

NH Public Employees Deferred Compensation Plan



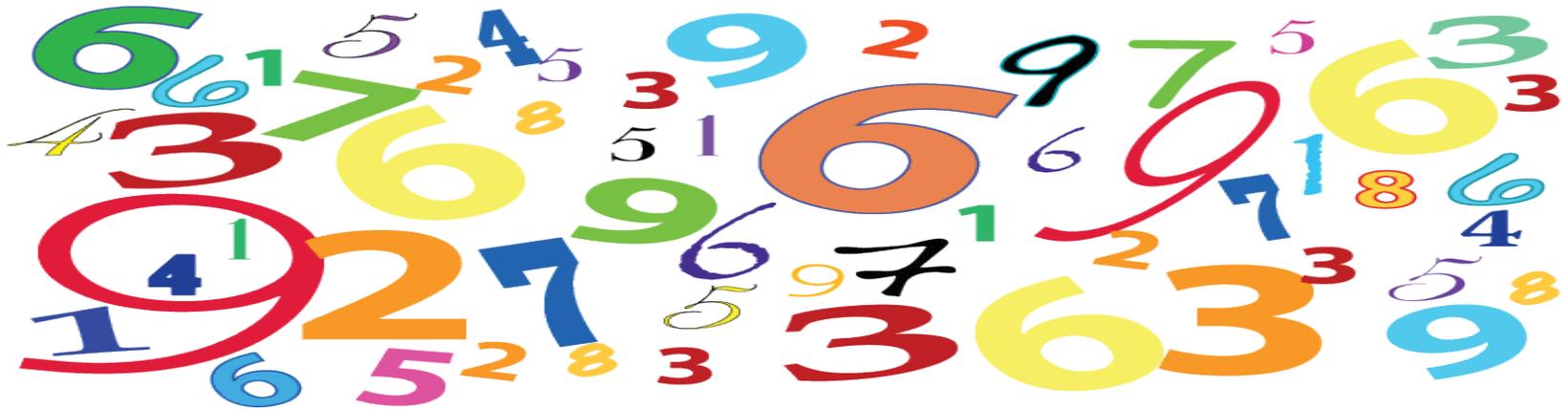
Wellness Coordinator Training Session

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Know Your Numbers....

Your Financial Wellness Numbers



Your first important financial wellness number is **457**.

Yes, **457** as in the State of NH 457b Deferred
Compensation Plan

What's in a name?

State of New Hampshire 457 **Public Employees** Deferred Compensation Plan

Public Employees... these plans were created just for us.

457b plan similar to a 401k plan
As public employees we can contribute to both a pension and a 457b!

A **Supplemental** Savings Plan is now more of an **Essential** Savings Plan

Why do public employees need to save?

- **Longevity Risk**
- **People retire earlier than planned**
- **Healthcare Retiree Costs**
 - **Good Health in Retirement**
 - **Poor Health in Retirement**

Longevity Risk –People are living longer

The Social Security Administration calculates:

- A male with my birthday (Age 56)
 - From Now, will live to age 83.0
 - At 62, will live to age 84.3
 - At 70, will live to age 86.3
- A female with my birthday
 - From Now will live to age 85.9
 - At 62, will live to age 86.7
 - At 70, will live to age 88.2

State Example: 3,404 retirees between 76 and 106 (2 @ 106!)**

People Retire Earlier than they plan

“Ok, I will work till I am age 70”

- 25% of current workers plan to work until 70*
 - But, as of 2011, only 7% of current retirees actually retired at age 70.
 - 51% of retirees left the workforce earlier than planned
 - 37% retired early due to health problems
 - 16% retired early due to layoffs
 - Others retired early due to circumstances with a spouse, parent, child or other close relative

*Retiree statistics courtesy of Ron Nichols – Empower Retirement

Retiree Income & Costs

Challenges common to ALL Retirees

- **No** automatic COLA in the current NHRS pension
- Social Security COLA's will probably be **lower** in the future
- Health insurance premiums will keep **rising** with more cost shifting to retirees
- **Inflation**
- **Taxes**

Healthy Retiree Challenges

- Longevity – Longer life requires more savings so you do not run out of money
- Active Retiree Lifestyle – Requires more savings so you can do the things you have dreamed of: travel, volunteer, spoil your grandchildren, etc...
- Health Care costs – Even healthy retirees will have increasing health care needs over time.

Unhealthy Retiree Challenges

- Healthcare costs start out higher, due to higher usage
- Sedentary lifestyle (because of health) can be more expensive
- Longevity risk is still present
- Impact of chronic health problems on spouse, children and other family members

Resource Handouts

- [Financial Wellness @ Work](#) work book. These are for you to go in your resource library. We would like to build a program around **Financial Wellness** for our employees.
- [NH Deferred Compensation Plan – Empower Retirement](#) Enrollment / Information Kit. For you to learn about the Plan and its saving options

NH 457b Deferred Compensation Plan

The plan is the best kept secret in all of state government. Help us spread the word!

- Unlike other voluntary benefits, the Deferred Compensation Plan is a state sponsored and state supervised program.
- Empower Retirement (Great-West Financial) is contracted to run the program. Their salaried employees are essentially agents of the state, performing functions we are not trained or licensed to do.



How **YOU** can help!

- Help us create Financial Wellness Awareness
- Support our future **Financial Know Your Numbers** campaign
- Consider including an Empower Retirement representative as part of a Know Your Numbers or Wellness event.
- Encourage employees to attend a group or one-on-one meeting with an Empower Retirement representative as part of your Department's Wellness program.
- Join and support a future LinkedIn page



THANK YOU!

Questions?

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