

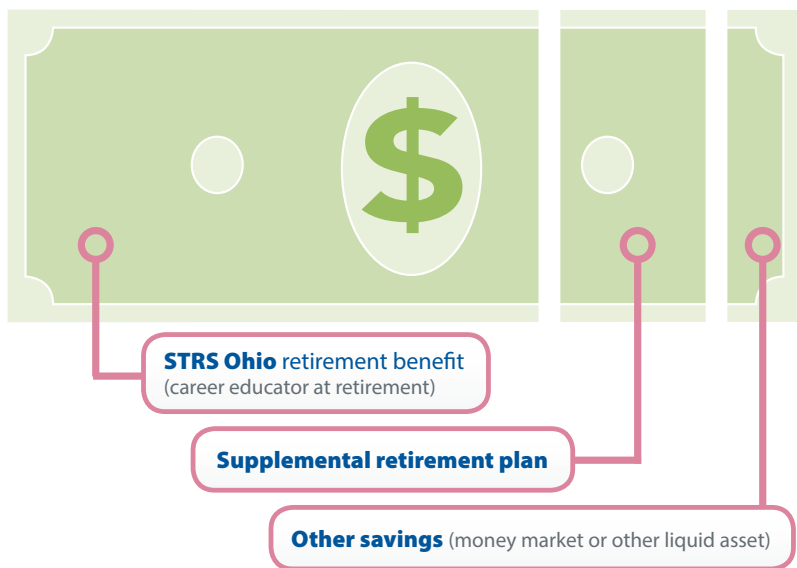
I wish  
someone  
would have  
told me...



STRS  
OHIO

## Supplemental retirement plans are vital to building a financially secure retirement.

It is estimated that most individuals will need at least 70 percent of their current income to retire comfortably. Your STRS Ohio pension may represent a substantial piece of your retirement income, but having additional financial resources can help you ensure the retirement lifestyle you desire. Start saving now!



### 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. Additionally, be sure to carefully consider:

- Time horizon (*how long before you need to access the money*)
- Current tax rate and anticipated tax rate in retirement
- Adjusted gross income
- Savings discipline

## 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. **In other words, time equals money!** 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.

What if you are late in your career and haven't started saving? *It's never too late* to start saving for retirement. Some supplemental retirement plans allow you to contribute more at age 50 or older to "catch up" on your savings.

## How much should I save?

The answer is not a one size fits all. Your life circumstances and financial situation play a key role in determining how much money you will need to save for retirement. A few important considerations include:

- **Your desired retirement lifestyle.** How much money do you need to live comfortably in retirement? Furthermore, what are the expenses associated with your retirement plans or hobbies?
- **Health care costs.** As health care costs continue to escalate nationwide, it's important to account for premium and out-of-pocket expenses in your retirement budgeting.
- **Number of years in retirement.** Your STRS Ohio pension benefit is a lifetime benefit, but when considering the amount of supplemental savings you may need, you will want to take longevity into consideration. For example, if you stop working at age 60 and live to 97, that's 37 years in retirement! STRS Ohio currently has 190 benefit recipients who are age 100 or older.

STRS Ohio's mission is to partner with our members in helping to build retirement security.

## How do I get started?

1. **Enroll in a supplemental retirement plan.**
2. **Establish short- and long-term financial goals.**
3. **Define your retirement wish list.**

Not confident in your retirement planning ability? Don't let that stop you! STRS Ohio recommends that you consult a tax or investment professional for assistance with selecting the plan(s) that will best fit your needs. These resources may also be helpful:

### **457(b) governmental plan**

Contact Ohio Deferred Compensation ([www.ohio457.org](http://www.ohio457.org), 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**

Visit the STRS Ohio website at [www.strsoh.org](http://www.strsoh.org). (Under the During Your Career section click on "Preparing for Retirement" and then "Supplemental Savings.")

### **Retirement planning information**

STRS Ohio offers retirement planning programs for every stage of your career. The *Financial Fitness* seminar 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).



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