



**MICHIGAN OFFICE OF  
RETIREMENT SERVICES**

*Big Plans. Small Steps.*

## Planning for retirement

*You've got this!*



**VOYA**  
FINANCIAL

*“Between work and caring for my parents,  
I don’t have time or the energy to figure  
out my retirement right now.”*

Learn Plan  
Save Invest  
Manage Live



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## **This guide is designed to help you:**

- **Understand the factors that affect a woman's future.**
- **Make your retirement a top priority.**
- **Take advantage of what the State of Michigan plans offer while you're working and after you retire.**

# Retirement planning: it's different for women

Do you worry about what it may mean to retire? Plenty of women do. As a woman, you face some unique challenges:

- Women tend to live longer than men so your time in retirement could mean you need more savings.
- Women often put the needs of others first, even ahead of their own financial wellbeing.
- Working part-time or taking a gap to raise a family can mean less in retirement savings and Social Security benefits.
- Many women find themselves the primary caregiver in retirement, potentially looking after a parent or spouse.

This guide is designed to help you understand the unique considerations women need to keep in mind when planning for retirement.

Whether you're single or married, your retirement future is in your hands. **It's time to make it a priority in your life.**



# Learn

*“To be honest, I would miss the people and the paycheck too much to stop working.”*



## Learn how to secure the future you want

Building your knowledge can help you plan and make choices that are right for you. And the more you know, the more confident you may become — whether you support yourself or share your finances with someone else.

In addition to this guide, the State of Michigan 401(k) and 457 Plans provide you with access to education programs and planning tools. So take advantage of these services:

- Attend a seminar or webinar.
- Make a 1-on-1 appointment with a local **Voya Financial®** education representative.
- Access **myOrangeMoney®** and advice at **stateofmi.voya.com**.
- Check out the *5 Steps to Get Ready for Retirement* guide.

You can attend these webinars and seminars in any order you want — and more than once, too. Go to **stateofmi.voya.com** and select *Seminar Schedule*.

- Investing for Women
- Investing Beyond the Basics
- 401(k)/457 Plans Overview
- Advisory Services
- Financial Fundamentals
- Get Ready to Retire
- Basic Investing
- Overview for Retirees



### Ask lots of questions

When you want answers, here's where to start.

- **State of Michigan retirement plan**  
800-748-6128  
[stateofmi.voya.com](http://stateofmi.voya.com)
- **State of Michigan pension**  
800-381-5111  
[www.michigan.gov/ors](http://www.michigan.gov/ors)

# Plan



*“How do I save for retirement and my children’s education at the same time?”*

## Make your plan

Planning isn’t hard. It’s just about taking a few steps. Invite your spouse or partner to be part of the conversation. Include a financial advisor if you have one.

Here’s the fun part: write down what matters most to you. Owning a home. Travel. When you want to retire. Where you want to live. How you want to spend your time.

Your goals are the basis of your plan. Next, set a budget in retirement. The worksheet on page 13 can help you get started. As you create your budget, be realistic. Think about the things you pay for today. Would any of them go away? For example, will your mortgage or student loan debt be paid off by the time you retire? Will you need to replace your car in retirement? And be sure to consider medical costs in retirement as well as inflation. You should anticipate that what something costs today is likely to cost more 10, 20 and 30 years from now.

With a budget in hand, you need to determine where the money will come from to do what’s on your list. You can get an estimate by accessing **myOrangeMoney®** at **stateofmi.voya.com**. It shows your estimated monthly income in retirement, taking into account:

- Projected pension benefit, if applicable.
- Your retirement savings Plan balance and future contributions.
- Social Security, if applicable.

If you have retirement assets beyond these, click **Get Advice** and follow the online self-service screens. When you enter all your assets, they will automatically populate to **myOrangeMoney®** or you can stay in **Online Advice** to further personalize. By understanding your projected retirement income now, you can identify if you have a gap between what you may need and what you may have.

Lastly, total up your monthly budget and subtract it from your monthly income. Did you have a gap between your anticipated spending and income? You could consider:

- Cutting back or adjusting spending on items such as cable and internet, cell phone and personal care.
- Paying down debt as soon as you can by increasing your payments today.
- Adjusting your retirement wish list: cut back on the things that are not necessary but would be nice.
- Saving more today!

