

Planning for Retirement

Fall 2025

Faculty Association of
Suffolk Community College
Financial Counseling Benefit



Stacey Braun Associates, Inc. is the provider of the FASCC Financial Planning Benefit





Retirement Timeline



Sources of Income



Social Security



Retirement Accounts



Investing



Insurance



Taxation



Estate Planning



Financial Assistance



One-Third of a lifetime can be spent in retirement!

Things you should think about before you retire:

- Desired retirement age?
- Where will you live?
- What will you do (part-time work, travel, hobbies)?
- What will your lifestyle be?
- What types of cash flow, assets, and debts will you have?



What is Your Net Worth?



Where Do You Stand Today?

Plan for tomorrow by taking a “snapshot” of your finances today:

- Everything you *own* is considered an Asset
- Everything you *owe* is considered a Liability

$$\begin{array}{r} \text{Assets} \\ - \text{Liabilities} \\ \hline = \text{Net Worth} \end{array}$$

This starting point can help you to develop a plan!





- Pension
- Social Security
- Retirement Savings
 - Savings and Brokerage Accounts
 - 403(b), and/or 457(b) Accounts
 - IRAs

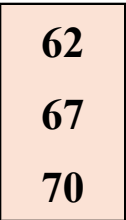




Key Ages	62	67	70	73	74	75
Pension	Pension ---->					---->
Social Security	<--- Social Security Decision --->			---->		
Retirement Accounts	<--- <i>Optional</i> Retirement Plan Withdrawals --->				RMDs Begin	---->



Pension commences in Year of Retirement



- 62 Earliest Year to commence Social Security (70% of the Benefit available at 67)
- 67 Age to receive 100% of Social Security Benefit (Full Retirement Age)
- 70 Latest Year to commence Social Security (124% of the Benefit available at 67)



- Penalty-Free withdrawals from Retirement Accounts *can* be taken
- 73 Required Minimum Distributions (RMDs) commence from 401(k), 403(b), 457(b), and IRAs
- 74 75 RMD Commencement Age becomes Age 74 (2029) and Age 75 (2033)



Adjust budget for changes due to retirement.

- Remove Expenses that will no longer exist
 - Mortgage
 - Education Loans
- Include New Expenses
 - Travel, Entertainment, and Hobbies
 - Healthcare/Medical

Inflation and Taxation remain important factors.

Income - Expenses = Surplus or Deficit





- **Employer & Employee Funded**

- NYSTRS (Defined Benefit)
- Optional Retirement Plan (Defined Contribution)

(Employee has the option to choose one plan at onset of employment)

- **Employee Funded**

- 403(b) Supplemental Retirement Plan
- 457(b) Deferred Compensation Plan



How Your Pension is Calculated



NYS Pension

New York State ERS and TRS Pensions are “Defined Benefit” Plans

	TIER 4	TIER 5	TIER 6
Date of Hire	9/1/83 - 12/31/09	1/1/10 - 3/31/12	On or After 4/1/12
Contributions	Complete (3% for 10 years)	During Career: 3.0% if ERS, or 3.5% if TRS	During Career: 3.0%-6.0%, based upon salary
Minimum Retirement Age	62	62	63
Early Retirement Age (w/ 30 yrs)	55	57 (TRS) / 62 (ERS)	63
FAS	3 highest consecutive years		
Factors	1.67% (up to 20 yrs)	1.67% up to 20 yrs if ERS, or up to 25 yrs if TRS	1.67% up to 20 years
	2.00% (20-30 yrs)	2.00% 20-30 yrs if ERS, or 25-30 yrs if TRS	1.75% at 20 years
	60% + 1.50% every year after 30	60% + 1.50% every year after 30	35% + 2.00% each year after 20



Single Life

In highest amount, payable to a Pensioner for life.

Joint

In a reduced amount, payable until the second-to-die of Pensioner and another individual (the “beneficiary”).

Pop–Up

In a slightly smaller amount, just like Joint—but “pops up” to the higher Single amount if Pensioner survives the beneficiary.

5-Year or 10-Year Term Certain

In nearly the Single Life amount, payable to Pensioner for life—and payable to a beneficiary if Pensioner dies within term selected.

Non-Declining Lump Sum (Insurance)

Pension is reduced to provide a death benefit specified by Pensioner (reduction per \$1000 of Insurance is individually calculated).





