



## 2026 MSRS Pre-Retirement Seminar

Copies of this presentation are available at [www.mnretire.gov/pre-retirement-webinar-details](http://www.mnretire.gov/pre-retirement-webinar-details) (this link is in your reminder e-mail)

# Today's meeting details

- All participants are muted upon entry
- Text chat is available for general questions
  - We are unable to answer Social Security, Medicare or health insurance questions in chat
- Copies of all slide presentation are available
  - [www.mnretire.gov/pre-retirement-webinar-details](http://www.mnretire.gov/pre-retirement-webinar-details)  
(this link is in your reminder e-mail)
- Q&A sessions after each topic and at the end of the presentation

# Who we are



**Minnesota State Retirement System**

**State Employee  
Pension Plans**

**Health Care  
Savings Plan  
(HCSP)**

**Deferred  
Compensation Plan  
(MNDCP)**

# Seminar topics



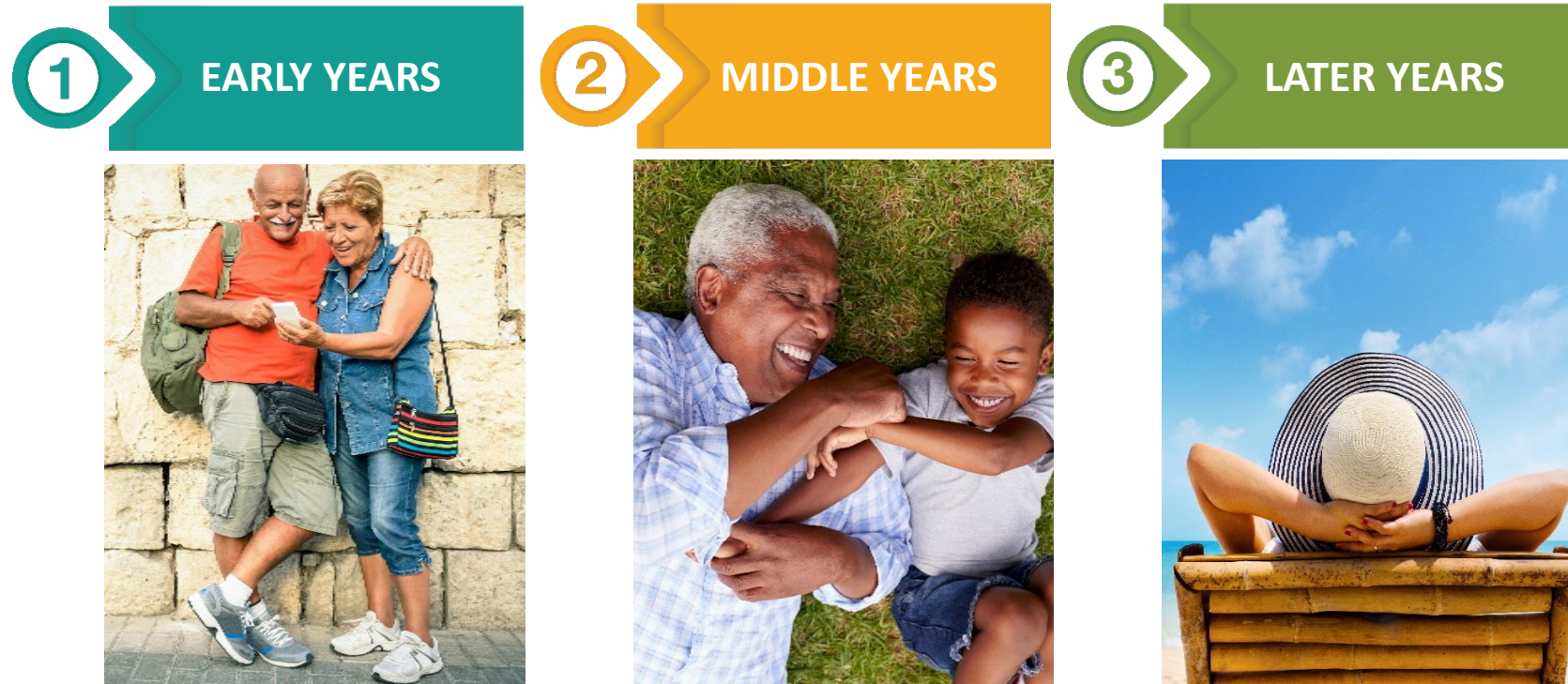


Retirement Readiness

# Stages of Retirement

Each stage has its own characteristics and costs

- Travel, Hobbies, Time with Friends & Family, Volunteering, Start a Business?



