



CalPERS 457 Plan



Getting ready  
to retire, simplified.



# 5 steps to get ready for retirement

You may be thinking about retiring soon. **But are you retirement ready?**

The CalPERS 457 Plan can help you prepare now.

The 457 Plan provides you with the information and tools that can help to increase your financial well-being, both today and during retirement.

This guide offers a step-by-step plan to help you get on track for retirement. Share this information with your spouse or partner.

## Step 1

# Determine your retirement income goal

If you're in good health, your retirement assets may need to last 25 years or longer. When you calculate the amount you'll need to cover your living expenses during your retirement years, include:

- Retirement age
- Life expectancy
- Projected income
- Monthly expenses
- Healthcare costs
- Lifestyle and travel plans

Because the cost of living rises slightly most years, you may need to adjust for inflation of around three percent annually. You may also want to speak with a financial planner who can consider all the variables and help you make the right moves to meet your retirement income needs.



You have access to information and planning resources to help you determine your retirement income needs and drawdown strategy. See the list on page 5.

## Step 2

# Know your income sources and have a drawdown strategy

You may have several sources of retirement income with different withdrawal and tax rules, so you will need an overall income strategy.

You can create an estimate of your CalPERS retirement income by using the Retirement Estimate Calculator. There are two ways to access the calculator. You may log in to **my|CalPERS** to use the latest data reported by your employer. Or if you prefer to enter your own data, you do not need to log in. You can create and save multiple estimates.

Make a list of your income sources and include the monthly income amounts such as:

### Social Security

If you have paid into Social Security, you are eligible for benefits. Keep in mind that you can take a reduced benefit as early as age 62, but waiting until your normal retirement age or later allows you to collect full benefits.

### Employer-sponsored retirement plans

Consider all pensions and retirement plan accounts you may have with your current and past employers. You can begin withdrawing money without penalty from the 457 Plan at any age.

### Personal savings

Review your IRAs, stocks, bonds, mutual funds, annuities and cash value life insurance. Consider tapping into your taxable savings first so your 457 Plan assets can continue to grow tax-deferred.

### Work

Your pension benefits, Social Security benefits and 457 Plan distributions may be affected if you work on a temporary or permanent basis during your retirement years.

Check in advance on any potential impact by contacting:

- CalPERS about your pension benefits at **888-CalPERS** (888-225-7377)
- The Plan Information Line about your 457 Plan distributions at **800-260-0659**
- The Social Security Administration about your Social Security benefits

If you are going to work for a CalPERS employer or a private company that provides services to a CalPERS employer, you should first:

- Review *A Guide to CalPERS Employment After Retirement* available at **calpers.ca.gov**
- Let the employer know that you are retired from CalPERS before accepting employment

## Step 3

# Ensure your health and wellness and prepare for the unexpected

According to AARP, a 65-year-old couple who retires with Medicare coverage needs \$220,000 for healthcare expenses for 20 years of retirement.\* That figure does not include dental, vision, hearing or long-term care expenses.



\* Source: AARP, [www.aarp.org/work/retirement-planning/info-2014/retirement-health-care-costs-infographic.html](http://www.aarp.org/work/retirement-planning/info-2014/retirement-health-care-costs-infographic.html)

Be sure to investigate your health insurance options and understand how they work, including:

- Your agency Human Resources department for information regarding retiree health benefits eligibility, the amount your employer will contribute toward your retiree health benefits, and your retiree health plan enrollment options.
- Your CalPERS health benefits in retirement, if eligible: visit [calpers.ca.gov](http://calpers.ca.gov) or call CalPERS at **888-CalPERS** (888-225-7377)
- Medicare: national health insurance for people age 65 and over
- Long-term care insurance: for nursing home or caregiver services

## Step 4

# Get your estate in order

An estate includes all the things of value that you own. You need a plan to ensure the orderly transfer of assets to your intended heirs — and to protect and manage those assets if you cannot. Consider meeting with an estate attorney and ask about a:

- Will
- Durable power of attorney
- Living trust
- Living will

### Learn more about estate planning

Log in to [calpers.voya.com](http://calpers.voya.com). Select *Education and Tools* > *Personal Finance* > *Estate Planning*.

