

April 26, 2018

MTSU PRE-RETIREMENT SEMINAR

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Optional Retirement Program (ORP)

- 401(a) Defined Contribution Plan
- Account Balance at Retirement



2018 Legislative Change

- Eliminated the requirement to annuitize 50% of ORP balances



ORP withdrawal options

Leave money in plan	Lump-sum withdrawals	Systematic withdrawals	Annuitization	Rollovers	Required Minimum Distribution
<ul style="list-style-type: none"> > If possible, tap into taxable accounts first in order to keep as much money growing tax deferred 	<ul style="list-style-type: none"> > Allow you to take your full balance in one lump sum > You'll have to pay income taxes on your distribution 	<ul style="list-style-type: none"> > Allow you to take payments from a retirement plan in regular intervals 	<ul style="list-style-type: none"> > Allows you to convert your retirement savings into an annuity contract with periodic payments 	<ul style="list-style-type: none"> > Roll your retirement savings into another tax-qualified retirement program, IRA or Roth IRA 	<ul style="list-style-type: none"> > Requires minimum withdrawals from IRA, SIMPLE IRA, SEP IRA or DCP accounts at age 70½

Income from interest, dividends and capital gains can compound each year without taxes eating away at it.



How to Take Distributions

- Call your ORP company's call center
 - TIAA (800) 842-2776
 - VALIC (888) 569-7055
 - Voya Financial® (866) 776-6704
- Meet with your ORP Advisor
 - Can answer any questions
 - Can help determine the best distribution strategy
 - Examine asset allocation and risk tolerance

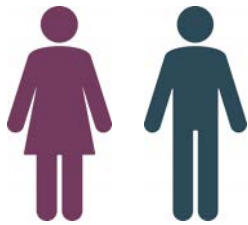


After Retirement

- You do not lose any access or functionality
 - No further contributions can be made, but everything else stays the same
 - Same access to ORP Advisor
 - Same online access
 - Investment options stay the same
 - Keep any guaranteed interest rates



You could live to be 100 ... or beyond!



Age 84, men
Age 86, women¹
Average life expectancy



90²
Median age retirees
expect to live



66,000³
Number of centenarians
in the U.S.

Sources: ¹Life Expectancy Calculator. Socialsecurity.gov. Retrieved March 2016. ²The Current State of Retirement: Pre-Retiree Expectations and Retiree Realities, Transamerica Center for Retirement Studies, December 2015.

³Annual Estimates of the Resident Population by Single Year of Age and Sex for the United States: April 1, 2010 to July 1, 2014. U.S. Census Bureau, Population Division. Release Date: June 2015.



Risks to retirement income



Longevity



Healthcare



Investment



Inflation



Withdrawal



Interest rates



Taxes



Long-term care



Elder abuse



Questions?

Thank you!