the percentage of your salary that would have gone to Social Security into your tax-advantaged Savings Plus account.

When you think of how you'll fund your retirement, Social Security probably comes to mind. This federal government program pays benefits to qualified retirees and their families and can supplement other income sources, such as your pension and Savings Plus retirement plan.

The program's rules are complex, but understanding the basics can help you maximize your benefit. When you qualify for Social Security retirement benefits, you get:

> Monthly income for life; the amount varies depending on the age at which you file and your lifetime earnings

> A yearly cost-of-living adjustment to help make up for inflation

> Tax advantages; at least 15% of your benefit will be nontaxable, but it could be more depending on your filing status, additional earnings and the state where you live[3]

> Survivor benefits; a surviving widow or widower can receive reduced benefits as early as age 60[3]

Your retirement benefit is based on your lifetime Social Security earnings — income on which you paid FICA taxes throughout your work life. The maximum amount you can receive is determined by the age at which you claim benefits.[4]

[3] "Retirement Benefits," ssa.gov/pubs/EN-05-10035.pdf (2022).
[4] "Top Ten Facts about Social Security," cbpp.org/research/social-security/top-ten-facts-about-social-security (May 31, 2024).

How to estimate your monthly retirement benefit amount

The Social Security Administration has made getting an estimate of retirement benefits easy.

> Create a “my Social Security” account at my ssa.gov

> Download or print your Social Security statement

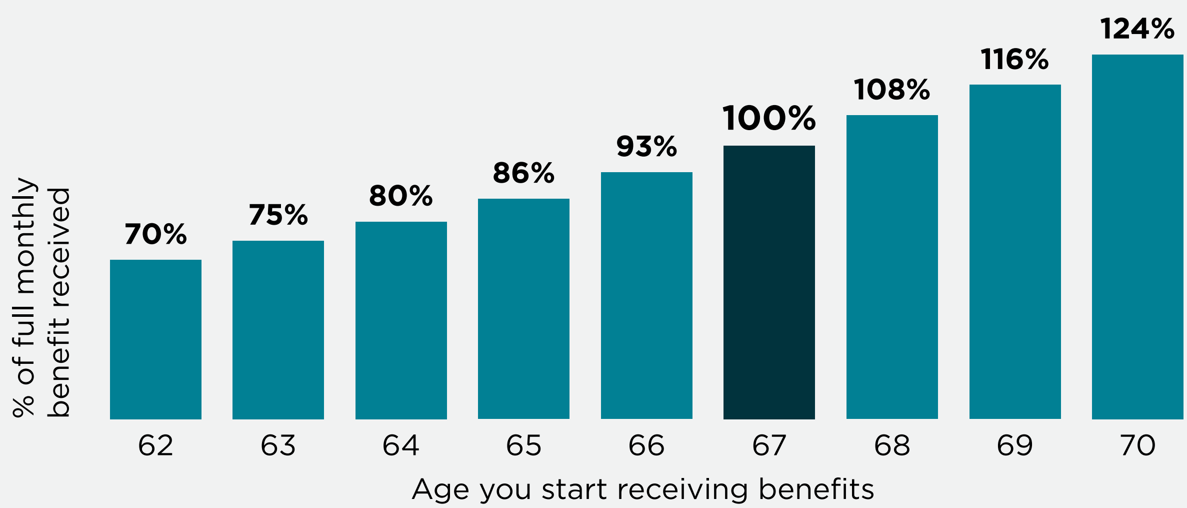
> Follow the site’s instructions on how to estimate your benefit

> Enter that estimate into your My Income & Retirement Planner file

What is the best age to start receiving Social Security retirement benefits?

You can start collecting Social Security as early as age 62, but doing so could permanently reduce your monthly benefit amount by up to 30%.[3] The amount you receive increases each year that you wait to file between ages 62 and 70 (refer to **Delaying Social Security** chart).

Delaying Social Security can increase your monthly benefit



Regardless of when you plan to file for benefits, the Social Security Administration recommends applying 4 months before you want your benefits to begin.

TIP: Many public employees retire at ages earlier than 62. You should consider how to supplement your pension income for the years between your planned retirement date and when you intend to start receiving Social Security retirement benefits. Savings Plus participation is designed to help you achieve that goal.

To find your current projected retirement outlook, log in to your Savings Plus account and then click on **My Income & Retirement Planner**.

Know how to cover your health care costs

Often overlooked when planning a retirement budget are health care costs. While Medicare covers many health care expenses, there are premiums, copays, exclusions, and other out-of-pocket expenses to consider and plan for. Ask your employer or pension plan about retiree health benefits and how they work with Medicare.

What Medicare provides retirees

When enrolling in Medicare, individuals must choose one of two options: Original Medicare or Medicare Advantage.

Original Medicare

A blend of coverage from the government (Part A and Part B) and private health insurers (Part D and Medigap)

Part A	Part B	Part D	Medigap
Hospital insurance	Medical insurance	Prescription drug insurance	Supplemental insurance

Medicare Advantage

Offered through private insurance approved by Medicare (Medicare Part C)

Part C only
Medicare Advantage (hospitalization, medical and prescription drugs)

● Government-provided insurance ● Private insurance

Original Medicare is a federal program that allows you to seek care anywhere in the country from any doctor who accepts Medicare patients. It consists of two parts administered by the government:

> Part A covers hospitalization (inpatient care)

> Part B is for doctor visits (outpatient care)

And then two elective parts are provided by private health insurers:

> Part D provides prescription drug coverage

> Medigap is supplemental insurance that pays for out-of-pocket costs on Medicare-approved services

Medicare Advantage, also known as Part C, is offered by private health insurance providers who are approved by the government. These may have a geographically limited network.