Hypothetical 62-year-old Tier 4 Employee: 30 YOS, \$100,000 FAS / Spouse is 57

Option	Percentage	Participant Amount	Beneficiary Amount
Single	100%	\$60,000	\$0
Joint - 100% Allowance	84%	\$50,501	\$50,501
Joint - 75% Allowance	87%	\$52,584	\$39,438
Joint - 50% Allowance	91%	\$54,840	\$27,420
Joint - 25% Allowance	95%	\$57,305	\$14,326
Pop-Up - 100% Allowance	82%	\$49,680	\$49,680
Pop-Up - 75% Allowance	86%	\$51,911	\$38,934
Pop-Up - 50% Allowance	90%	\$54,354	\$27,176
Pop-Up - 25% Allowance	95%	\$57,035	\$14,259
5-Year Term Certain	99%	\$59,400	\$59,400
10-Year Term Certain	96%	\$57,941	\$57,941



- Decision is irrevocable after 30 days!
- Assume a worst-case scenario.
- Does spouse/beneficiary have a pension?
- What other assets would be available?
- Elect “Single Allowance” and purchase life insurance?

Recommendations:

- 5-6 months before retirement, meet with NYS Pension counselor to obtain spreadsheet showing all options and amounts.
- Make selection only 2-3 *weeks* before retirement.





A Pension can replace a meaningful percentage of a pensioner’s take-home pay.

Example:

- Single, Tier 4 Member
- Defers 10% to 457(b)
- \$100K FAS, 30 YOS
- Elects “Single” Payout

Salary				Pension
Gross Payment				
\$100,000	< --- A \$40,000 (40%) Apparent Reduction --->			\$ 60,000
\$ (10,000)	10.00%	Retirement Plan Contributions	n/a	\$ (0)
\$ 90,000	Taxable Income			\$ 60,000
Other Reductions				
\$ (15,750)	17.50%	Federal Tax	15.00%	\$ (9,000)
\$ (5,400)	6.00%	New York State Tax	n/a	\$ (0)
\$ (7,650)	7.65%	FICA/Medicare	n/a	\$ (0)
\$ (2,400)		Misc Dues/Disability/Other	n/a	\$ (0)
Net Payment				
\$ 58,800	< --- A \$7,800 (14%) Actual Reduction --->			\$ 51,000



- Employee chose ORP or NYCERS at onset of employment
- Defined Contribution Plan
 - Contributions are made by employee (based on Tier)
 - Contributions are also made by employer
 - Invested by participant
 - Subject to market fluctuations
 - Account value available at retirement
- Distribution Strategies
 - Annuitize?
 - Interest Only
 - Rollover to an IRA
- Restrictions
 - TIAA Traditional Account (RA only)





Employer Contributions

Employee Contributions



Mandatory % of
Salary Based
on tier



Voluntary

Retirement Annuity (RA)

403 (b) SRA

TIAA CREF X Trad	Traditional
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Any TIAA-Cref Investments



Can withdraw
or rollover
anytime

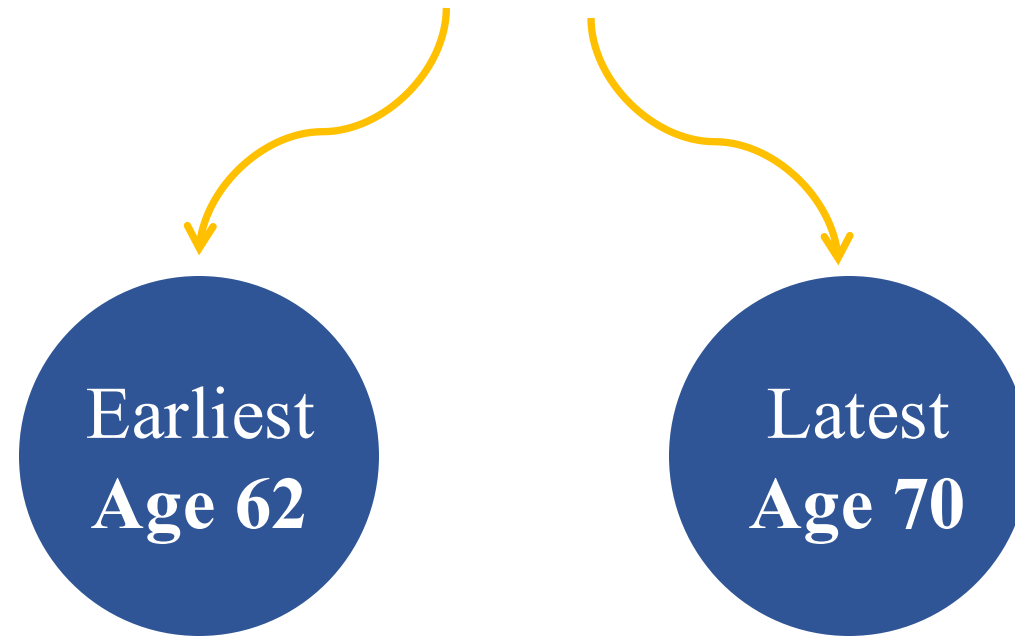
Can only withdraw
the following ways:

