



**Planning for Tomorrow Today  
With The Concordia Plans  
An Introduction to Retirement Planning**

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**2008 Ohio District  
Pre-Retirement Workshop**

# Why Plan for Retirement?

Retirement planning is about *stewardship!* It is about managing *all* of life and life's resources for God's purpose!



# Basic Retirement Questions:

- ✓ Will I have enough retirement income?
- ✓ Where will I live?
- ✓ How will I handle health concerns?
- ✓ What will I do with my time?
- ✓ How will I live out my faith commitment?
- ✓ How will my dependents be taken care of?

*All of these questions have an impact on your financial planning!*

# Financial Planning is ...

- ✓ All about your Stewardship Perspective
  - ✓ A real focus on Christian Stewardship
  - ✓ As God's child, how your perspective has changed
  - ✓ How we are called to be different

# What *is* Financial Planning?

Financial and Retirement  
Planning is about Your  
Relationship with Money!



## Financial Planning is ...

- ✓ More than just putting away a little extra
- ✓ More than just investing
- ✓ More than just retirement planning

## What Do the Experts Say?

- ✓ Your *status* doesn't matter
- ✓ Concentrate on the *basics*
- ✓ Stick with the *fundamentals* you understand
- ✓ Get started on the *right foot*

# The Six Basic Steps ...

- ✓ Gather personal and financial data
- ✓ Develop clear goals and objectives
- ✓ Analyze the data
- ✓ Develop a plan of action
- ✓ Implement your plan
- ✓ Monitor the plan over time

# Factors that Affect Our Money Management ...

**Family Issues**

**Career Paths**

**History**

**Family Dynamics**

**Health**

**Social Styles**

**AGES**

## How to Begin ...

- ✓ Discuss and understand your attitudes about money
- ✓ Build in flexibility & adaptability
- ✓ Determine whose plan it is
- ✓ Determine who will actively manage/be responsible
- ✓ Who is the steward?

# The Basics –Four KEY Worksheets:

- ✓ **Net Worth Statement**
  - ✓ *The difference between what I (we) own and what I (we) owe*
- ✓ **Income Statement**
  - ✓ *Where the money comes from and where it goes*
- ✓ **Budget**
  - ✓ *How money is handled on a monthly basis*
- ✓ **Retirement Cash Flow Projections**
  - ✓ *How income and spending will change after retirement*

# What about Health Care?

- ✓ Do you know what coverage you'll have after retirement?
- ✓ Get to know what Medicare does or doesn't cover
- ✓ Will you need long-term care insurance?
- ✓ Do you have *Advance Directives* in place?

# Sources of Retirement Income



# How Concordia Plan Service Can Help You:

- ✓ Comprehensive benefit packages, especially *The Church's Plan*, to help meet your needs
- ✓ Workshops that can help you begin the financial or retirement planning process

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What a privilege it is to partner with your employer to provide you with the comprehensive benefits outlined in this statement. May these benefits be a blessing to you and your family now and in the years to come.

I especially want to congratulate you on your preparation for retirement by enrollment in the Concordia Retirement Savings Plan! I know you'll find the CRSP to be a valuable asset as you prepare for your retirement years.

Please review the contents of this statement, share the information with your family, and file this document with your other financial records for future reference.

In His Service,



Paul Middeke - President



### Your Total Compensation

Your total compensation consists of two important components:

- Reported annual compensation in the form of your annual salary reported each year by your employer, including any applicable allowances *plus*
- Indirect compensation in the form of your employer's annual contributions to provide your benefits program.

#### Your Reported Annual Compensation

Base Annual Compensation	\$35,135
Cash Housing Allowance	\$3,700
Cash Utility Allowance	\$1,500
25% of Cash Salary – Furnished Housing	\$8,784
<b>Total Annual Compensation</b>	<b>\$49,119</b>

#### Your Indirect Compensation





Concordia Health Plan (CHP)*	\$14,328
Concordia Disability and Survivor Plan (CDSP) and Travel Accident Insurance Program (TAIP)	\$1,287
Retirement Plan Package (CRP/CRSP)	\$3,045
<b>Total Indirect Compensation</b>	<b>\$18,660</b>

### Your Total Compensation

\$67,779

\* Your employer and you may share a portion of this.

