

Mapping your retirement journey with the ERSRI

For educators enrolled into the ERSRI, there is an opportunity to take advantage of lifetime income provided by the Defined Benefit portion of the plan as well as being an active participant in your own Defined Contribution portion of the plan. While some district participate in Social Security and others do not, both offer their advantages. Combined with collaborative investment planning, all educators in Rhode Island should receive proper retirement.

Hypothetical View of Retirement Defined Benefit

Employee: 3.75%

DEFINED CONTRIBUTION

Employee: 5% w/SS or 7% w/o SS

Employer: 1%-1.5% w/SS or 3%-3.5% w/o SS

DC with Social Security

30 Yr. Career
Starting Salary \$50k
2% annual salary increase
6% Annualized Return
+/- \$313,000 potential ending value
Never make more than \$90k

DC Without Social Security

30 Yr. Career
Starting Salary \$50k
2% annual salary increase
6% Annualized Return
+/- \$492,000 potential ending value
Never make more than \$90k

Social Security*

25 y/o working for 30 yrs
@ 62 = \$60K annually(est)

*ssa.gov

Saving the additional 10%
403(b)/IRA/brokerage etc.

CONTRIBUTED 10+%

Teacher Survivors' Benefit

\$115 Annual Contributions from employee and employer
Primarily Death Benefit
Has Transferability

EXPENSES 50%

SAVINGS 20%

SPENDING 30%

Your Work. Your Money. Your Journey.

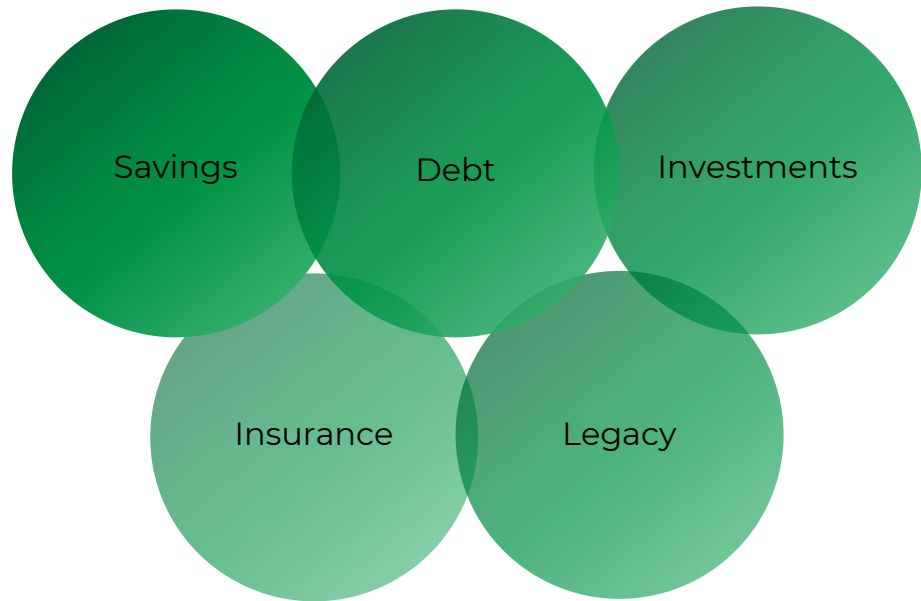
By a general and standard rule of thumb, the 50/30/20 rule for managing finances is a simple way to consider budgeting. After tax income allows for 50% towards necessities, 30% towards lifestyle, and 20% towards savings. By applying this same logic, roughly half of a participant's savings rate goes into ERSRI prior to income tax. In this hypothetical we show each version of contributions, both those who contribute to Social Security and those who do not. By implementing another 10% savings, we can illustrate what retirement may look like in the future.

Important retirement plan decisions can be difficult to make. You don't have to do it alone. Call us—we're here to help.

Please call **617-365-7269** today.

For tax-related issues, consult a tax advisor.

Decisions have to be made thoughtfully to achieve desired long term results. There are many investment vehicles that are advantageous on your path to and during retirement. Having an itinerary can be helpful when trying to determine your plan of action.



This document is meant to help you identify some important considerations when planning for retirement. There may be other factors you should consider based on your specific circumstances.