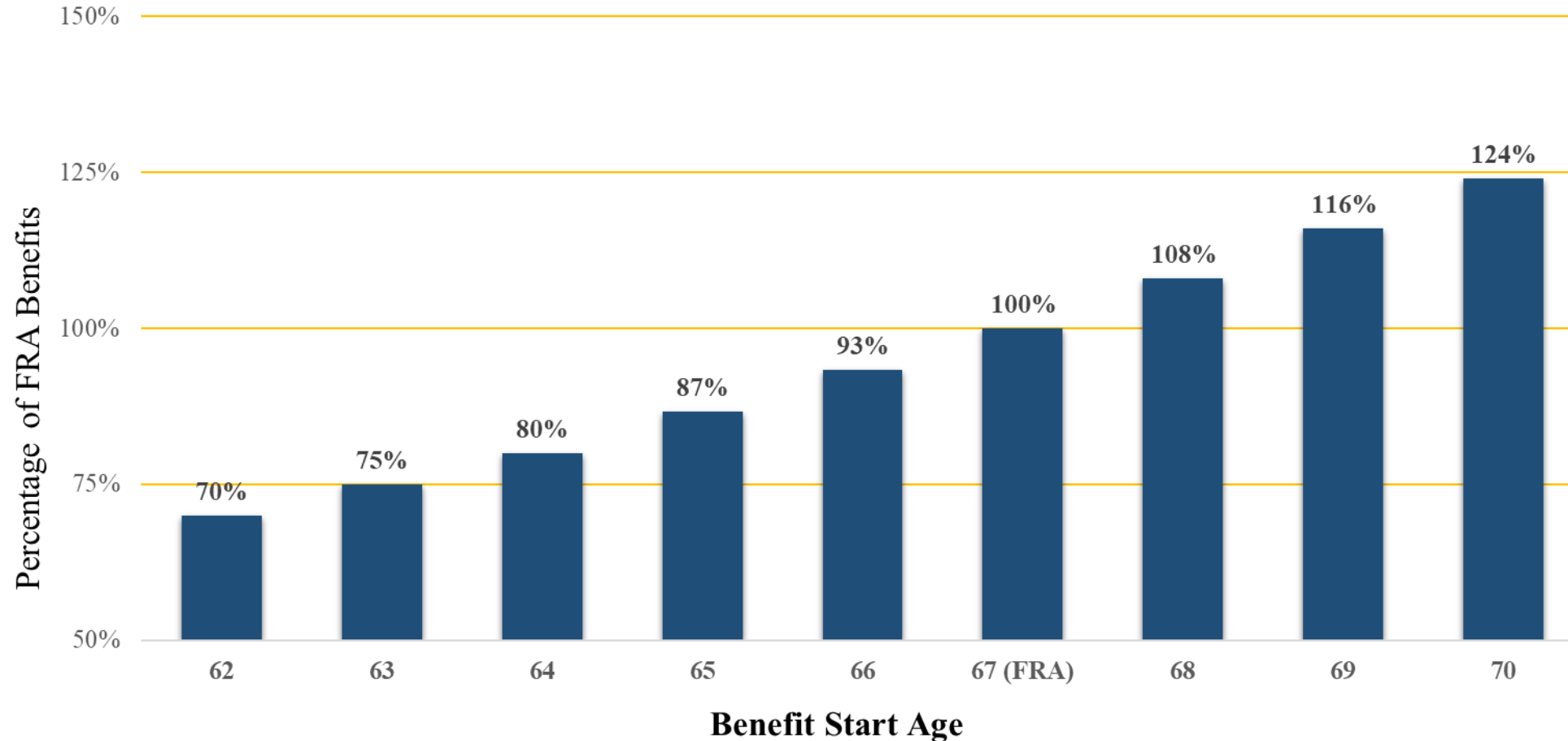
1. Annuitize
2. Interest Only
3. RMDs
4. 1/10 for 10
years

Can withdraw
or rollover
anytime



When to Draw?



