



2025 MSRS Pre-Retirement Seminar

Who we are



Minnesota State Retirement System

**State Employee
Pension Plans**

**Health Care
Savings Plan
(HCSP)**

**Deferred
Compensation Plan
(MNDCP)**

Seminar topics





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	\$106,000	\$184,000
 65-year-old woman	\$128,000	\$217,000
 65-year-old couple	\$234,000	\$351,000

FOR ILLUSTRATIVE PURPOSES ONLY

Source: Employee Benefit Research Institute Press Release, *Projected Savings Medicare Beneficiaries Need for Health Expenses Increased Again in 2023*. Jan 29, 2024

Includes: Medicare (Part B & D) and Medigap premiums plus median prescription drug expenses. Excludes long-term care

Be Prepared



Consider the realities

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

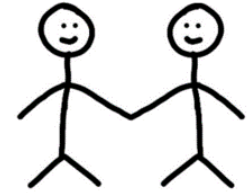
Life expectancy – we're living longer



65-year-old man



65-year-old woman



65-year-old couple*

50% Chance

Age 86

Age 88

Age 92

25% Chance

Age 92

Age 94

Age 96

FOR ILLUSTRATIVE PURPOSES ONLY

Source: Society of Actuaries Mortality MP-2021 Scale and the 2019 Social Security Mortality Table