> Some are health maintenance organizations (HMOs) which will require an in-network doctor (exception: emergency room visits and urgent care are always covered anywhere in the country)

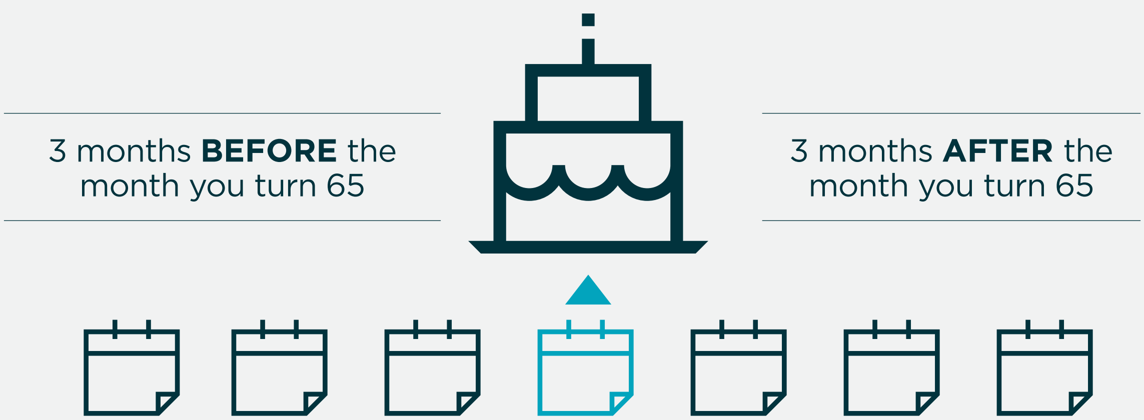
> Some are preferred provider organizations (PPOs) which may allow an out-of-network doctor for an additional cost

When to enroll in Medicare

If you are collecting Social Security benefits, you will be automatically enrolled in Medicare starting the first day of the month you turn 65 — unless your birthday is the first of the month, in which case, your Medicare coverage will begin on the first day of the previous month. Auto enrolled individuals will receive a "Welcome to Medicare" packet 3 months before they turn 65, and it will have information about additional steps to take.

If you are not collecting Social Security benefits, you will have a 7-month period depicted in the nearby graphic to sign up. The 7-month initial enrollment period includes the 3 months before the month you turn 65, your birthday month, and the 3 months after you turn 65. Enrolling on time is important, because those who don't may have to pay a permanent, lifelong penalty.

7-Month Initial Enrollment Period



How to enroll in Medicare

You can apply online by establishing a personal account through the Social Security Administration (SSA) website (ssa.gov), if you have not already done so. You can also contact your local Social Security office to apply in person or by phone. You will need basic information about yourself, including your Social Security number and details about any current health coverage.

Before enrolling, you will want to have decided whether to apply for a Medicare Advantage or Medicare Medigap plan. Many health insurance brokers offer assistance to individuals trying to decide which options are best for them and will help with the application process. Insurance companies pay brokers to offer this assistance, which means their services are usually provided at no cost to you.

After you have submitted your application:

> You will receive a receipt and an application number.

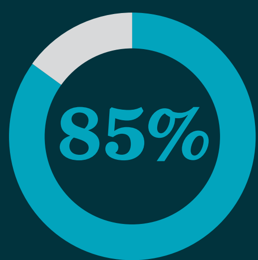
> The Social Security Administration will review your application and contact you if more information is needed.

> You will receive a letter with a decision on your application.

How will you pay for out-of-pocket expenses?

While Medicare is a great benefit to people 65 and older, it does not cover all medical costs. For example, deductibles, co-payments, and long-term care costs are all excluded.

Medicare, private insurance and/or Medicaid pay only about



of retirees' overall health care expenses.

You'll also want to consider how to cover the medical expenses of your spouse or partner and any dependents.

If you are thinking about retiring early, consider your options for health coverage until Medicare kicks in at age 65. Some employers cover health care for retirees; however, you should know that employer-provided health benefits for retirees might not be guaranteed.[3]

Because out-of-pocket health care and long-term care costs in retirement can be substantial, you should consider these costs as you decide how much to contribute to your Savings Plus account each payday.

Savings Plus is here to support you throughout retirement

Our website is packed with valuable information to help you plan for and enjoy the next phase of your life. Scan the QR code below to access helpful resources designed to support you every step of the way. From there, we encourage you to explore our entire retirement web experience.

As a continuing participant in Savings Plus, you have access to Savings Plus Retirement Specialists, who are here to help you with consolidating assets or answering questions about your investments or current plan.

For advanced financial planning, the Savings Plus Retirement Resource Group® offers Personal Retirement Consultants, Certified Financial Planners who can help you unlock your financial potential. Among their services is a comprehensive financial analysis, which combines modern tools and specialized guidance to help you make informed decisions for your future. All PRC services are available at no extra cost to Savings Plus participants.

Scan the code for a list of resources that can help you as you get close to retiring or if you are currently retired.

Quick reference guide

Account login

My Income & Retirement Planner

RetireNext

My Retirement by Nationwide app

Contact your Retirement Specialist

Stay with us

Enroll in Savings Plus

Lump-Sum Separation Pay

Notes

Notes

Notes

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