### Your Personal Financial Dashboard

**stateofmi.voya.com**, click on **Organize your \$\$\$**

Want to organize your finances today in one place online? Set goals and monitor your spending? It’s easy. In the menu just below **myOrangeMoney®**, click on **Organize your \$\$\$**. Select the 30-minute option to be guided through your setup. Enter as many accounts as you like: all your retirement accounts, checking, savings, credit cards, mortgage, insurance and so on. If you choose to have automatic updates, you’ll always have a current view of your complete financial picture. Note that all information is encrypted using advanced security features and only you have access to your information.



*IMPORTANT: The illustrations or other information generated by the calculators are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. This information does not serve, either directly or indirectly, as legal, financial or tax advice and you should always consult a qualified professional legal, financial and/or tax advisor when making decisions related to your individual tax situation.*

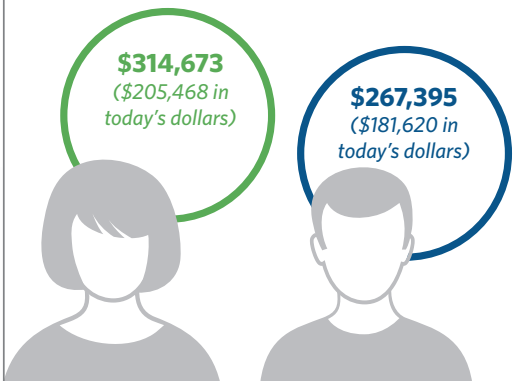
## Put your plan into action

Whether your estimated retirement expenses and income was sufficient or had a gap, saving more today is something most women need to do.

### Projected Retirement Health Care Costs Healthy Individual Age 65 Today with Life Expectancy to Age 89

Medicare premiums and supplemental insurance,  
vision, dental and prescriptions

Source: HealthView — Plan Sponsor January-February 2017



After all, you're likely to live 20 - 30 or more years in retirement. Even if you are currently married, you may find that your circumstances change and you may be single down the road. And there are healthcare costs to consider. Finally, have you ever met a woman who was upset she had additional money in retirement?

There are services available through the State of Michigan plans to help you figure out what you should be saving.

### Log into your account online to:

- Use **myOrangeMoney**® to see how different contribution rates could affect your take-home pay and estimated retirement income.
- Be sure you're taking full advantage of your employer match, if applicable.
- Make steady progress toward your retirement savings goal:
  - Participate in the **Small Steps** program if you've been contributing less than 10 percent of your salary to increase your savings every year by one percent until your rate reaches 10 percent.
  - Or if you'd prefer, use the **Rate Escalator** feature to set your own savings increase schedule.
- Use **Online Advice** by selecting *Get Advice*.

### Call the Plan Information Line for:

- A personalized paycheck analysis to see if you're saving enough and how different contribution levels would affect your take-home pay.
- A personalized savings strategy through **Voya Retirement Advisors**.

*"My spouse took care of the finances. Now that I'm single, all the decisions are up to me."*



# Invest



*“I don’t even know where to start.”*

## Invest your way

### Nervous? Don’t be. You’re in control with the State of Michigan plans.

You can leave the investing decisions to a professional. Or you can select your mix of investments yourself, with some guidance or without it — the choice is up to you.

A target retirement date fund provides a simple investing approach if you feel you don’t have the time, desire or experience to invest on your own. Just choose the fund with the date closest to when you expect to begin withdrawing your money for retirement. These funds are designed to shift to a more conservative approach as the date nears. Like all investments, an investment in a target date fund is not guaranteed at any time, including on or after the target date.

If you want a professional to choose your investments and manage your account for you, **Professional Management** is available for a fee based on your account balance. Your initial consultation is at no cost.

Or if you like choosing and managing your own investments, you have wide options. And you can get **Online Advice** any time at no additional charge.

#### Investing strategies

Spreading your money across different types of investments and other strategies can help manage risk. You’ll want to learn more about risk, asset allocation, diversification and rebalancing. Go to a webinar or seminar. Talk or meet with a **Voya Retirement Advisors**® Investment Advisor Representative or a member of the local Voya education team\*\*. **They’re here to help.**