**At least one surviving individual.*

Be Prepared

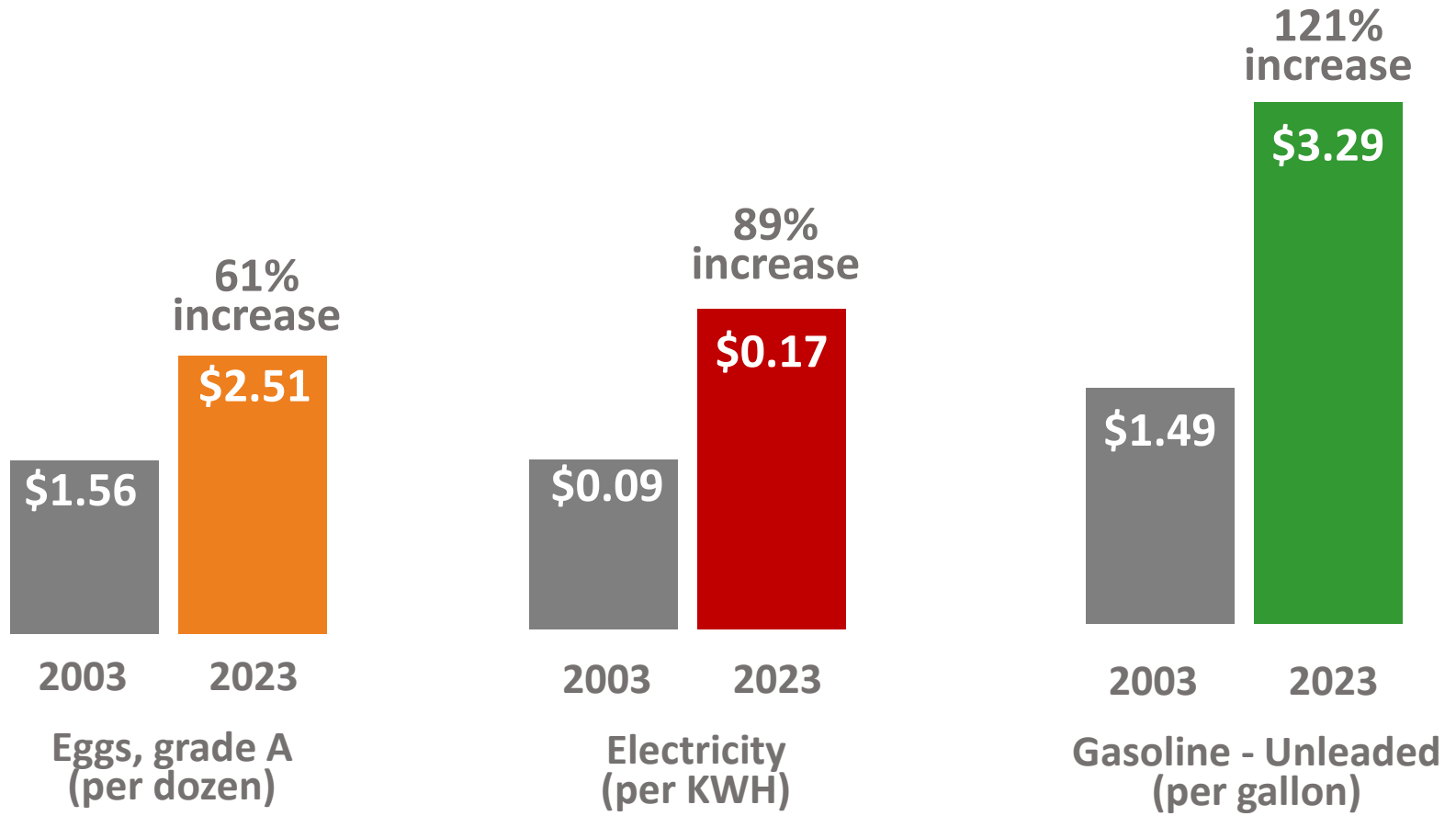


Consider the realities

- 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 (12/2003 – 12/2023)

