



FOUNDED BY BRIGHAM AND WOMEN'S HOSPITAL  
AND MASSACHUSETTS GENERAL HOSPITAL

## Life Planning Seminar:

# Important First Steps to a Prosperous Retirement

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# Today's Topics

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- Why save now?
- Why save here?
- How to save?
- Selecting your retirement investments
- Next steps

# Why save now?

# Hit the Target

How much do the experts think you'll need?

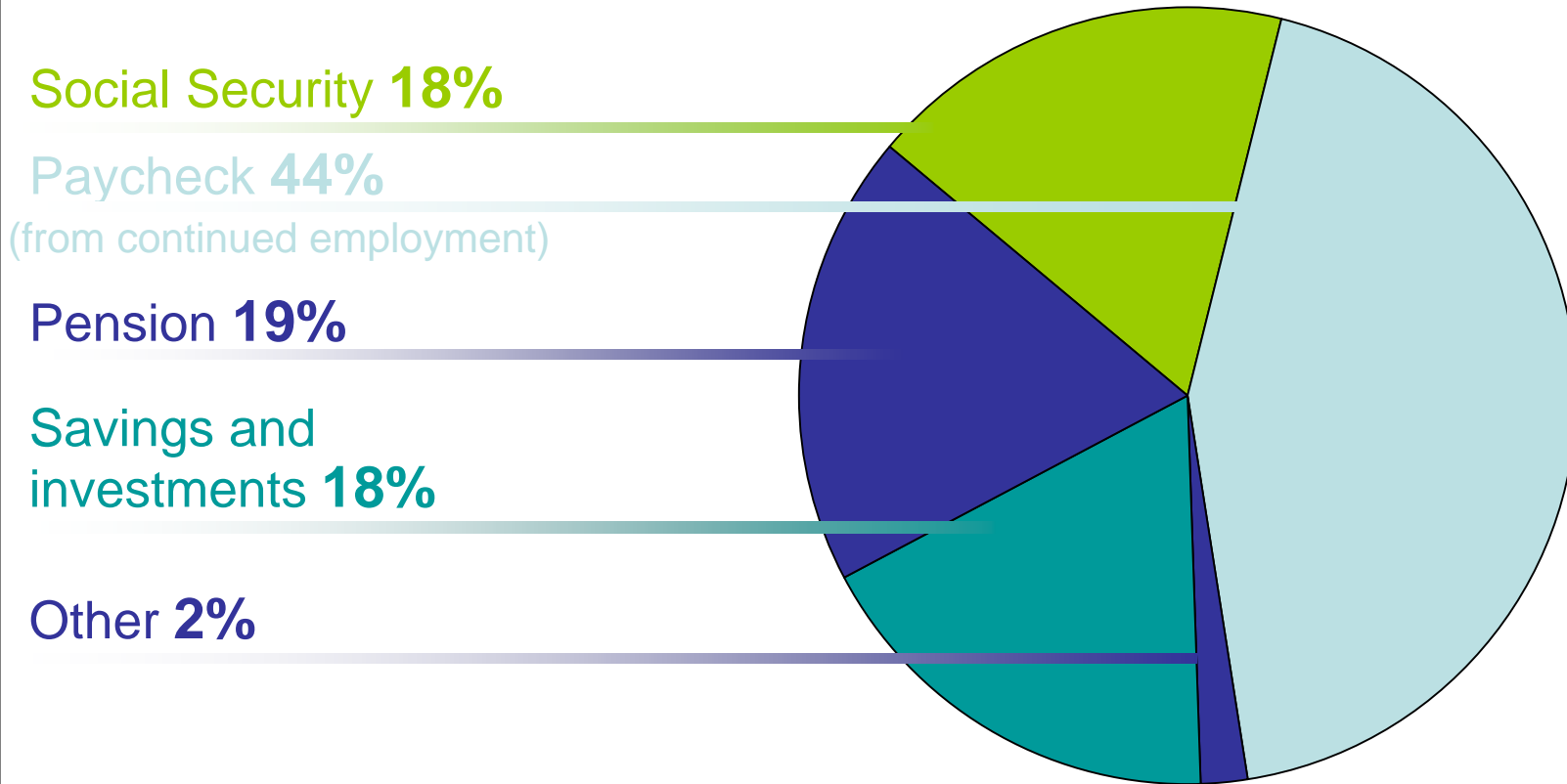
100%  
90%  
80%  
70%  
60%  
50%  
40%  
30%  
20%  
10%  
0%



