

myVRS Retirement Planner Tips

To get an idea of what your first month of retirement may look like, the *myVRS* Retirement Planner allows you to consider major retirement income sources and expenses. Follow these tips to get the most out of planning for your future.

- ❑ **Allow enough time to create a Detailed Plan.**

- ❑ **Have your records handy:**
 - Bank and financial statements.
 - Tax-deferred account statements or Individual Retirement Account (IRA) information.
 - Your Social Security statement or an estimate from the Social Security calculator at www.ssa.gov. If you are eligible for Social Security, the Retirement Planner will provide an estimate based only on your VRS earnings.
 - Projected wages or income if you think you might work or consult while you are retired.
 - Other types of income such as rental property or alimony.
 - Estimated state income tax withholding if you plan to live in a state other than Virginia when you retire.
 - Income information for your spouse or other individual, such as current salary, pension, Social Security, tax-deferred account, IRA or other retirement income, if you are including this information in your plan.

- ❑ **Create different VRS benefit estimates.** The Retirement Planner uses your estimated VRS Basic Benefit amount. If you want to experiment with the Survivor Option, Partial Lump-Sum Payment Option (PLOP) or Advance Pension Option, create an estimate in the *myVRS* Benefit Estimator. You will be able to select it in the Retirement Planner to use in your Detailed Plan.

- ❑ **Estimate your living expenses in retirement:**
 - Use your current personal or family budget as a basis for estimating your housing, food, clothing, transportation and other living expenses in retirement.
 - Don't forget future expenses such as a new car or vacation property.
 - Some expenses, such as health care and travel, may increase after you retire.
 - You may spend more time at home, which could increase the cost of electricity and other utilities.
 - You may have more time for hobbies and personal interests, which could add expenses.
 - Other expenses may decrease. With a lower income, you will pay fewer income taxes, may stop contributing to your savings or retirement funds or could decrease the amount of your charitable donations. Job-related costs and clothing needs typically decline. You may have paid off your mortgage by retirement.

- ❑ **The Retirement Planner automatically adds 3-percent inflation** for other income and living expenses. Leave this default selected for income or expenses that will probably go up over time, such as wages or groceries. Deselect it for income or expenses that will remain the same, such as a mortgage payment.

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- ❑ **If you will not be eligible for Social Security or Medicare on your VRS retirement date** but want to create a plan with this information, enter a retirement date that would qualify you for these benefits.
- ❑ **The planner provides an estimated retiree health insurance premium** based on information from the Department of Human Resource Management. If you are not eligible for the State Retiree Health Benefits Program or want to use a different premium amount, contact your employer or a health insurance plan for an estimate.
- ❑ **Create as many plans as you like.** See the effect of retiring on a different date, increasing your tax-deferred savings or changing your investment strategy. You can create and save as many Detailed Plans as you like or modify the ones you have created. They will remain in your planner until you delete them.
- ❑ **Online help available.** Additional information is available on every screen in the Retirement Planner. Look for tips and links to more information such as assumptions used in the planner. Select “Explain this Page” from the upper right corner of the page for an explanation of the information you are viewing.
- ❑ **Too young to retire?** You may want to use the planner to focus on building your nest egg. You can use the “Custom Strategy” tool on the Retirement Savings page of the planner to find out how even a small increase in your tax-deferred contributions could have a dramatic impact on your future retirement income.

Reminders:

- The Retirement Planner will include an estimated health insurance credit amount, hazardous duty payment, estimated Social Security benefit or Medicare information only if you are eligible for these benefits.
- The estimates you create are for your planning purposes only. Your actual income and expenses in retirement may differ.
- Garbage in, garbage out! The more realistic the information you enter, the more reliable the result.

Not registered for myVRS?

Go to the VRS Web site at www.varetire.org and select the myVRS logo from the Member tab. On the log-in page, select “Register Now” and follow the steps from there.