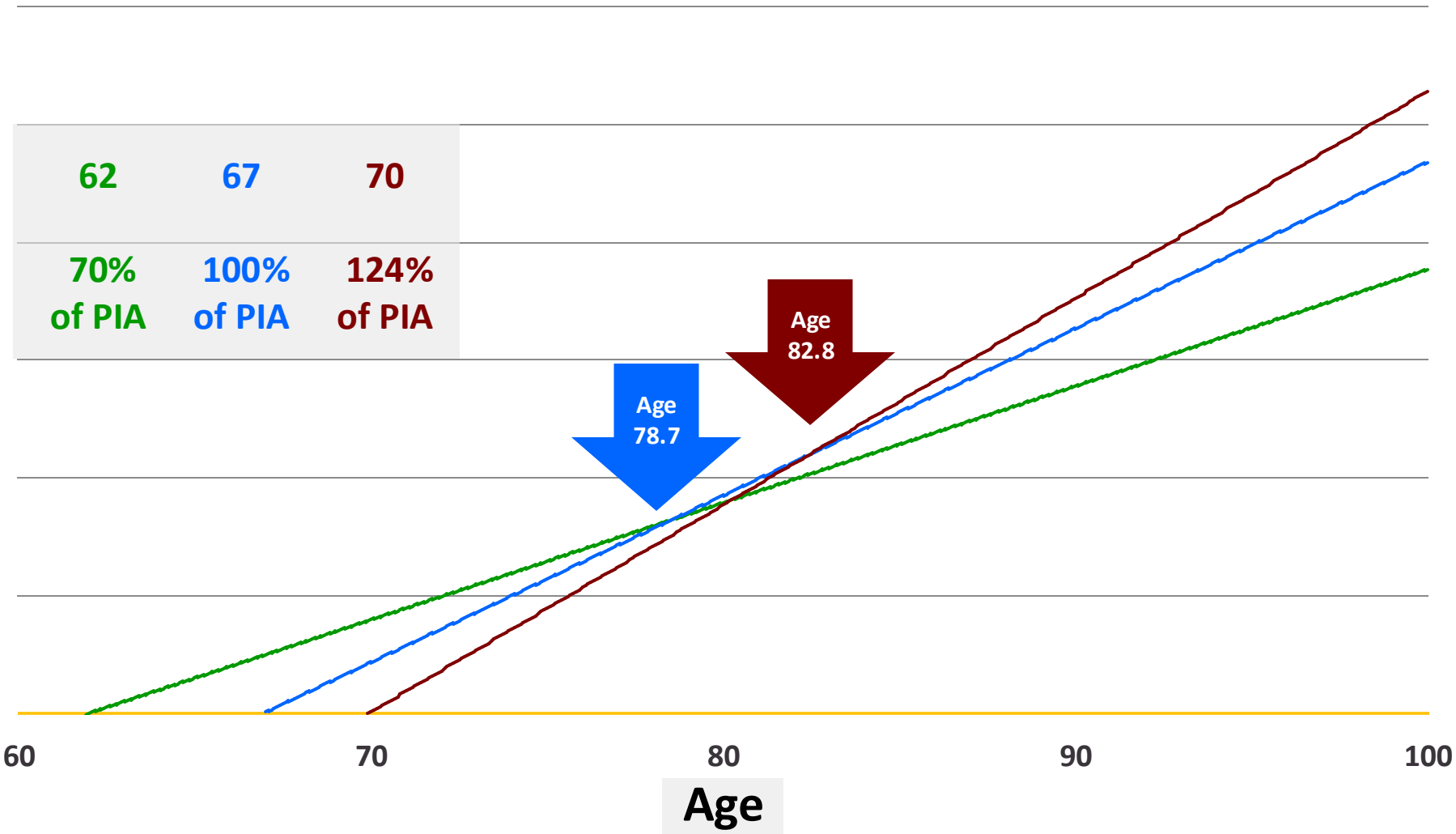


Source: Social Security Administration (www.ssa.gov).
Chart assumes full retirement age of 67. Percentages at 65 & 66 rounded for simplicity.

