

TRS FINANCIAL AWARENESS VIDEO SERIES

VIDEO #6: Working Longer

Transcript

Meet Debra. Debra is the lead custodian at a high school, and an avid runner. She's been a TRS member for 31 years, but she's thinking about retiring next year. If Debra were to retire with 32 years of TRS service credit, she would receive a standard annuity equal to about 74 percent of her final average salary before any deductions for health care or federal income taxes.

Experts estimate that you will need 70 to 90 percent of your pre-retirement income to maintain your standard of living in retirement. Debra's gross TRS pension amount would push her over the 70 percent mark - but her pension is not automatically increased for inflation, she hasn't paid into Social Security through her school district or other employment, and even though she stays active, her health care costs could increase throughout her retirement years.

If Debra worked 5 more years - for a total of 37 years of service - her standard annuity would replace about 85 percent of her final average salary. By working longer, she may enjoy a more financially secure retirement. Debra would also have more time to increase her personal savings in a 457, 403(b) or other retirement savings account.

As you near the finish line, consider running a few extra miles. It could help you hit your stride in retirement.

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