# Be Prepared



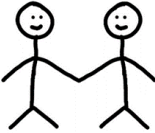


## Consider the realities

- 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	\$109,000	\$191,000
 65-year-old woman	\$133,000	\$226,000
 65-year-old couple	\$243,000	\$366,000

FOR ILLUSTRATIVE PURPOSES ONLY

Source: Employee Benefit Research Institute Press Release, Projected Savings Medicare Beneficiaries Need for Health Expenses Continued to Rise in 2024. Mar 6, 2025  
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**

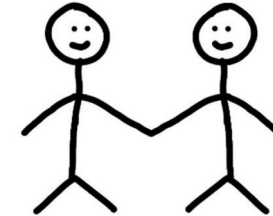
# Life expectancy – we're living longer



65-year-old man



65-year-old woman



65-year-old couple\*

<b>50% Chance</b>	<b>Age 86</b>	<b>Age 88</b>	<b>Age 92</b>
<b>25% Chance</b>	<b>Age 92</b>	<b>Age 94</b>	<b>Age 96</b>

*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

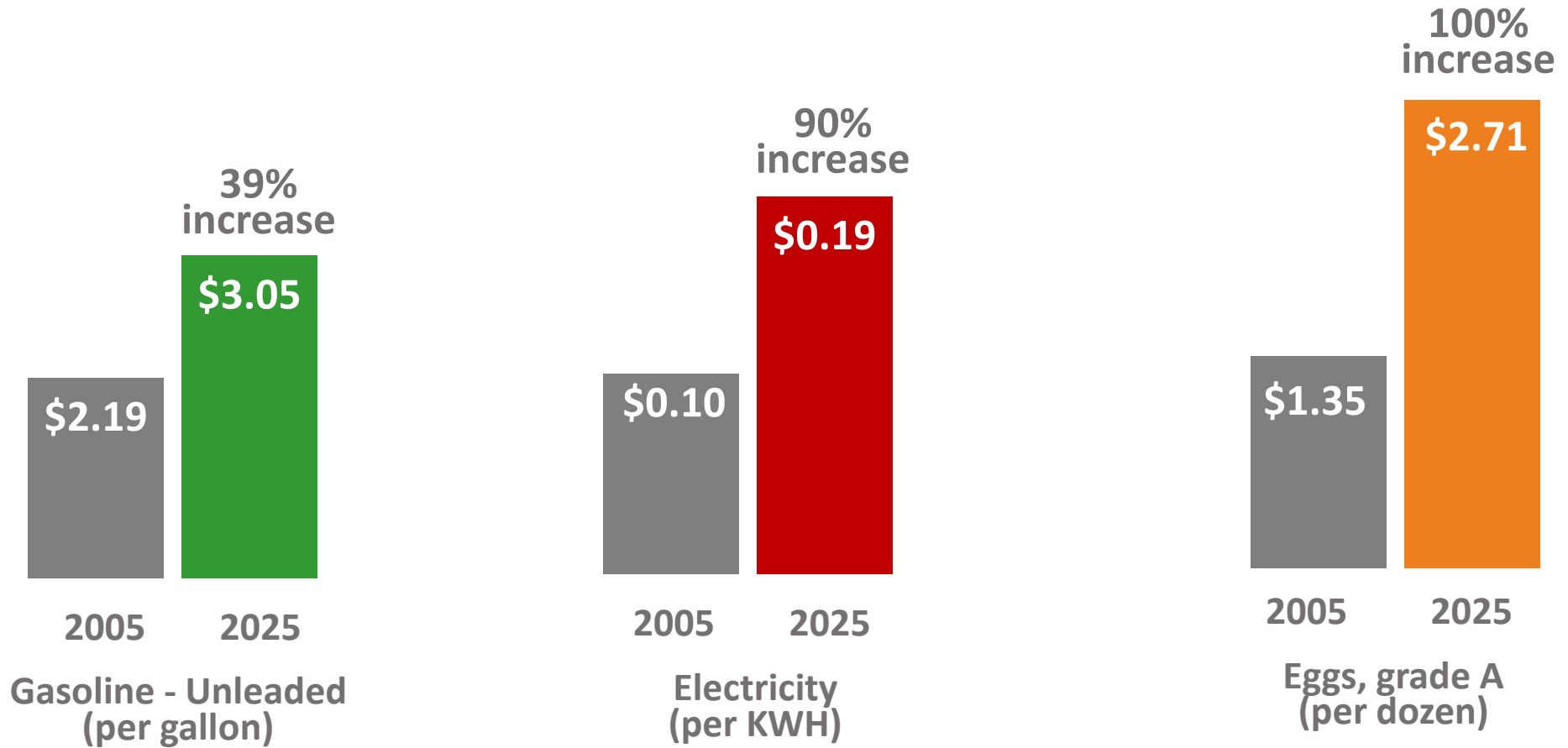


## Consider the realities

- 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 (12/2005 – 12/2025)