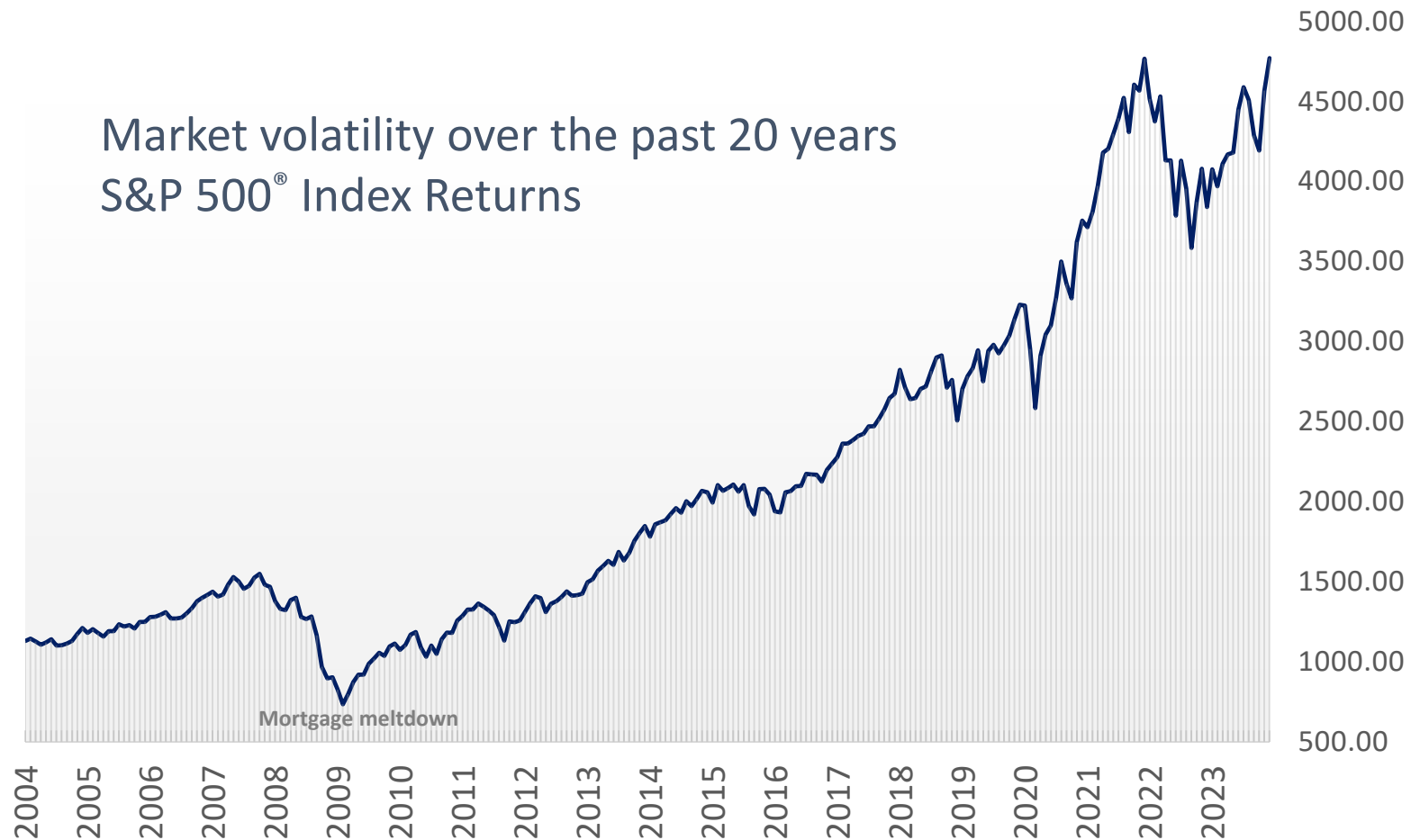
Be Prepared



Consider the realities

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

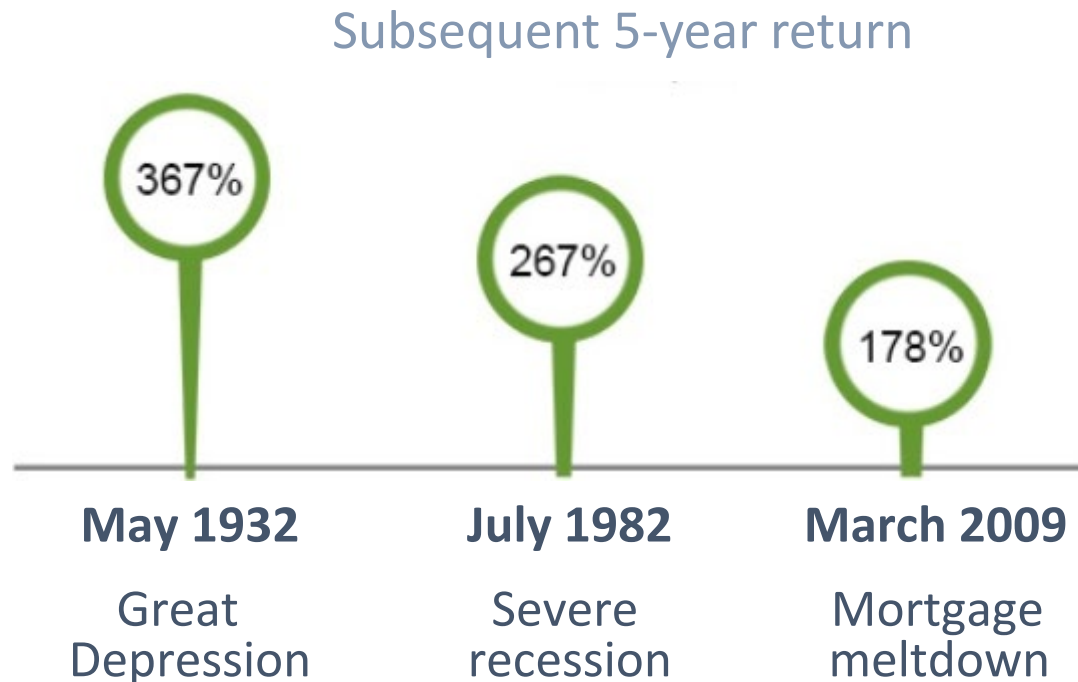
Expect stock market volatility



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 1/1/2004 – 12/31/2023

Keep perspective

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



FOR ILLUSTRATIVE PURPOSES ONLY Past performance is not a guarantee or prediction of future results. You cannot invest directly in a benchmark index. U.S. stock market returns represented by total return of S&P 500[®], which is an index used as a proxy for the stock market in general.