If “Break-Even” is a Consideration...



Social Security





- Will you work before FRA?
- How is your health?
- Is there an expectation of longevity?
- Are you married?
- What is your age differential?
- Whose benefits can a spouse collect?

With my retirement, I am still able to afford a little house by the lake.





401(k)



Company Plans

- Apple
- Pfizer
- Stacey Braun

403(b)



Non-Profit Plans

- Schools
- Hospitals
- Charities

457(b)



Government Plans

- Townships
- Counties
- States



401(k) / 403(b) / 457(b) Plans:

- Employee invests portion of compensation via payroll deductions
- Employee-directed investments grow tax-deferred

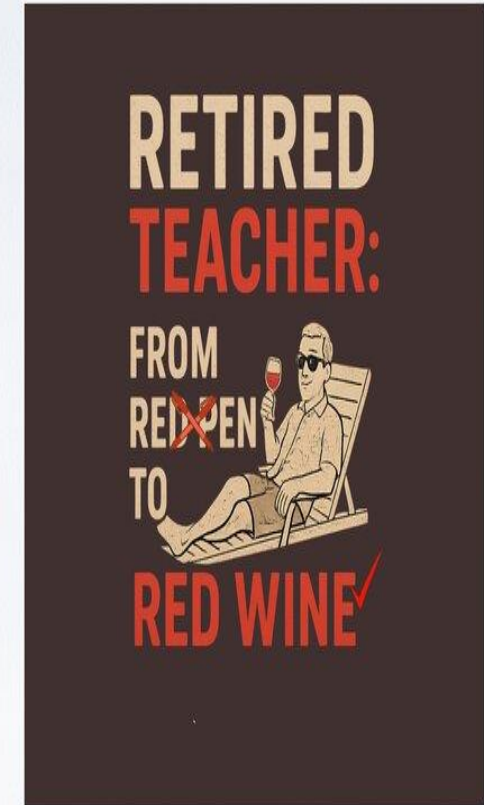
Your District may have Pre-Tax (Traditional) and Post-Tax (Roth) options.

2025 Contribution Limits and “Catch-Up” Capacity:

- Anyone - **\$23,500**
- Anyone 50 or older - **\$31,000 - (\$7,500 Catch Up)**
- If turning *exactly* 60, 61, 62, or 63 - **\$34,750 – (\$11,250 Catch-Up)**

New for 2026: If 2025 earnings exceed \$145,000, 2026 Catch-Up contributions *must* be done on a Roth basis.

Sick Time Payout – Maximize with 2 plans





Cash (CDs) - Liquidity and Principal Preservation

(CD Rates since 1989)

- Average annual return: ~3.8% Best Year: 1989 (8.7%) Worst Year: 2014 (0.1%)

Bonds—Income Producing, Historically Safe, but Moderate Growth

- Average annual return: ~5.5% Best Year: 1982 (32.6%) Worst Year: 2022 (down 13.0%)