## Step 5

# Plan for lifestyle changes as you approach this new stage of life

Living the way you want in retirement may take some planning now. Your desired lifestyle might include:

- **Relocation:** Research communities and, if necessary, prepare your home for sale.
- **Part-time employment or job change:** Start networking, or sign up for classes or training.
- **Clubs and activities:** Start building relationships with organizations to make the transition to retirement easier.

No matter how you decide to spend your retirement years, managing your assets wisely will make them more fulfilling and enjoyable. As you move ahead, get all the information you need before making any big decisions.

Contact your Account Manager to schedule an appointment or join one of our monthly webinars.

# Support to help you be retirement ready

The CalPERS 457 Plan offers a variety of resources while you are an active employee nearing retirement and after you retire.

## Planning tools and information

Whenever you log into your 457 Plan account, you can use **myOrangeMoney®** to get an estimate of the monthly income your savings could generate in retirement and your **Personal Financial Dashboard** to organize your finances. These online tools are designed to help you plan for your retirement and other goals, see where you stand and make smart money decisions.\*

Educating yourself beforehand is the key to making good retirement decisions. Here's a brief list to help you find the answers you will need:

- All CalPERS benefits and services: [calpers.ca.gov](http://calpers.ca.gov)
- Real-time details and balances of your CalPERS accounts: [my.calpers.ca.gov](http://my.calpers.ca.gov)
- *CalPERS Member Benefit* publication and the *Planning Your Service Retirement* publication: available from your employer, any CalPERS Regional Office, [calpers.ca.gov](http://calpers.ca.gov) or by calling toll free **888-CALPERS** (888-225-7377)
- Retirement articles and tips: [calpers.voya.com](http://calpers.voya.com) > *Education and Tools* > *Retirement*
- AARP: [aarp.org](http://aarp.org)
- Internal Revenue Service: [irs.gov](http://irs.gov)
- Medicare: [medicare.gov](http://medicare.gov)
- Social Security Administration: [ssa.gov](http://ssa.gov)

\* **IMPORTANT:** *The illustrations or other information generated by the calculators are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. This information does not serve, either directly or indirectly, as legal, financial or tax advice and you should always consult a qualified professional legal, financial and/or tax advisor when making decisions related to your individual tax situation.*

## Pre-retiree education

If you are within four years of retiring, you may want to attend a meeting at your worksite, live webinars or classes to learn more about your options. All are designed to help you understand the retirement process, financial planning and the decisions you will need to make as you approach retirement.

- Group meetings and in-person appointments at your agency: [cityofsandiego457.timetap.com](http://cityofsandiego457.timetap.com)
- Educational classes: [calpers.ca.gov](http://calpers.ca.gov)

## Personal assistance

Experienced local representatives are available to help you by telephone or in person, before and after you retire. They are very knowledgeable about the 457 Plan, investment choices and distribution options. Together, you can review your 457 Plan account and your retirement planning and investing strategies. Go to [cityofsandiego457.timetap.com](http://cityofsandiego457.timetap.com) or call toll free at **888-713-8244**.

*Plan administration services provided by Voya Institutional Plan Services, LLC. Information from registered Plan Service Representatives is for educational purposes only and is not legal, tax or investment advice. Local Plan Service Representatives are registered representatives of Voya Financial Advisors, Inc. (member SIPC).*

# Are you retirement ready?

## Use this checklist as a guide:

- I know what my Social Security income will be in retirement.
- I have developed a retirement income strategy.
- I know the approximate future income from my investments (457 Plan, pension, personal savings, etc.)
- I have discussed my finances with my spouse or partner.
- I have advance medical directives in place (i.e., health care proxy, durable power of attorney and living will).
- I have my important papers, including those listed above, where my family can find them. I have reviewed the papers with my spouse or partner.
- I have reviewed my health and life insurance coverages, both now and for retirement.
- I have discussed my retirement plans, such as where I want to live, with my spouse or partner.



