



It's easier than
you think.

April is National Financial Literacy Month.

Did you know? Two-thirds of those approaching retirement do not feel financially prepared.¹

If you're getting close to retirement age, you may be wondering if you're financially prepared to stop collecting a paycheck. According to a 2014 TIAA-CREF survey of near-retirees (aged 55-64), even more surprising than the statistic above, is only 4% of respondents consider themselves extremely prepared.

National Financial Literacy Month is a good time to consider moves you can make immediately to help ensure your retirement will be as you imagine. These include:

- 1. Catch up on retirement savings:** If you max out your contributions to your employer-sponsored retirement plans for the next 10 years, you may be able to save an additional \$325,000.²
- 2. Take advantage of a Health Savings Account (HSA):** Healthcare costs may make up a big chunk of your retirement spending. An HSA, which can be established with a high-deductible health insurance policy, can help you manage those costs. Contributions, which can be rolled over year after year, grow tax deferred and can be used to pay qualified medical expenses at any time before or after retirement, although you cannot continue to make contributions once you're enrolled in Medicare.³
- 3. Check your asset allocation:** Many people shift to more conservative investments when approaching retirement. However, with retirement lasting 20 years or more, a portion of your savings should remain in investments with the potential to grow and help with those later years.
- 4. Cover expected monthly expenses with a fixed-income annuity:** Determine your "income floor"—the guaranteed* level of income you need to meet your basic expenses, such as food, housing and healthcare. See what Social Security and any pension payments will cover, and consider a fixed annuity to cover the gap.
- 5. Run the numbers:** Online tools, such as TIAA-CREF's [Retirement Advisor](#), can help you understand if you are on track to hit your goals and adjustments you may need to make.

We're proud to join with TIAA-CREF to support National Financial Literacy Month. Take advantage of the information, tools and resources. It's easier than you think to build your financial knowledge and work toward financial security. Remember, a [TIAA-CREF Financial Consultant](#) can help you chart your progress and help you decide the best steps to reach the retirement you envision. For more information, visit the [Advice & Guidance](#) page on tiaa-cref.org.



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*Guaranteed income from annuities is subject to the issuing insurance company's claims-paying ability.

¹This survey is part of a year-long research initiative in 2014 by TIAA-CREF with findings targeted to both plan sponsors and participants. The findings highlighted above come from TIAA-CREF's "Ready to Retire" survey, which was conducted by an independent research firm between May 19, 2014 and May 28, 2014 among a sample of 1,000 adults who are currently contributing to a retirement plan.

²If you're 50 or older you can defer (contribute) as much as \$24,000 a year in 2015 to workplace retirement plans including 403(b)s and 401(k)s. Max out your contribution starting at age 55 next year for the next 10 years and those savings could grow to about \$325,000. Assumes 6% annual effective rate of return. These figures are purely hypothetical and are not intended to predict or project returns.

³IRS Publication 969: "Health Savings Accounts and Other Tax-Favored Health Plans," Internal Revenue Service, January 30, 2013. <http://www.irs.gov/pub/irs-pdf/p969.pdf>

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