Stocks—Superior Long-Term Growth, but Volatility

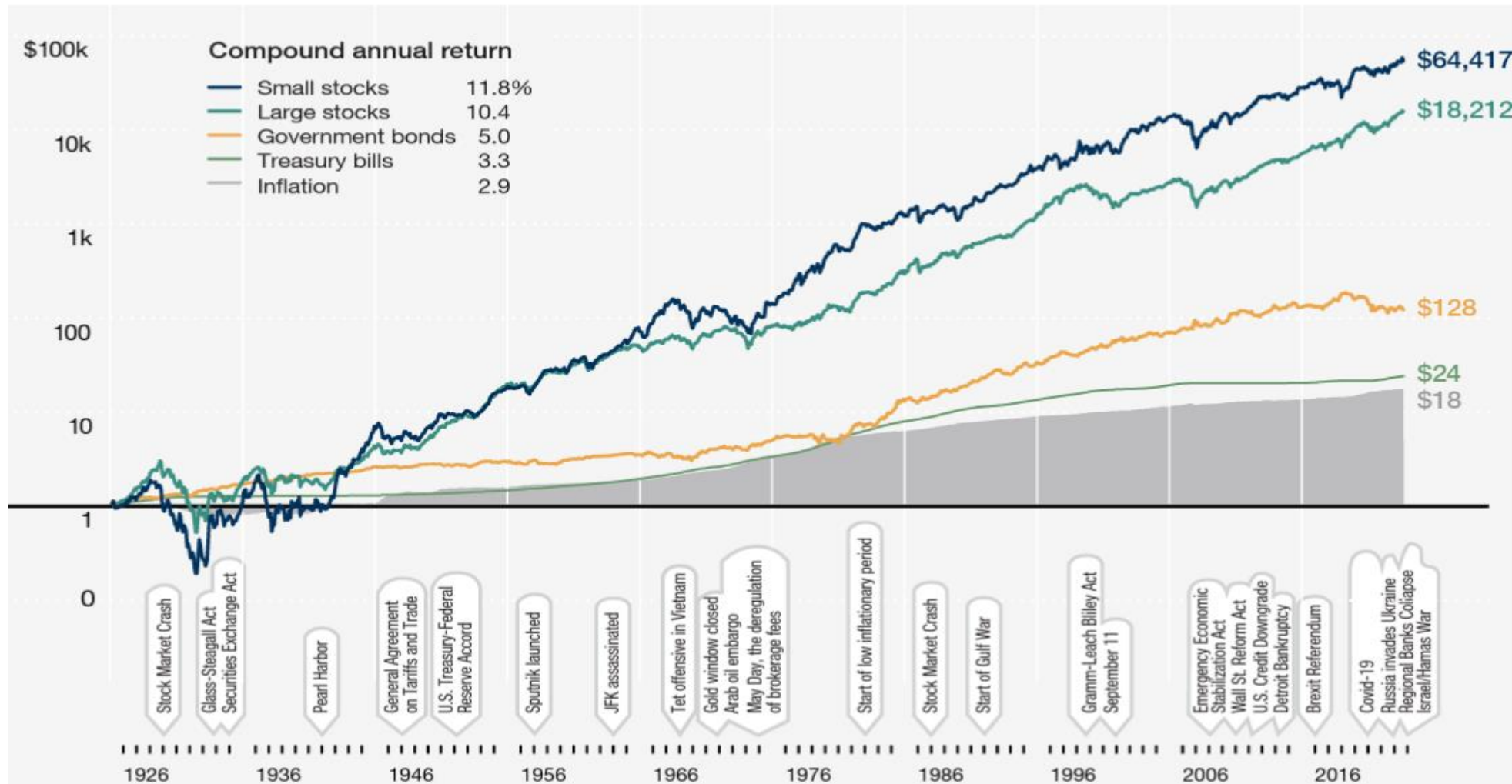
- Average annual return: ~9.8% Best year: 1933 (46.6%) Worst year: 1931 (down 47.0%)

General Guidelines

- Understand risk/reward propositions of each asset class.
- The closer you are to withdrawing funds the safer the funds should be.
- Maintain discipline and diversification.
- Rebalance portfolio as necessary.



“**I**bbotson **S**BBI” Chart - How Stocks, Bonds, and Bills have fared versus Inflation since 1926.





Timing error can have severe consequences.

20-Year Growth of \$10,000 invested in the S&P 500 (2003-2022)
(Approximately 4800 Trading Days)