#### Get the details

Fund fact sheets and advice services information

**800-748-6128** [stateofmi.voya.com](http://stateofmi.voya.com), select **Voya Advisor**

\* **Advisory Services provided by Voya Retirement Advisors, LLC (VRA).** For more information, please read the *Voya Retirement Advisors Disclosure Statement and Advisory Services Agreement*. These documents may be viewed online by accessing the advisory services link(s) at [stateofmi.voya.com](http://stateofmi.voya.com). You may also request these from a VRA Investment Advisor Representative by calling 800-748-6128. Financial Engines Advisors L.L.C. acts as a sub-advisor for Voya Retirement Advisors, LLC. Financial Engines Advisors L.L.C. (FEA) is a federally registered investment advisor and wholly owned subsidiary of Financial Engines, Inc. Neither VRA nor FEA provides tax or legal advice. If you need tax advice, consult your accountant; or if you need legal advice, consult your lawyer. Neither Voya Retirement Advisors nor Financial Engines Advisors can guarantee results and past performance is no guarantee of future results. Financial Engines® is a registered trademark of Financial Engines, Inc. All other marks are the exclusive property of their respective owners.

\*\*Information from registered Plan Service Representatives is for educational purposes only and is not legal, tax or investment advice. Local Plan Service Representatives are registered representatives of Voya Financial Advisors, Inc., member SIPC.



# Manage

*"I enjoy my job. Why would I ever retire?"*

## Watch your progress and adjust for change

Now that you've put your plan into action, you'll want to review it regularly. Because no matter how carefully you've planned, things change over time.

The way you save and invest and other financial decisions will be affected by career moves, a marriage or divorce, the birth of a child or a death in the family.

So maybe around tax time each year, go back over your budget, retirement accounts and investments. If you have a spouse or partner, sit down together to do a review. Give some thought to consulting with a financial adviser.

While you're working, look for ways to save more. Consider using your raises to build up your retirement account. Starting in the year you turn 50, take advantage of the State of Michigan plan catch-up options for saving beyond the annual IRS limit.

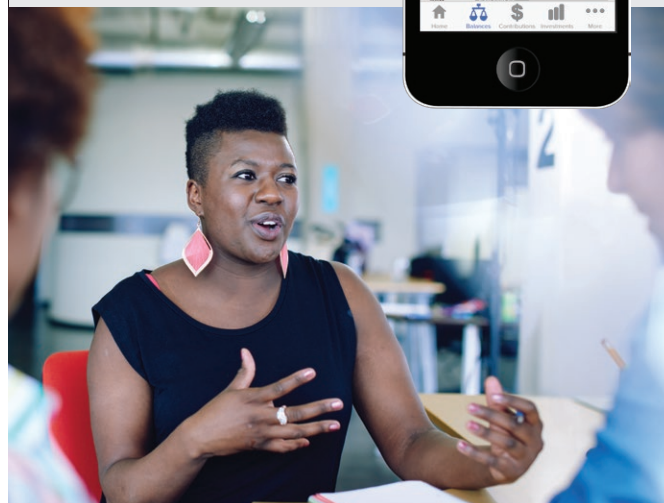
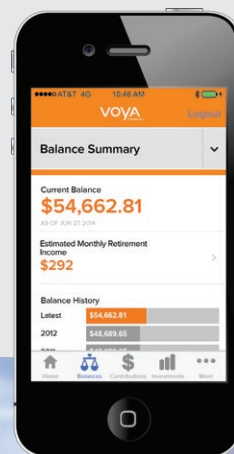
Saving and investing strategies that are right for one stage of life may not be right for another. Keep an eye on your investments to make sure they're diversified appropriately for your situation.

At least once a year, check the beneficiaries you named for your account who would receive your account balance upon your death. Make updates whenever your beneficiary designation no longer reflects your current wishes.

Life never stays still for long. If you've done your planning, it could help you cope when the unexpected happens.

### 24/7 convenience

You can manage your account and investments using the Plan website, toll free Plan Information Line and the **Voya Retire**® mobile app.



# Live

*“The best thing I did after I retired?  
Took a part-time job doing what I love.”*



## Making your money last in retirement

Some women put off retiring because they get fulfillment, not just income, from their work. Others who took breaks in their 20s, 30s or 40s to be home with children may have no plans to give up working anytime soon. It's your choice, and if you feel retirement can wait, good for you!

The secret to an effective retirement is making your nest egg last. It is not always the size of your account, but how well you manage what you've got. Creating a post-retirement financial plan that accounts for your age, life expectancy, living expenses and the rate of return of your investments, and when to take Social Security is important.

To get help, meet with a local Voya education representative or call the Plan Information Line to speak to a **Voya Retirement Advisors** Investment Advisor Representative. They can provide you with a retirement income strategy, as well as the option to have your retirement income payments managed for you.