### Sources of Total Compensation

-  Annual Compensation - 72.4%
-  Concordia Health Plan - 21.1%
-  Concordia Disability and Survivor Plan and Travel Accident Insurance Program - 1.8%
-  Retirement Plan Package (CRP/CRSP) - 4.4%



# What does *The Church's Plan* Provide for Workers?

- **Concordia Health Plan**
  - Seven Different Plan Options
  - Post-retirement coverage
- **Concordia Disability & Survivor Plan**
  - Disability coverage & death benefits
- **Concordia Retirement Plan**
  - Primary Benefit, SRA, RMS
- **Concordia Retirement Savings Plan**
  - A way for workers to save on their own!
    - 403(b) tax-deferred savings plan with a match

# Components of the Concordia Retirement Plan

- **Primary Retirement Benefit**
  - A defined benefit plan providing a lifetime retirement benefit and benefits for surviving dependents
- **Supplemental Retirement Account**
  - A cash balance account that provides additional lifetime benefits, or a lump sum payment
- **Retiree Medical Supplement**
  - For members in *The Church's Plan*, it provides additional lifetime income to help with healthcare expenses

# Understanding Your Social Security Benefits

- **Largest Source of Income for People age 65 and Over**
  - 9 out of 10 people over 65 currently receive benefits
  - *Only* source of retirement income for 21% of these
- **Benefits are available to you at retirement**
  - As early as age 62
  - At your Social Security “Full Retirement Age”
  - Additional retirement credits if you wait until age 70
  - Benefits are based on average of 35 highest years of indexed Social Security earnings
- **Where do you get more information?**
  - Annual Statements while you are still contributing
  - Web site: [www.socialsecurity.gov](http://www.socialsecurity.gov)
  - Contact Social Security at: 1-800-772-1213

# What Can You Do to Help Yourself?

- ✓ Become familiar with the benefits that your employer is providing for you
- ✓ As a member of *The Church's Plan*, optimize your personal savings using the **Concordia Retirement Savings Plan (CRSP)**

# Saving for Your Future ...

## NOW is the Time to Begin!

- Most people aren't saving enough for retirement – they count on Social Security or their company pension plan
  - Americans put away an average of just 2.3% of their disposable income
  - Only 39% feel they would have enough money to live comfortably on in retirement
  - Church workers are no different
  - The keys: Saving *early*, saving *smarter*, and saving *more*

# Concordia Retirement Savings Plan (CRSP)

- The CRSP is available to all workers whose employers are enrolled in The Church's Plan
- The CRSP was designed to help church workers save in a convenient and smart way
- Administered for us by MetLife

# Concordia Retirement Savings Plan (CRSP)

- The CRSP is a 403(b) Tax-Deferred Savings Plan
  - Money is taken out of a worker's check on a pre-tax basis
    - For self-employed ministers of religion, contributions come out before *SECA* taxes
  - Earnings are also free from taxation until withdrawn by the investor

# Concordia Retirement Savings Plan (CRSP)

- A Basic Match (*50% of the first 2% of compensation contributed*) is provided automatically
- Employers can elect to provide an additional match on the next 2% or 4% of compensation
- Personal service from your local MetLife representative

# Concordia Retirement Savings Plan (CRSP)

- How Much Should You Contribute?
- A Basic Savings Philosophy:

## **10-10-80 Principal**

- 10% for the Lord's Work
  - 10% for Savings/Future Needs
  - 80% for Living Expenses
- ***But the decision is up to YOU!***



# And, have you considered ...

- ✓ Where will I live?
- ✓ How will I handle health concerns?
- ✓ What will I do with my time?
- ✓ How will I live out my faith commitment?
- ✓ How will my dependents be taken care of?

*As mentioned, these can impact your financial plans, too!*

# Where to Live?

- ✓ Where do you *want* to live after retirement?
- ✓ What factors made you choose this location?
- ✓ Consider:
  - ✓ *Proximity to family and friends*
  - ✓ *Access to church, work, medical facilities, public transportation*
  - ✓ *Opportunities to participate in the activities you desire*
  - ✓ *Will it suit you for the “long run?”*

# How are you Spending Your Time in Retirement?

- ✓ Retirement is a *balance* of work, play, and learning!
- ✓ How you balance your time is up to you!
  - Work:** Can be either for pay or as a volunteer? Will it be related to your current job?
  - Play:** How do you want to spend your leisure time? Will leisure become a bigger part of your life in retirement?
  - Learn:** Investing more time in *you* keeps you young! Look into opportunities at local colleges, community centers, and through agencies for older adults!

# What about my Commitment to the Lord's Work?

*Just because you retire, the gifts and talents the Lord has blessed you with don't get "shut off."*

*Consider new ways to use those gifts as part-time work or as a volunteer.*

*You might develop some of your other talents that you've "put on the shelf" while you were working full time!*

# Taking Care of Your Loved Ones

✓ Do you have the vehicles in place to make sure your wishes are carried out and your loved ones are provided for?

Documents to consider or review:

- ✓ *Your Will*
- ✓ *Do you need a Living Trust?*
- ✓ *Power of Attorney*
- ✓ *Advance Medical Directives*
- ✓ *Charitable gifts*

# Where do You go From Here?

You are responsible for the success of your own retirement!

What are the next steps you need to take?

- ✓ Getting budget/credit/expenses back on track?
- ✓ Investigating living options?
- ✓ Finding ways to spend your time?

**Remember ... it's up to you!**

## Contact Information:

- Toll-free: 1-888-927-7526  
(Office hours 7:00 – 5:00 Central Time)
- General e-mail: [info@concordiaplans.org](mailto:info@concordiaplans.org)

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