

MissionSquare Retirement

Financial Readiness – Optimizing Your Retirement

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MissionSquare
RETIREMENT



MissionSquare

RETIREMENT

- **Mission-based**, nonstock, nonprofit, financial services company, created by the public sector for the public sector.
- **Over 52 years of experience** helping those who serve their communities build retirement security.
- **Personalized Financial Wellness Center**, including online tools and consultations with licensed professionals.
- **Results-oriented** retirement plans, education, investments, and advice.

www.missionsq.org



Retirement Concerns

2 Million

Baby Boomers
have retired
annually since 2011¹

Rising number
of retirees

**Life
Expectancy**

Men
76
years

Women
81
years²

Individuals are
living longer

¹ Source: Pew Research, "The pace of Boomer retirements has accelerated in the past year".
November 2020 article: <https://www.pewresearch.org/fact-tank/2020/11/09/the-pace-of-boomer-retirements-has-accelerated-in-the-past-year/>

² Source: Social Security Period life Expectancy Period Life Expectancy [Period Life Expectancy – 2023 OASDI Trustees Report \(ssa.gov\)](https://www.ssa.gov/oasdi/trustees-report/)



Healthcare Costs Are Significant



Average age 65
couple to face
almost \$315,000
in healthcare costs¹

- Medicare out-of-pocket expenses
- Expenses Medicare doesn't cover
- Add the possibility of long-term care

¹ Source: Fidelity Newsroom

June 2023 article: [Fidelity® Releases 2023 Retiree Health Care Cost Estimate: For the First Time in Nearly a Decade, Retirees See Relief as Estimate Stays Flat Year-Over-Year](#)



Retiree Healthcare Savings (RHS) Plan

- Helps employees pay for future healthcare costs
- Covers employee, employee's spouse, and dependents
- Has tax advantages for employers and employees
- Employer-sponsored with flexible plan design
- No unfunded liability





Benefits for Employees



- Dedicated savings vehicle
- Family coverage – employee, spouse, dependents
- Tax advantages
- Investment control
- Survivor benefits



457(b) Deferred Compensation Plan



- Pre- or post-tax contributions via payroll deduction:
 - Reduces your current income taxes.
 - Earnings accumulate tax-deferred.



- Employees direct the investments in their account from a diverse fund menu.



- No IRS early withdrawal penalty.



- Assets are held in trust, protected from creditors.



RHS Plan vs. 457(b) Plan Comparison

Plan Feature	RHS	457
Participation	Mandatory*	Voluntary
Contributions	No annual IRS limit imposed FICA & Income Taxes** not applicable	Annual IRS limits imposed FICA & SS taxes are applicable
Funding Vehicle	Assets held in trust, protected from creditors	Assets held in trust, protected from creditors
Accumulations	Tax deferred accumulations	Tax deferred accumulations
Distributions	Tax free reimbursements for eligible medical expenses*** only No in-service withdrawals permissible (When benefit eligible, unexpected emergencies (UE) for qualified medical expenses are allowed)	Taxable distributions - no stipulation of usage Approved UE's or in-service withdrawals permissible
	Employee, Spouse, Dependent eligible****	Employee, Spouse, Beneficiary eligible

*All eligible group(s) defined in the plan's adoption agreement must participate. **RHS tax benefits and reference are based on federal tax laws. Most states do not tax RHS contributions, but benefits may be subject to state and local taxes. ***Per IRC Section 213. ****Per IRC Section 152 reference are based on ft tax RHS contributions, but benefits may be subject to state and local taxes.



Questions?





Disclosures

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