



2023 MSRS Presentation

Who we are



Minnesota State Retirement System

**State Employee
Pension Plans**

**Health Care
Savings Plan
(HCSP)**

**Deferred
Compensation Plan
(MNDCP)**



Retirement Readiness

Sky's the limit



What do you imagine for your retirement?

- Travel
- Hobbies
- Enjoying time with friends & family
- Volunteering
- Starting your own business

Stages of Retirement

Each stage has its own characteristics and costs

1

EARLY YEARS



2

MIDDLE YEARS



3

LATER YEARS



Be Prepared





Consider the realities

- High cost of health care

High cost of health care

Amount needed to cover health care costs in retirement

	For a 50% chance of covering	For a 90% chance of covering
 65-year-old man	\$79,000	\$142,000
 65-year-old woman	\$103,000	\$159,000
 65-year-old couple*	\$182,000	\$296,000

FOR ILLUSTRATIVE PURPOSES ONLY

Source: Employee Benefit Research Institute Issue Brief, January 13, 2021 Excludes long-term care

*For a couple with median prescription drug expenses

Be Prepared



Consider the realities

- High cost of health care
- **We're living longer**

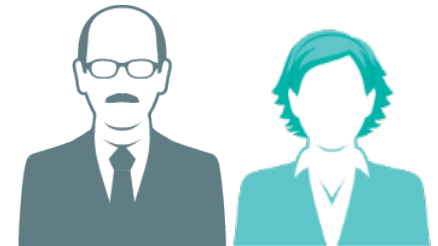
Life expectancy – we're living longer



65-year-old man



65-year-old woman



65-year-old couple*

50% Chance	Age 87	Age 89	Age 93
25% Chance	Age 93	Age 95	Age 97

FOR ILLUSTRATIVE PURPOSES ONLY

Source: Society of Actuaries RP-2014 Mortality Table projected with Mortality Improvement Scale MP-2017 as of 2018

*At least one surviving individual.