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
 - MNDGP 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

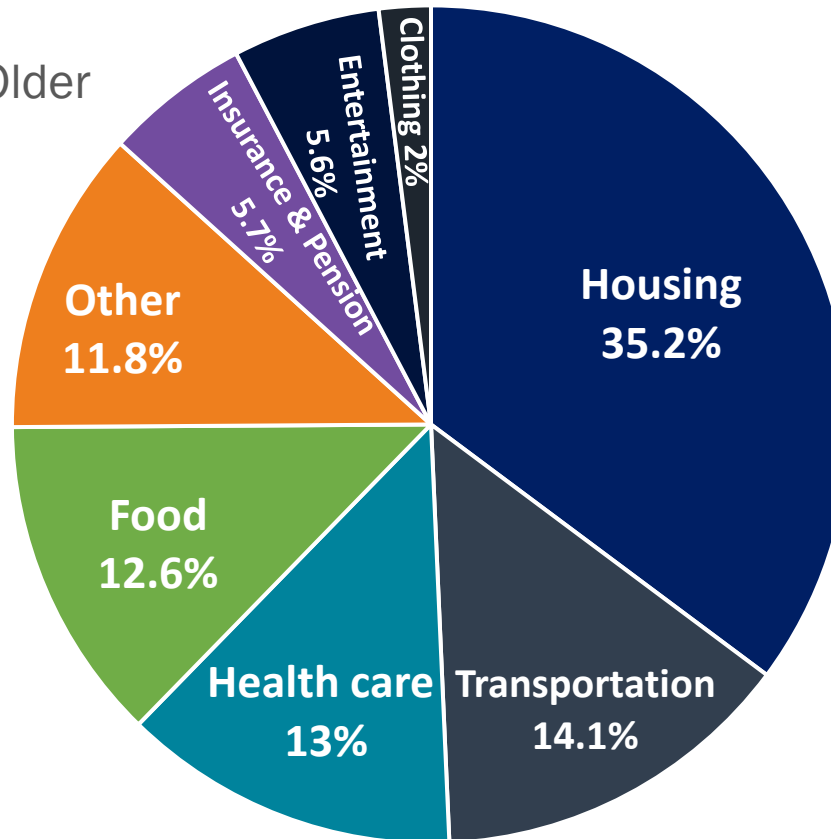
Retirement expenses may increase

- Health Care
- Travel



Average annual consumer expenses

Ages 65 & Older



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





Time Table

Pre-retirement timetable

PRIOR TO RETIREMENT	ACTION
6 - 12 months	Contact MSRS to request an audited pension estimate
3 months	Call Social Security, if retiring at age 62+
1 - 2 months	<ul style="list-style-type: none">■ Complete pension application File with MSRS■ Contact H.R. Office about insurance and Health Care Savings Plan eligibility

Post-retirement timetable

AFTER RETIREMENT	ACTION
Immediately	Enjoy Enjoy Enjoy Enjoy
Up to 6 weeks	Receive pension authorization letter & first payment
1st week of the next month	Receive monthly pension payment
December	Receive notification of post retirement increase
January	Receive tax Form 1099-R for pension payments

Get more information

Pension Plan

MSRS

www.mnretire.gov

1-800-657-5757

TRA

www.minnesotatra.org

1-800-657-3669

PERA

www.mnpera.org

1-800-652-9026

Retiree insurance (health, dental, life)

Contact your designated retiree insurance dept, or:

State employees

651-355-0100

University of MN employees

612-624-8647

Met Council employees

651-602-1601

Social Security

www.ssa.gov

1-800-772-1213

Medicare

www.medicare.gov

Administration for Community Living

www.acl.gov

NOTE: These Web sites are for general education & information only and are provided as a benefit to the users of the site.



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 - 525 S Lake Ave · Suite 325

Contact Us!

Receive more details about the
information you just saw

or

Make an appointment to speak to one
of our retirement specialists



www.mnretire.gov



1.800.657.5757 or 651.284.7730



Follow us on X: mnretire

! Important Notes

Securities, when presented, are offered and/or distributed by Voya Financial Partners, LLC (member 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*



Thanks for attending

We need and welcome your feedback

Please help us improve these pre-retirement webinars by completing our online survey.

https://www.surveymonkey.com/r/MSRS_webinar_survey

