

# Are your employees prepared for a financially healthy retirement?

Your retirement plan is a good start for helping employees save for the future, but it may not be enough given escalating healthcare costs. You can help them pursue a financially healthier retirement by also offering a defined contribution Retirement Healthcare Savings Program (RHSP). It works in tandem with your retirement plan to address their future financial well-being in their post-retirement years.

## Why health savings are critical



91% of plan sponsors say that rising healthcare costs are a very significant concern for retirement security.<sup>1</sup>

 **\$296,000** is how much a 65-year-old couple needs today to **cover projected retiree healthcare costs.**<sup>2</sup>

**62%** of retirees over age 65, have **less total retirement savings** than what's recommended for healthcare costs alone.<sup>3</sup> 

## A retiree healthcare solution

# Tax-free **x3** healthcare savings

Employer contributions, earnings and distributions for qualified medical expenses are all tax free.

Get up to **33%** more value from your benefit spend.<sup>4</sup>

## Manage risk Stronger control

Manage defined benefit retiree health plan expectations and overall benefit commitment.

## What you can do today

TIAA and Emeriti can help you identify solutions that control healthcare costs and enhance the value of your benefits offering while giving employees the confidence they need for retirement.

To discuss how the Emeriti RHSP can help your organization, call Rod Crane, Vice President of Business Development, TIAA Health at **303-607-2896**.

Learn more at [TIAA.org/retireehealth](https://TIAA.org/retireehealth).

### **TIAA and Emeriti—Leaders in developing innovative solutions for financial well-being in retirement**

The Retirement Healthcare Savings Program (RHSP) is offered in collaboration with Emeriti Retirement Health. TIAA and Emeriti are working together to address both health and financial well-being in retirement. Emeriti introduced the first defined contribution approach to retirement healthcare savings in 2005. Today, some of America's most prestigious colleges and universities participate in Emeriti's RHSP. TIAA has helped institutions and individuals pursue financial well-being for more than 100 years. Together, we're providing a comprehensive retirement savings program to help give employees the confidence they need to retire.



<sup>1</sup> TIAA Plan Sponsor Lifetime Income Survey, 2018

<sup>2</sup> EBRI Issue Brief, no. 460, Employee Benefit Research Institute, October 8, 2018. National average. Savings needed for Medigap Plan F premiums, Medicare Parts B and D premiums and out-of-pocket (median) drug expenses. Does not include Long Term Care.

<sup>3</sup> Preparing for Health Care Costs in Retirement: An America's Health Rankings Issue Brief, 2017.

<sup>4</sup> Assumes a 25% combined federal plus state income tax rate.

The Emeriti Program is delivered in collaboration with TIAA, CBIZ RPS, Aetna Life Insurance Company and HealthPartners.

Emeriti, TIAA, CBIZ RPS, Aetna Life Insurance Company and HealthPartners are independent corporations and are not legally affiliated.

The full name of Emeriti Retirement Health Solutions is The Emeriti Consortium for Retirement Health Solutions, an Illinois Nonprofit Corporation. Emeriti Retirement Health Solutions is not an insurance company, insurance broker or insurance provider.

Teachers Insurance and Annuity Association of America (TIAA) is Emeriti's accumulation recordkeeper, trust services provider and investment manager. TIAA is based in New York, and has one century of distinguished service to the nonprofit community for financial services supporting retirement income security.

Aetna Life Insurance Company is the primary health insurer for the Emeriti Program, providing fully insured medical insurance and health-related products. For over 150 years, Aetna has been an innovator in the delivery of insurance solutions and is a nationwide provider of Medicare-approved Part D prescription drug services.

For Minnesota institutions and their Minnesota-resident retirees, HealthPartners provides participants with medical insurance and health-related products. HealthPartners is the largest consumer-governed nonprofit health care organization in the nation.

Interests in the retirement healthcare program are offered solely by the employer.

This material is for informational or educational purposes only, and does not constitute investment advice under ERISA. This material does not take into account any specific objectives or circumstances of any particular investor, or suggest any specific course of action. Investment decisions should be made based on the investor's own objectives and circumstances.

TIAA group of companies cannot and does not provide tax or legal advice and recommends that plan sponsors consult their own legal and tax advisors for such advice.

**Investment, insurance, and annuity products are not FDIC insured, are not bank guaranteed, are not deposits, are not insured by any federal government agency, are not a condition to any banking service or activity, and may lose value.**

For institutional investor use only. Not for use with or distribution to the general public.

TIAA-CREF Individual & Institutional Services, LLC, Member FINRA and SIPC, distributes securities products. Annuity contracts and certificates are issued by Teachers Insurance and Annuity Association of America (TIAA) and College Retirement Equities Fund (CREF), New York, NY. Each is solely responsible for its own financial condition and contractual obligations.

©2019 Teachers Insurance and Annuity Association of America-College Retirement Equities Fund, 730 Third Avenue, New York, NY 10017