Be Prepared

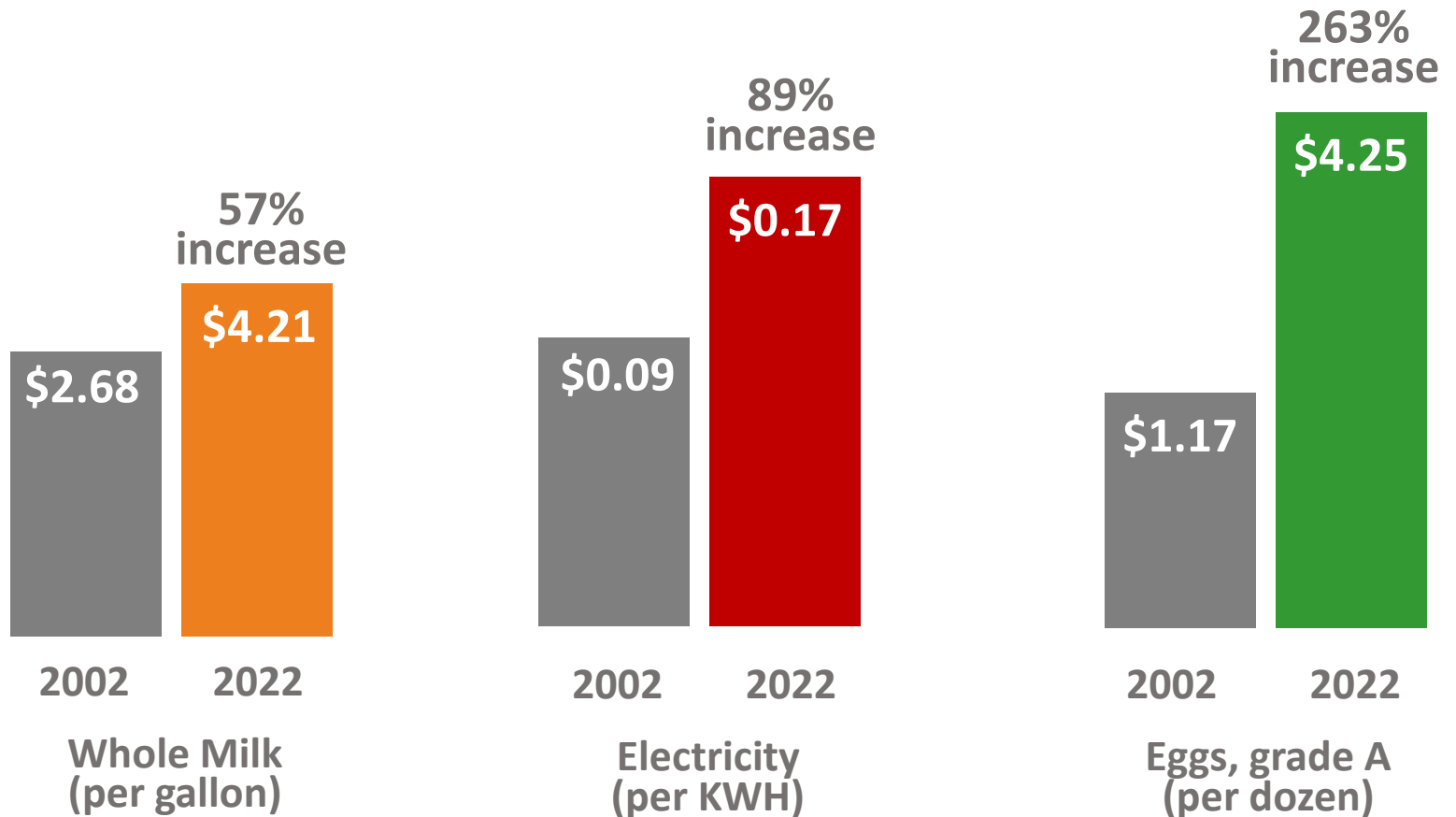


Consider the realities

- High cost of health care
- We're living longer
- **Inflation**

Inflation – what money will buy

The effect of inflation over 20 years



FOR ILLUSTRATIVE PURPOSES ONLY

Source: U.S. Bureau of Labor Statistics, Consumer Price Index, U.S. City Average Price Data (12/2002 – 12/2022)