**Target: 85%**

of your pre-retirement  
income per year

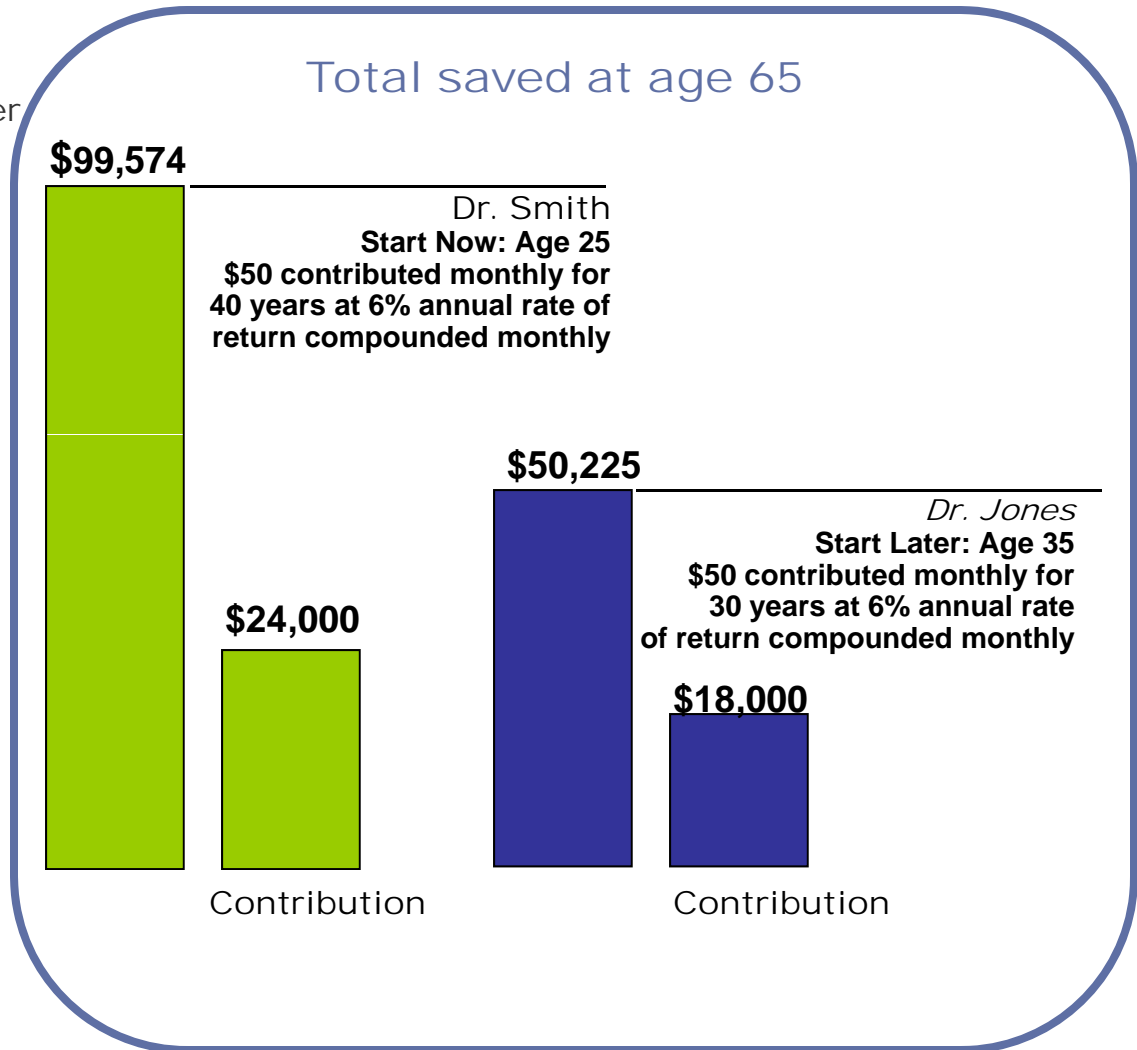
# Sources of Retirement Income



Source: Social Security Administration, **Income of the Aged Chartbook, 2008**. SSA Publication No. 13-11727 Released: April 2010. Shares of aggregate income using the highest quintile, \$55,889 per year and higher. Actual data was rounded to whole numbers. Total may not equal 100%.