Remember, just because you're retiring doesn't mean you have to take your money out of your account. In fact, if you want to make your financial life simpler, you have the option to consolidate your other eligible retirement assets in this plan — and stay in the plan throughout your retirement. As a State of Michigan plan participant, you can count on resources to help you with managing your assets throughout your retirement.

### Factoring in taxes and healthcare

You'll want to consider the effect of taxes, healthcare expenses, Medicare and other healthcare coverage on your retirement budget and withdrawal rate. **These are areas to ask your tax or financial advisor about.**

### Required Minimum Distributions

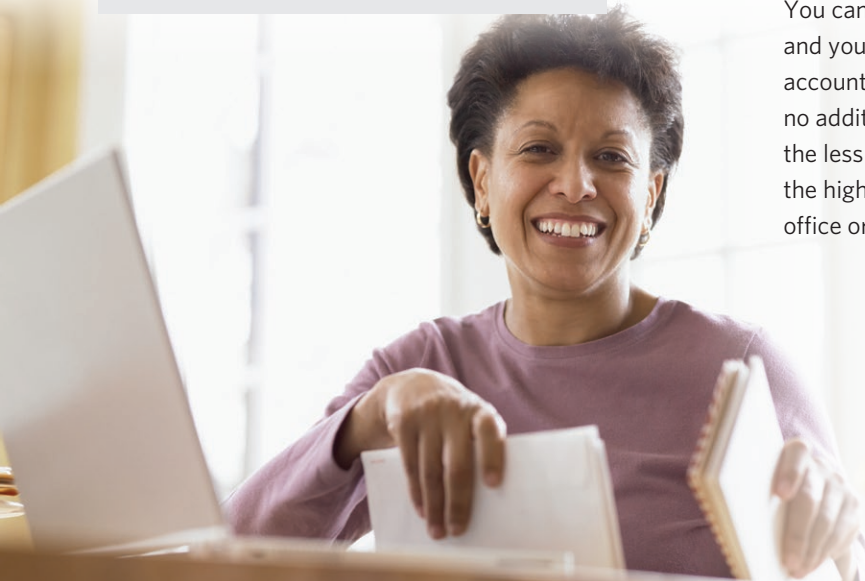
By law, annual withdrawals from tax-deferred retirement accounts called Required Minimum Distributions must begin once you reach age 72, unless you are still working. Be sure to read the rules for your account as there are exceptions. The amount of the RMD is calculated based on the IRS rules, your account balance, date of birth, marital status, life expectancy tables and more. You'll receive annual reminders, including the amount and deadline, for RMDs from your State of Michigan plan account.



## Stay in the plan

The State of Michigan Plans give you these advantages:

- Generally, you can keep your account with Voya after you retire.
- Low-cost investment choices.
- Access to investment advice and account management services.
- Consolidate your other retirement savings in your account for up to a year after you leave employment with the state.
- Education and assistance from the local Voya education team.



## Where to start

Read *5 Steps to Get Ready for Retirement*. Consider coming to the *Pre-Retirement Orientation*. Voya® and the Office of Retirement Services (ORS) will explain pensions, deferred compensation and insurance and answer your questions.

## Who to talk to

Local Voya education representatives or **Voya Retirement Advisors** Investment Advisor Representatives through the Plan Information Line can help you understand your account and payout options, provide hypothetical retirement payout illustrations based on your situation, review your asset allocation and investment choices and more. They can also help you understand what actions you can take today, including how much to save and where to invest. And if you want, you can choose to have your account professionally managed for you.

## Advice online

If you prefer to do it yourself, you can get a personalized income plan that brings together all sources you tell us about plus a yearly income forecast for your household. There is no additional fee. Log into your account and select *Get Advice*.

## Your pension

If you are eligible for a pension, go to [www.michigan.gov/ors](http://www.michigan.gov/ors) for details. Whenever you have questions, log into MiAccount at [www.michigan.gov/orsmiaccount](http://www.michigan.gov/orsmiaccount) and use the secure Message Board.

## Social Security

If you have paid into Social Security, you're eligible for benefits. You can get guidance on filing and claiming Social Security for yourself and your spouse to maximize your benefits when you log into your account and select *Get Advice* or call the Plan Information Line. There is no additional fee for this service. Keep in mind, the earlier you collect, the less you will receive each month. The longer you wait to collect, the higher your monthly benefit may be. Call your local Social Security office or visit [www.ssa.gov](http://www.ssa.gov).