Be Prepared

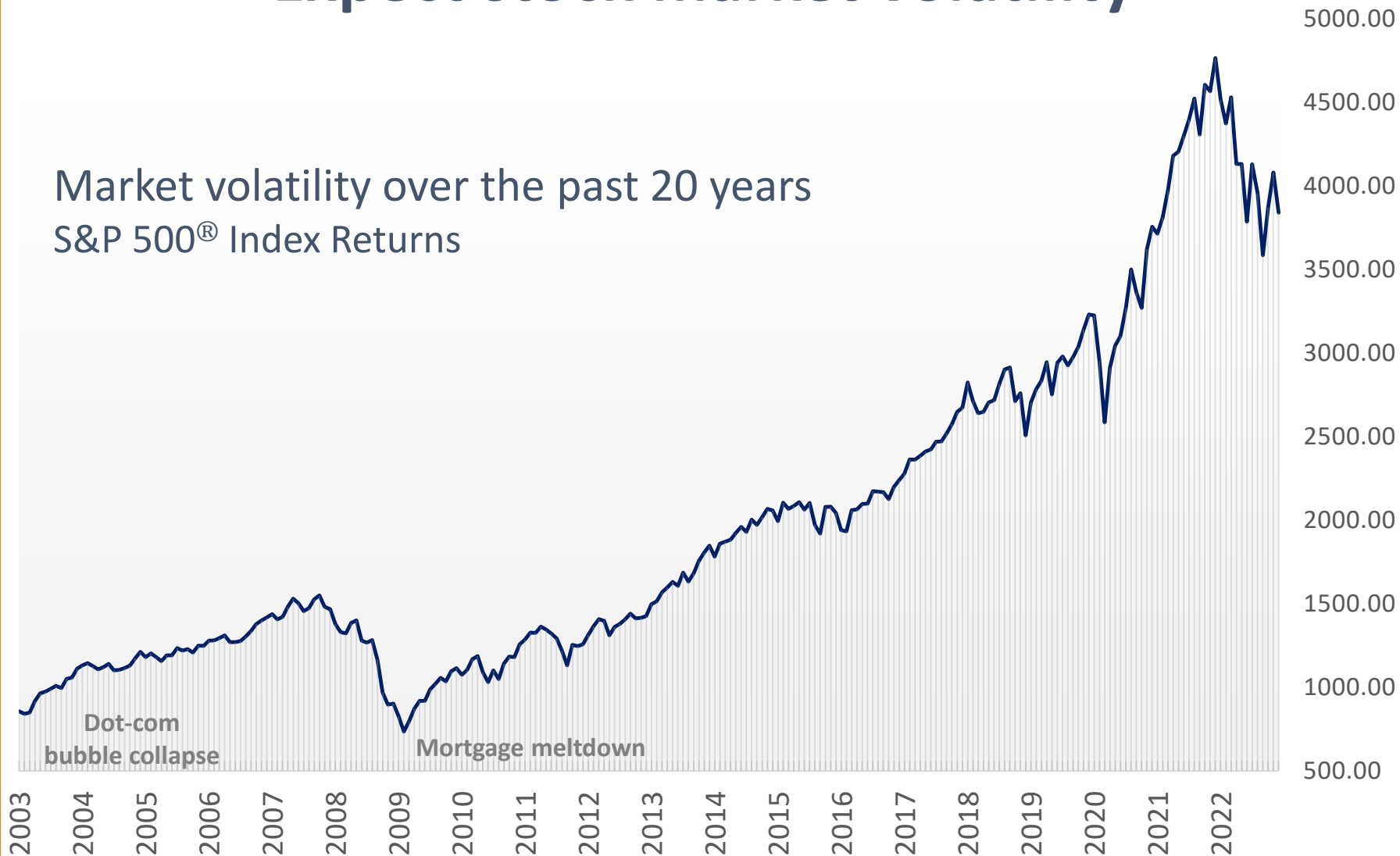
Consider the realities

- High cost of health care
- We're living longer
- Inflation
- **Market volatility**



Expect stock market volatility

Market volatility over the past 20 years
S&P 500® Index Returns

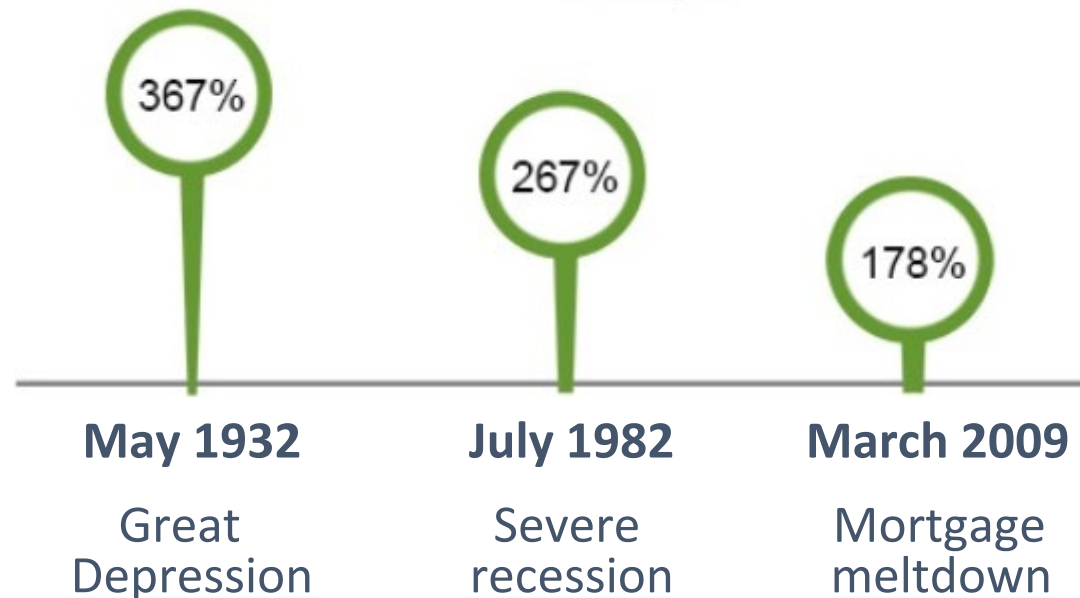


FOR ILLUSTRATIVE PURPOSES ONLY Past performance is not a guarantee or prediction of future results. You cannot invest directly in a benchmark index. The S&P 500® Index measures the performance of the domestic large-cap equity market and is used as a proxy of the stock market in general. The S&P 500® is a registered trademark of Standard & Poor's Financial Services LLC. **Source:** CBOE®, Chicago Board Options Exchange® Data from 1/1/2003 – 12/31/2022

Keep perspective

It has paid to stay invested in U.S. stocks during troubled times

Subsequent 5-year return



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Source: Fidelity Investments. https://institutional.fidelity.com/app/item/RD_13569_23965.html With data provided by Ibbotson, Factset, FMR Co., Fidelity Asset Allocation Research Team (AART) as of 3/31/2015.