# Save Now or Save Later

	Dr. Smith Start Now	Dr. Jones Start Later
<b>Age Started</b>	25	35
<b>Age Stopped</b>	65	65
<b>Years contributed</b>	40	30
<b>Total contributed</b>	\$24,000	\$18,000
<b>Total at Retirement</b>	\$99,574	\$50,225



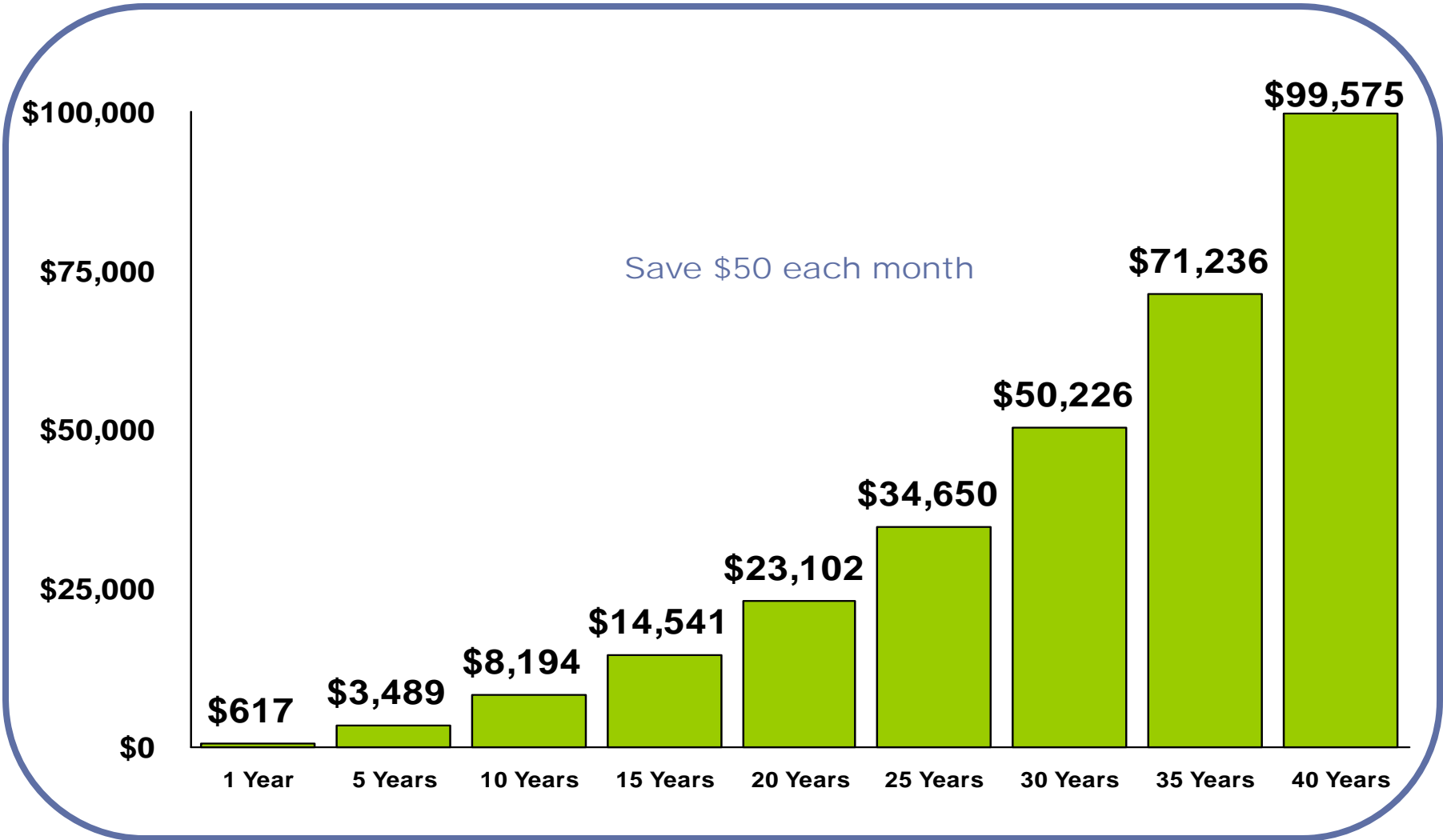
This hypothetical example is based on monthly contributions of \$50 to a traditional tax-deferred retirement plan and a 6% annual rate of return compounded monthly. Your own plan account may earn more or less than this example, and income taxes will be due when you withdraw from your account.

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# How to save?

# The Dinner That Cost \$99,575



This hypothetical example is based on monthly contributions of \$50 made at the beginning of the month to a traditional tax-deferred retirement plan over the time periods indicated and a hypothetical 6% annual rate of return compounded monthly. Your own plan account may earn more or less than this example, and income taxes will be due when you withdraw from your account.

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# Why save here?

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# Why Save Here

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- Ease and convenience of payroll deduction
- Potentially lowers taxable income
- Tax-deferred growth
- Multiple investment choices
- Dollar-cost averaging

# Retirement Savings Program

## Traditional TSA 403(b) Program

Contributions are deducted from paycheck before taxes are calculated

Will reduce your taxable income every paycheck

Contributions and investment earnings will be taxed when distributed.

## Roth TSA 403(b) Program

Contributions are deducted after taxes are calculated

Will not reduce your taxable income every paycheck

Contributions and investment earnings will be tax free when distributed.

