



# Supplemental Retirement Plans

## The Time to Save Is Now!

*Supplemental retirement plans are vital to building a financially secure retirement. Finance experts say individuals need at least 75% of their final salary to be comfortable in retirement.*

*Your STRS Ohio pension may represent a substantial piece of your retirement income, but additional financial resources can help you achieve the retirement lifestyle you desire.*



### What are supplemental retirement plans?

These plans are voluntary savings accounts designed to help individuals save for retirement on a tax-deferred basis or with tax-free growth. Supplemental retirement plans sponsored by your employer include:

- **457(b) governmental plan** (Ohio Deferred Compensation)
- **403(b) plan** (offered by various vendors)

You may also want to explore individual retirement accounts (IRAs), which are available through your bank or credit union.

It is important to review the eligibility requirements, contribution limits, deductibility and catch-up provisions for each option prior to participation.

### When should I start saving?

Planning for retirement should start at the onset of your career. The sooner you start saving, the more time you give your money to compound and grow. Starting early in your career also permits flexibility to weather unexpected expenses — which makes saving more difficult — yet stay on track to reach your long-term financial goals. It's never too late to start saving. In fact, some supplemental retirement plans allow you to contribute more at age 50 or older to "catch up" on your savings.

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## How much should I save?

Your life circumstances and financial situation play a key role in determining how much you need to save. Important considerations:

- How much money do you need to live comfortably and pay for your **retirement plans or hobbies?**
- **Health care costs** continue to escalate nationwide. Premium and out-of-pocket expenses need to be included in your retirement budgeting.
- Your STRS Ohio pension is a lifetime benefit, but when considering supplemental savings you may need, you will want to take **longevity** into consideration. STRS Ohio has more than 200 benefit recipients who are age 100 or older.

## How do I get started?

1. **Enroll in a supplemental retirement plan.** (Or more than one!)
2. **Establish short- and long-term financial goals.**
3. **Determine your retirement wish list.**

Enrollment is easy to complete on your own or you could consult a tax or investment professional.

## Additional resources

### 457(b) governmental plan

- Contact Ohio Deferred Compensation at [www.ohio457.org](http://www.ohio457.org) or 877-644-6457.

### 403(b) plan

- Contact your employer to obtain available vendors.

### Individual retirement account (IRA)

- Contact a bank, mutual fund company or brokerage firm.

### Savings account overview (at [www.strsoh.org](http://www.strsoh.org))

- In the During Your Career section select “Supplemental Savings.”

### STRS Ohio Educational Programs

- *The Supplemental Savings: Pay Yourself First* webinar (*Active Member Series*) provides information about supplemental savings as well as how to get started.
- The *Financial Fitness* webinar and *Beyond the Classroom* workshop offer tools that can assist with determining your “retirement income gap” — the anticipated gap between retirement income and expenses.

For further information or to register, go to [www.strsoh.org](http://www.strsoh.org).

## STATE TEACHERS RETIREMENT SYSTEM OF OHIO

275 E. Broad St., Columbus, OH 43215-3771 • 888-227-7877 • [www.strsoh.org](http://www.strsoh.org)

