

SIMPLYPUT

Retirement Savings Education, Simplified

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Calculators: Using the Right Tools

Imagine trying to build a house, or even a shelf, without the proper tools. While some experienced professionals can get away with eye-balling measurements and hand-driving nails, the majority of workers cannot and as a result will have, at best, a mediocre end product. Essentially, this is what thousands of state of Missouri employees do with their retirement. They have a vision of what they want their future to look like, but they don't have or know where to find the appropriate tools to help them along the way. The MO Deferred Comp Plan has numerous resources for state employees to use throughout their career; unfortunately most of them are underutilized. Deferred comp tools, specifically the calculators, are easy-to-use online instruments that can help participants with a vast array of financial topics. From budgeting to deferrals to retirement income sources, the calculators available through the plan are valuable resources every state employee should be using. So which calculators should you be using? Well, as always, it depends on your specific situation, but here are a few of our favorites:



1 RetirementTrack

Designed specifically for state of Missouri employees, this award-winning calculator uses your deferred compensation plan balance, expected pension and social security income and other personal savings to track your savings progress and build a comprehensive retirement forecast. It takes minutes to complete and will give you a quick glance at your future financial state.

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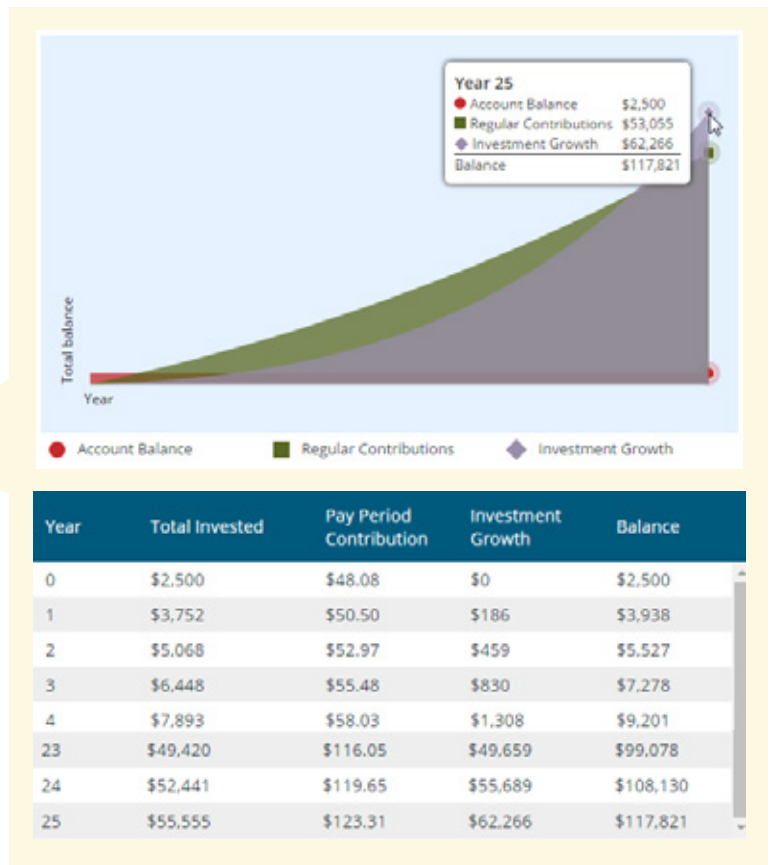
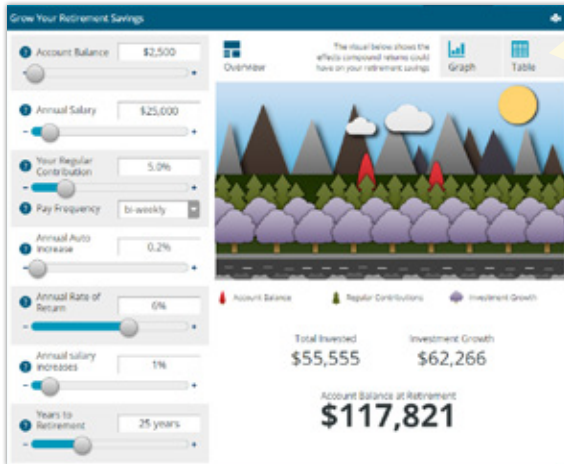
2 Retirement Withdrawal Calculator

If you have an idea of how much money you'll need in retirement each month in addition to your pension and social security income, the Retirement Withdrawal Calculator can help you estimate how much you'll need to save in your deferred comp account. This tool factors in projected life expectancy, investment returns, and inflation and can also help retirees manage their withdrawals from the plan.



3 Grow Your Savings

Regular contributions over a long period of time can have a big impact on your total retirement savings. The Grow Your Savings calculator visually illustrates the effects of compounding interest on your savings over the course of your career. Additionally, the tool allows you to factor in auto-increase changes and contribution adjustments.



4 Small Change, Big Savings Calculator

Believe it or not, eating out less and making fewer trips to the vending machine can actually improve your savings strategy. Unlike major purchases, it's easy to overlook these small, seemingly innocent transactions. To help you better understand how your spending habits can impact your savings goals, the Small Change, Big Savings calculator illustrates how giving up a few everyday items can help you save big over time.

If you eliminated a \$7 lunch each week, you could save **more than \$17,000** over a 25-year working career*.

*Assumes a 5% annual rate of return



5 Required Minimum Distribution (RMD) Calculator

Once you reach age 70½ and are no longer an active state employee, you must withdraw a certain amount of money from your deferred comp account each year. This is known as a required minimum distribution (RMD). This calculator will estimate your current and future RMDs, so you can plan accordingly. To make sure you do not miss your RMD and avoid the IRS penalty for doing so, the plan automatically send your first withdrawal RMD in March of the following year you turn 70½ and will review your account each year to ensure that you are withdrawing the minimum amount required by law.

Where can you find these calculators?

These handy tools can be found on the MO Deferred Comp website. Simply head to modeferredcomp.org, hover over **Planning & Tools** in the menu and click **Calculators** in the dropdown.



Learn more at www.modeferredcomp.org

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