Combined maximum contribution \$16,500 (CY2010)

Investment Providers

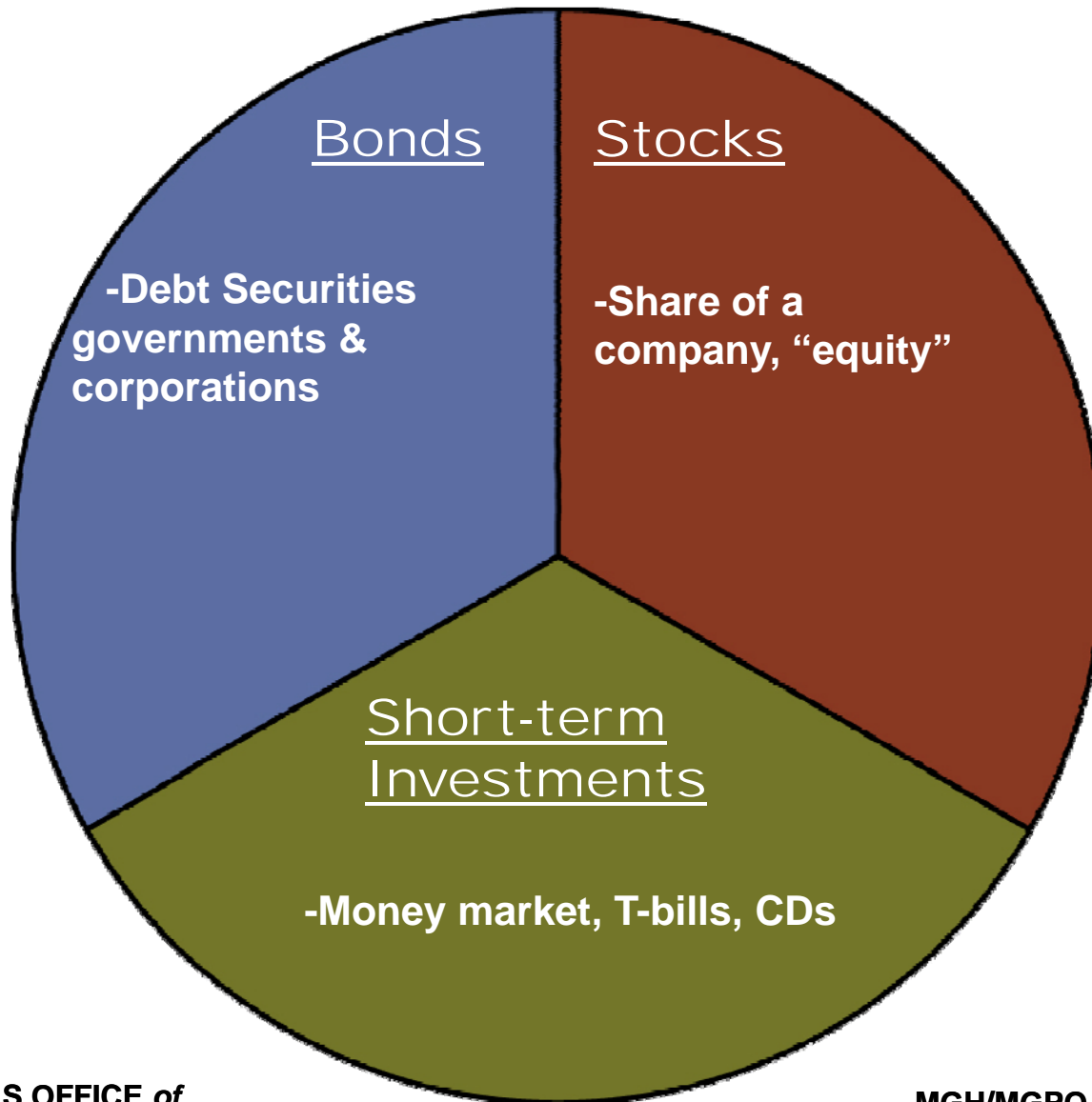


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# Selecting Your Investments

# Three Basic Asset Classes



# The Benefit of Dollar-cost Averaging

	<b>share price</b>	<b>investment purchased</b>	<b>shares</b>
January	\$10	\$50	5
February	\$7	\$50	7.14
March	\$6	\$50	8.33
April	\$8	\$50	6.25
May	\$9	\$50	5.55
		<b>\$250 total</b>	<b>32.27 total</b>

**Average Cost Per Share = \$7.74**

# Next Steps

# Next Steps

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- Do Something Today!!!
  - Enroll in your 403(b) Traditional or Roth TSA
  - Set-up your retirement contribution in PeopleSoft
  - Select your retirement investments



# Professional Staff Benefits Office

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