Fully Invested

\$ 64,844

If Missed Best 10

\$ 29,708

If Missed Best 20

\$ 17,826

If Missed Best 30

\$ 11,701

If Missed Best 40

\$ 8,048

If Missed Best 50

\$ 5,746

If Missed Best 60

\$4,205

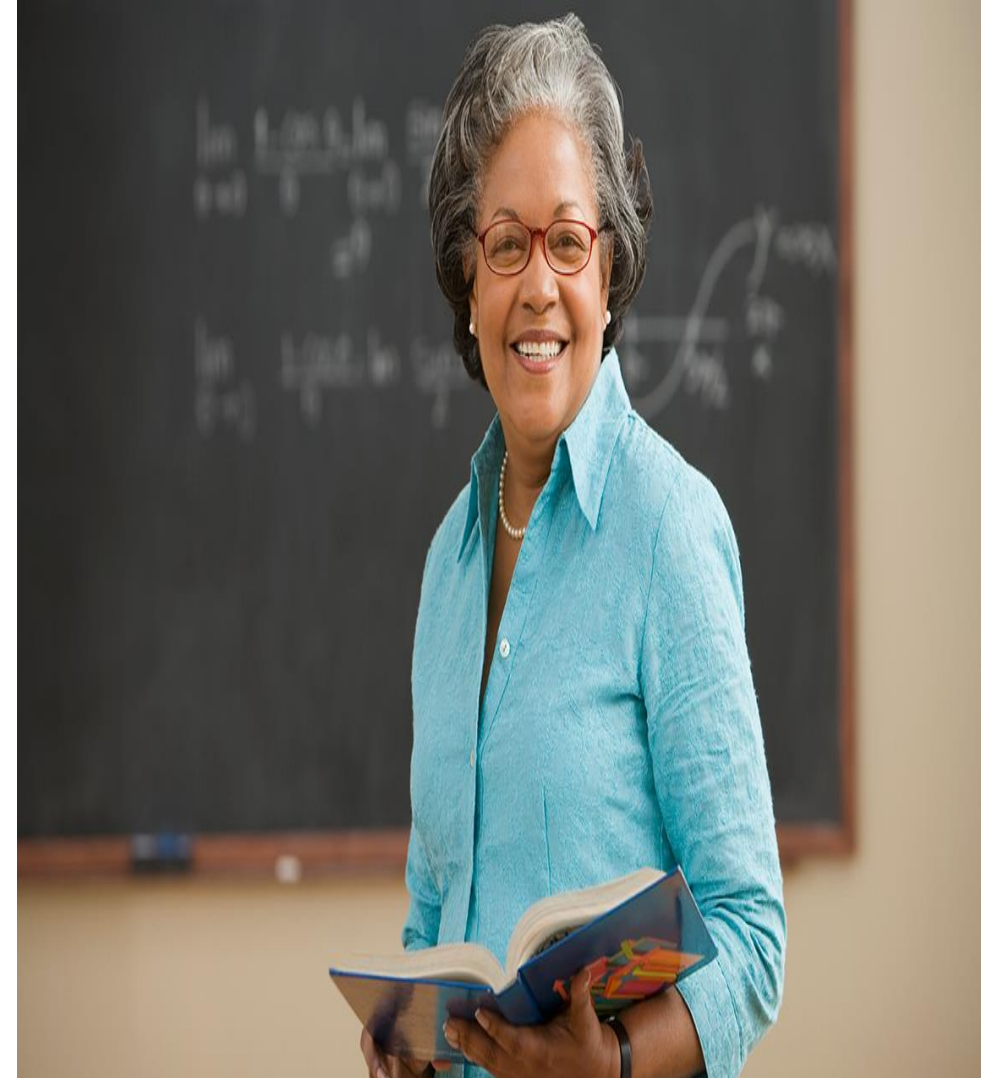
Source: JPM Chase / Bloomberg



Review purpose for each type.

Weigh importance and amounts of coverage.