Be Prepared



Prepare your retirement budget

How much will you need to maintain your standard of living?

Review your financial situation to determine:

- all your sources of retirement income
- how your expenses will differ in retirement

Consider your income

Take into account all of your assets, including:

- Projected Social Security benefit →
- Projected Pension benefit →
- Money saved in retirement plan accounts
 - MNDCP 457(b) plan, 403(b) plan, 401(k) plan, IRAs
- Money saved in Health Savings Plans
 - HCSP, HRA, HSA, VEBA
- Spouse's retirement plan accounts

At
Different
Ages

Consider your expenses

Retirement expenses may decrease

- Housing
- Payroll taxes (e.g., FICA)
- Transportation
- Retirement plan contributions

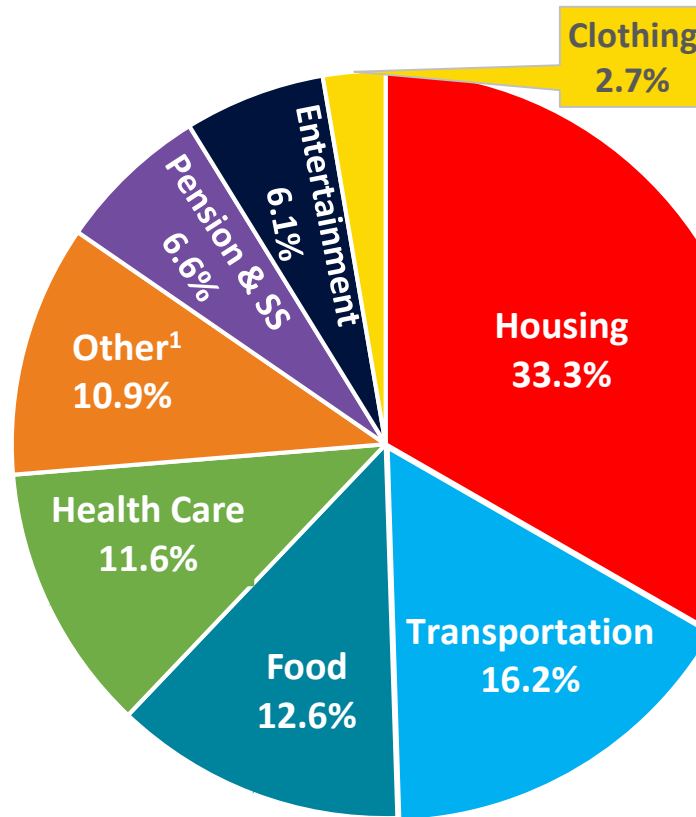
Retirement expenses may increase

- Health Care
- Travel



Median consumer expenses

Ages 65-74



¹ Includes cash contributions, alcohol, tobacco, personal care products and services, reading, education, life and personal insurance, and miscellaneous expenses

Take action



Consider how the following factors could affect your retirement savings

- Higher health care costs
- Increasing life expectancies
- Inflation
- Stock market volatility



Prepare a retirement budget





Locations:

St. Paul - 60 Empire Drive · Suite 300
St. Cloud - 4150 Second Street S · Suite 330
Mankato - 11 Civic Center Plaza · Suite 150
Detroit Lakes - 714 Lake Ave · Suite 100
Duluth - 625 East Central Entrance

Contact Us!

Receive more details about the
information you just saw

or

Make an appointment to speak to one
of our retirement counselors



www.msrs.state.mn.us



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! Important Notes

Securities, when presented, are offered and/or distributed by Empower Financial Services, Inc., Member FINRA/SIPC.

This material is for informational purposes only and is not intended to provide investment, legal or tax recommendations or advice.

Today's workshop was designed to:

- *Provide you with fundamental information on your MSRS retirement plans*
- *Objectively highlight your investment options*
- *Outline other sources of information for your decisions*