# Be Prepared

## Consider the realities

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



# Expect stock market volatility

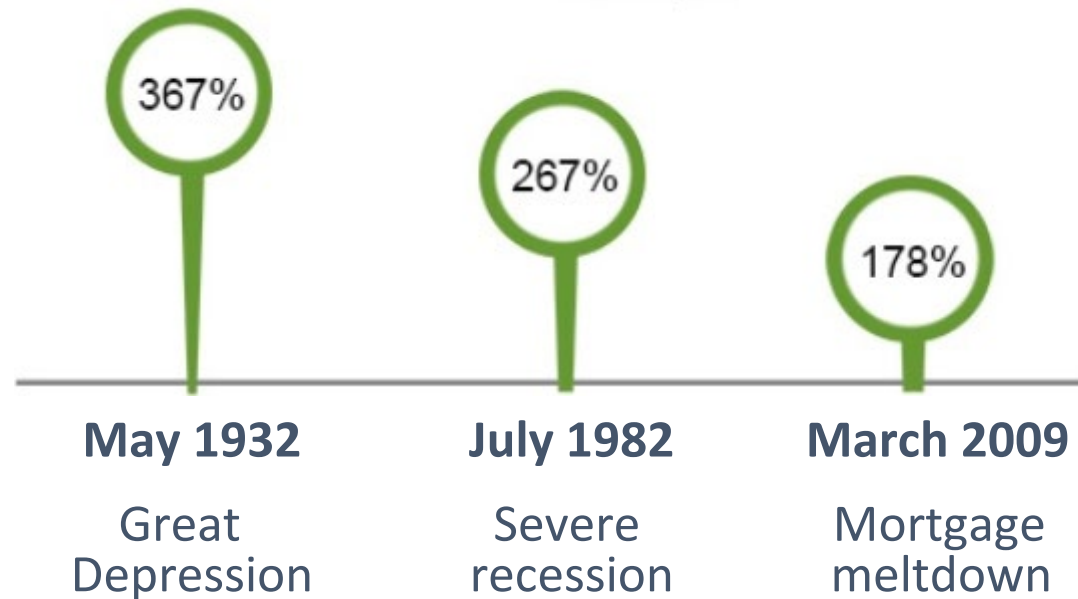


**FOR ILLUSTRATIVE PURPOSES ONLY** Past performance is not a guarantee or prediction of future results. You cannot invest directly in a benchmark index. The S&P 500<sup>®</sup> Index measures the performance of the domestic large-cap equity market and is used as a proxy of the stock market in general. The S&P 500<sup>®</sup> is a registered trademark of Standard & Poor's Financial Services LLC. **Source:** CBOE<sup>®</sup>, Chicago Board Options Exchange<sup>®</sup> Data from 1/1/2006 – 12/31/2025

# Keep perspective

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

Subsequent 5-year return



*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<sup>®</sup>, 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](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



# Take action



**Prepare a retirement budget**



**Consider how the following factors could affect your retirement savings**

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



Time Table

# Pre-retirement timetable

PRIOR TO RETIREMENT	ACTION
5 years	<ul style="list-style-type: none"><li>• Maximize contributions to your MNDCP account in your final working years</li><li>• Calculate your retirement budget</li><li>• Adjust your MNDCP &amp; HCSP investment allocation as appropriate</li></ul>
1 year	<ul style="list-style-type: none"><li>• Explore your retirement income &amp; expenses</li><li>• Prepare your retirement budget</li></ul>
6 - 12 months	Contact your pension plan provider to request an audited pension estimate
3 months	Contact Social Security, if retiring at age 62+
1 - 2 months	<ul style="list-style-type: none"><li>• Complete pension application File with pension plan</li><li>• Contact H.R. Office about insurance &amp; HCSP eligibility</li></ul>

# Post-retirement timetable

<b>AFTER RETIREMENT</b>	<b>ACTION</b>
Immediately	Enjoy   Enjoy   Enjoy   Enjoy   Enjoy
About 6 weeks	Receive pension authorization letter & first payment
30 days after receipt of pension authorization letter	Your joint & survivor benefit option becomes irrevocable
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 & MNDCP payments

# Get more information

<b>Pension Plan</b>		
MSRS	<a href="http://www.mnretire.gov">www.mnretire.gov</a>	1-800-657-5757
TRA	<a href="http://www.minnesotatra.org">www.minnesotatra.org</a>	1-800-657-3669
PERA	<a href="http://www.mnpera.org">www.mnpera.org</a>	1-800-652-9026
<b>Retiree insurance (health, dental, life)</b>	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
<b>Social Security</b>	<a href="http://www.ssa.gov">www.ssa.gov</a>	1-800-772-1213
<b>Medicare</b>	<a href="http://www.medicare.gov">www.medicare.gov</a>	
<b>Administration for Community Living</b>	<a href="http://www.acl.gov">www.acl.gov</a>	

*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*

Login to your account online to make an appointment to speak to one of our retirement specialists



[www.mnretire.gov](http://www.mnretire.gov)



**1.800.657.5757 or 651.284.7730**



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# ! Important Notes

*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*

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