- Life
- Short & Long-Term Disability
- Long-Term Care



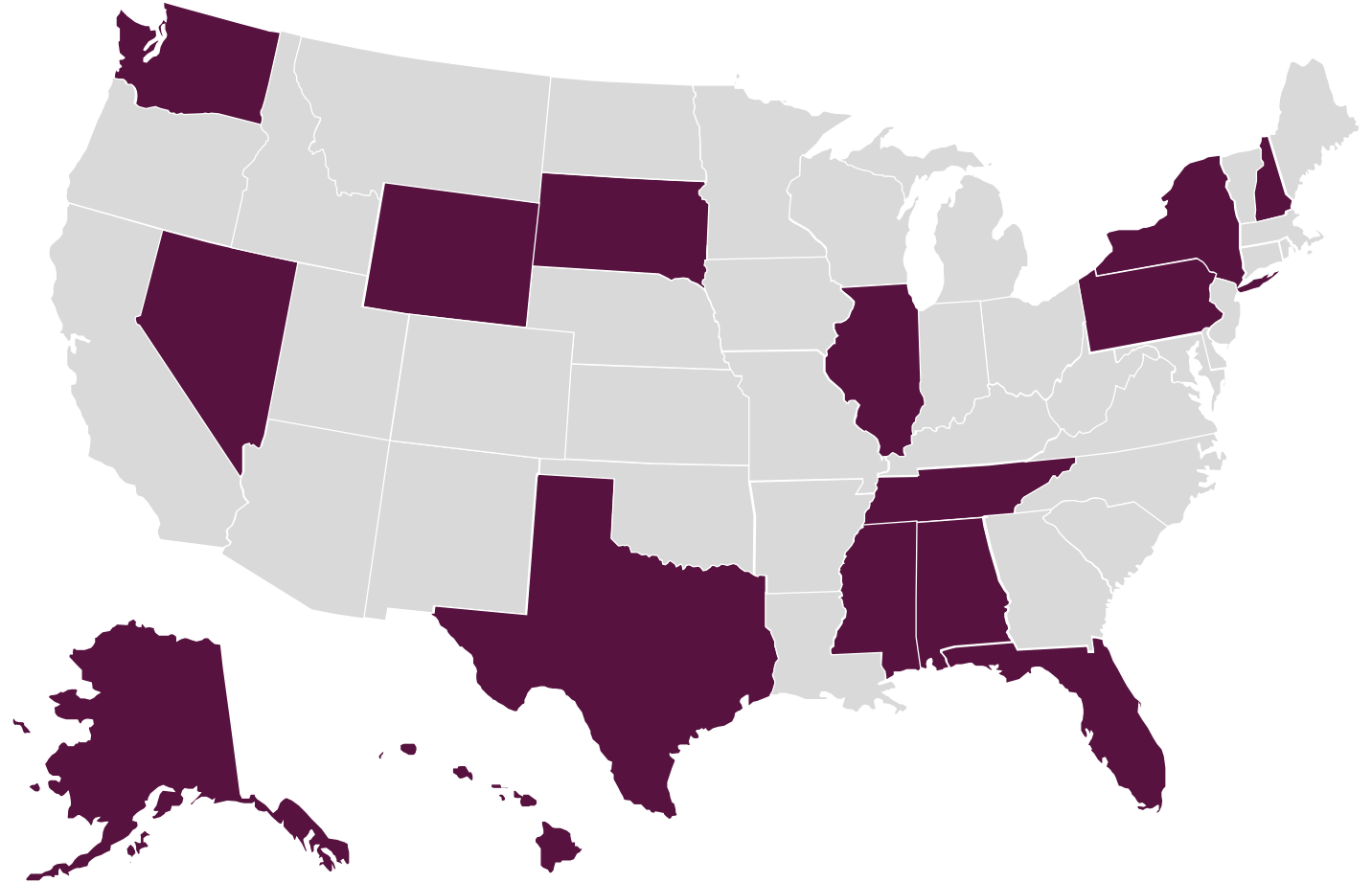


- **Pension:**
100% federally taxable.
No NYS Tax.
- **Social Security:**
Up to 85% federally taxable.
(The BBB Act of 2025 did *not* change this.)
No NYS Tax.
- **Pre-Tax Retirement Account Distributions:**
100% federally taxable.
\$20,000 annual NYS Tax exclusion if over 59 1/2.





- New York
- Alabama
- Alaska
- Florida
- Hawaii
- Illinois
- Mississippi
- Nevada
- New Hampshire
- Pennsylvania
- South Dakota
- Tennessee
- Texas
- Washington
- Wyoming





- Ensure intentions are honored
- Govern property distribution
- Appoint Estate Managers/Decision-Makers
- Designate Guardians
- Provide liquidity

How is a Plan documented?

- Beneficiaries (retirement accounts, life insurance)
- TOD (Transfer On Death) accounts
- Trusts
- Will
- Power of Attorney/Health Care Proxy/Living Will





Be thorough when hiring a Professional Advisor:

- CFP® or other credentials/qualifications?
- Understand how planner earns compensation (fees vs. commissions)
- Understand planner's scope of services (e.g., tax advice, portfolio recommendations)
- Is the planner a fiduciary?



Helpful Suggestions

- Take a financial snapshot
- Set goals
- Determine in-retirement lifestyle and expenses
- Ensure assets are invested according to a plan
- Obtain a Social Security projection
- Obtain a Pension projection/meet with NYS Pension counselor
- Protect assets (insurance, trusts)
- Ensure affairs are in order (estate documents, beneficiaries)
- Meet with a financial counselor (Stacey Braun Associates)

I enjoy waking up and
not having to go to
work. So I do it three
or four times a day.

Gene Perret

@weareteachers

Features of the FASCC Financial Planning Benefit

- Free financial consultations to discuss almost any financial issue or topics.
- Expert advice provided by Certified Financial Planners™.
- Receive only unbiased, objective advice—no investment or insurance products are sold.
- Unlimited access to website and email helpdesk resources.
- Complimentary webinars.

Stacey Braun
ASSOCIATES, INC.



Thank You!

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Stacey Braun Associates, Inc. is the provider of
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