

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.¹



\$301,000 is how much a 65-year-old couple needs today to **cover projected retiree healthcare costs.**²

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



A retiree healthcare solution

Tax-free **healthcare savings** **x3**

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

Get up to **33%** **more value** from your benefit spend.⁴

Manage risk
Stronger control

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

What you can do today

We 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 RHSP can help your organization, contact Rod Crane, Vice President of Business Development, TIAA Health at rcrane@tiaa.org.

Learn more at TIAA.org/retireehealth.



¹ TIAA Plan Sponsor Lifetime Income Survey, 2018.

² EBRI Issue Brief, May 16, 2019. National average. Amount needed for Medigap Plan F premiums, Medicare Part B premiums and out-of-pocket (median) drug expenses. Does not include long-term care. A couple with a goal of having a 90% chance of having enough savings to cover healthcare expenses in retirement needs \$301,000.

³ *Preparing for Health Care Costs in Retirement: An America's Health Rankings Issue Brief*, 2017.

⁴ Assumes a 25% combined federal plus state income tax rate.

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.

TIAA-CREF Individual & Institutional Services, LLC, Member FINRA, distributes securities products.

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