# Your action checklist



## Take these steps

This checklist is intended to help you take action based on what you've learned from the guide. Preparing now could mean 20, 30 or 40 great years in retirement.

- I have discussed my finances and retirement future with someone I trust, either my spouse or partner or a financial adviser, or both.
- I have set my retirement goals: when I expect to retire, how much income I want to have and how I want to live in retirement.
- I know where my income will come from in retirement, including Social Security, a pension, my State of Michigan retirement plan account and other personal savings.
- I have a budget that shows how much I can afford to save for retirement and other goals.
- While I'm currently saving the minimum to get my employer's matching contributions to my account, I know I need to save even more.
- I review my account contribution level whenever I get a raise and at least once a year, and set up increases regularly.
- I am building my confidence in making financial decisions by using the plan's educational and planning tools and support services.
- I check my investments at least once a year, and make adjustments when necessary. When I want help, I meet with a member of the Voya team or my financial advisor or both.
- I will review my situation with a financial or tax advisor, especially 10 years, four years and one year before I retire.
- I understand I can stay in the plan after I retire, and have reviewed the payout options and services that will continue to be available to me.
- I have reviewed my beneficiary designations and will make updates whenever necessary.



*"What will I do when I retire?  
Whatever makes me happy."*



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# Worksheet: Monthly Retirement Budget



Household	
Mortgage <i>(Include escrow, property taxes, etc.)</i>	Mortgage Pay-off Year ( )
Electric	
Gas/Oil	
Phone <i>(including cell phone)</i>	
Cable/DSL	
Security	
Household Maintenance	
Pets	
Groceries	
Other	
<b>SUB TOTAL</b>	

Transportation	
Car Payments	Loan Pay-off Year ( )
Auto Maintenance	
Auto Taxes/Registration	
<b>SUB TOTAL</b>	

Personal	
Clothing	
Laundry/Dry Cleaning	
Personal Care	
Medical Expenses	
Education/Hobbies/Memberships	
Entertainment	
Charitable Contributions	
Travel/Vacations	
Alimony/Child Support/Parental Support	
<b>SUB TOTAL</b>	

Debt Payments	
Credit Cards	Credit Card Pay-off Year ( )
Other Debt <i>(e.g. Home Equity)</i>	Loan Pay-off Year ( )
<b>SUB TOTAL</b>	

Insurance Premiums	
Health/Dental	
Life	
Auto	
Homeowners <i>(if not part of escrow)</i>	
Long-term Care	
Other	
<b>SUB TOTAL</b>	

<b>TOTAL MONTHLY RETIREMENT EXPENSES</b>	
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See other side

# Worksheet: Anticipated Retirement Income Sources

Income Sources	Anticipated Monthly Income	
	You	Spouse
Social Security		
Pension (current/prior employer)		
Personal Savings (Use online Retirement Income Calculators or divide each balance by 240 for a rough monthly income estimate over the next 20 years)		
<b>Current Balance</b>		
Michigan 401(k) Plan	÷ 240 =	
Michigan 457 Plan	÷ 240 =	
Prior Employer Retirement Plan	÷ 240 =	
Individual Retirement Account (IRA)	÷ 240 =	
Savings Accounts	÷ 240 =	
CDs/Money Market Funds	÷ 240 =	
Personal Stocks, Bonds, Mutual Funds	÷ 240 =	
Annuity Income		
Rental Income		
Alimony or Beneficiary Payments		
Part-Time Income		
<b>TOTAL ANTICIPATED MONTHLY RETIREMENT INCOME</b>		

## Worksheet: Anticipated Income Versus Retirement Expenses

<b>TOTAL ANTICIPATED MONTHLY RETIREMENT INCOME</b>	
<i>SUBTRACT</i> <b>TOTAL MONTHLY RETIREMENT EXPENSES</b>	
<b>TOTAL MONTHLY FINANCIAL BALANCE</b>	

*If the balance is negative, you may need to reduce your expenses or increase your income to make your money last over the course of your retirement.*

*These worksheets are designed to help you understand your anticipated retirement expenses and income sources. Your analysis is based solely on the information provided by you. No representations, warranties, or guarantees are made as to the accuracy of any projections or calculations. These worksheets are not intended to provide tax, legal or accounting advice. You should consult your own attorney or tax advisor about your specific circumstances.*

