



An average couple, age 65,
currently needs more than
\$265,000¹ to cover their
healthcare costs in retirement

Any discussion about retirement readiness should
include planning for healthcare expenses



Working together to help drive better retirement plan
outcomes by addressing health and financial well-being.

¹EBRI Notes, January 2017, Vol. 38, No. 1. National average. Savings needed for Medigap Plan F premiums, Medicare Part B premiums and out-of-pocket (median) drug expenses. Does not include Long Term Care.

Driving Better Outcomes

When planning for retirement, it's important to take into account not only the things retirees want to do, but also the things that can happen—like illness or injury.



Medicare is not enough, covering only about 62% of total healthcare costs in retirement.¹

Healthcare is one of the largest expenses retirees may face as they get older, and it can have a significant impact on their savings.

An Emeriti retiree healthcare plan can provide a tax-advantaged way for employees to prepare for medical costs in the future. It works in tandem with your retirement plan to help retirees address two factors vital to living comfortably in retirement—income security and healthcare security.

Consider a defined contribution option

Increasingly, institutions are shifting to a defined contribution approach to retiree healthcare in much the same way they implemented defined contribution retirement plans many years ago.

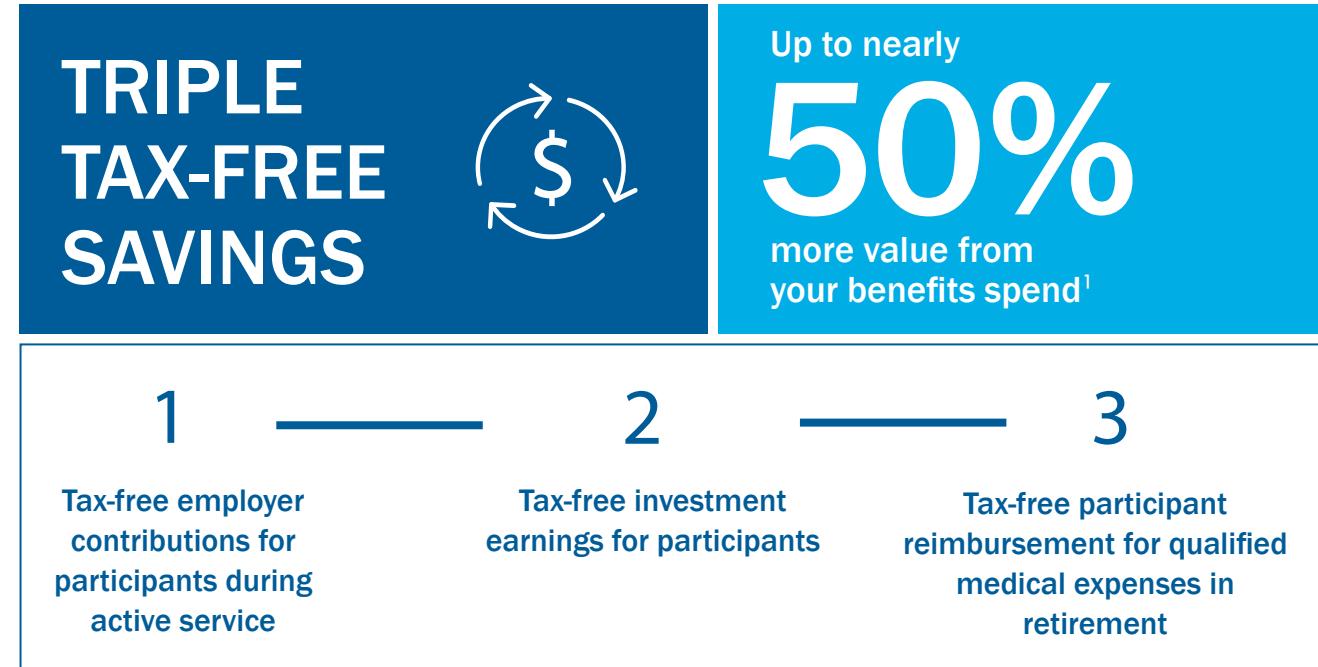
With Emeriti's defined contribution plan, employees pursue healthcare security in retirement, while plan sponsors manage their total compensation budget and address workforce management issues.

For institutions with a legacy defined benefit retiree health plan, FASB and GASB liabilities will be reduced and eventually eliminated.

**Income Security + Healthcare Security
= Retirement Readiness**

¹National Institute on Aging, Newsroom, Dramatic changes in U.S. highlighted in new census, NIH report, June 26, 2013.

Triple Tax Free Retirement Health Savings Program



Emeriti's retirement health benefits include:

- Triple tax-free retiree health savings
- Tax-free reimbursement for qualified medical expenses in retirement
- Optional group retiree health insurance, underwritten by Aetna
- Optional benefit for workforce management incentives
- Simplified end-to-end administration of the benefit
- Ongoing support to ensure the plan is compliant every step of the way
- Secure online health dashboard, dedicated services & support for participants

Next steps

Consider a total benefits approach that complements your existing retirement plan offering and takes into consideration your organization's financial situation. That means making the most of existing benefits dollars and discovering cost savings across different programs to fund new or more effective retiree healthcare solutions. It also means making the most out of available tax incentives. An Emeriti benefit that offers triple-tax benefits may be part of that solution.

¹Based on the results of a hypothetical illustration where \$2,000/year was contributed into both a Retiree Health Care Account (RHCA) and 403(b) plan for 30 years. The assets in both accounts grew at a 6% interest rate each year and this resulted in an after-tax total accumulation amount of \$162,419 from the RHCA compared to \$108,821 from a tax-advantaged retirement savings plan. This assumes a 33% tax-rate. Individual rates will vary.

Great retirement planning starts with a discussion about your institution's retirement needs. A great first step is talking with your TIAA Relationship Manager to learn how you may be able to create better outcomes.

If you have questions about retiree health and would like additional information, please call 845-245-6844 to speak with Rod Crane, Vice President of Business Development for Emeriti.

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

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

CBIZ Savitz is Emeriti's disbursement record keeper for Emeriti group insurance administration and Emeriti medical expense reimbursement processing. CBIZ Savitz is a Philadelphia company with more than forty years of experience in full-service benefits services supporting employees and retirees in organizations nationwide.

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 any retiree healthcare plan discussed herein are offered solely by the employer.

Teachers Insurance and Annuity Association of America (TIAA) will provide services to the plan and may issue plan communications on behalf of the plan sponsor, in its capacity as a plan recordkeeper.

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.



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