

Save for a Better Tomorrow

At a Glance: How your state retirement plan really works

Your TRS Benefit

Your Retirement Security Starts Here

The Teacher Retirement System of Texas (TRS) is designed to be the cornerstone of your income in retirement. However, you should be aware that your payout from the plan will not replace 100 percent of your income at retirement. You will have to make up the difference from other sources of income.

Your Retirement Evaluation Action Plan

- Evaluate how much your retirement “take home” pay will be from the TRS payout compared to your final salary.
- Determine where your income will come from to make up the difference.
- Call our agent today

Reality Check: Potential for a 44% Loss of Spendable Income

Your retirement “take home pay” may be much less than you think.

The following example shows an educator retiring with 32 years of service who was making a final salary of \$75,900. While the maximum TRS benefit was only 32% less than the final year’s gross pay, once survivorship benefits and health care costs are considered the reduction of income is more profound.

The Difference in Spendable Income: Post-retirement vs. Pre-retirement

	Post-retirement	Pre-retirement
Years of Service	32	
5 Year Average Income	\$69,524	
Percentage Pay Factor	73.6%	
Gross Annual Income	\$51,169	\$75,900
Less 100% Joint Benefit	\$5,270	
Less Approximate Annual		
Health Care (employer subsidized)	\$4,000	\$2,000
Less Taxes (15% tax rate) ¹	\$11,085	
Net Annual Income	\$35,015	\$62,815
Net Monthly Income	\$2,917	\$5,234

Source: The Retirement Analysis Kit (TRAK) Software by TrustBuilders, Inc. 2012 Version. www.tbinc.com
For Illustrative Purposes Only.

Life Insurance Company of the Southwest™

Experience Life®

¹ For illustrative purposes only. You should consult with your tax advisor for tax advice on your specific situation.

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Your Retirement Savings Plan Options

Harness the Power of Automatic Pre-tax Savings Today to Fill the Retirement Gap

Now that you know you have a retirement income gap, what should you do? Ensuring you have enough income to support the retirement you envision requires an ongoing action plan that you put in place well before you retire. This action plan should include saving in a 403(b) plan. Your organization's retirement plan gives you the opportunity to save even more for retirement, above and beyond what you may have available to you from your TRS benefit.

Retirement Solutions Designed with You in Mind

Save for a better tomorrow by choosing a flexible indexed annuity that can give you:

- peace of mind knowing that the funds will be there when you retire.
- a guaranteed² stream of income for life without giving up control of your money. You keep control of your money at all times.³
- the opportunity to leave any balance in your annuity to your loved ones when you die.

Schedule an appointment with our agent today to discuss how you can set up your savings plan to close your retirement income gap. Our agent can tailor a supplemental savings program that will take into consideration your current savings and your future retirement needs.

Be aware of changes impacting your retirement plans and financial situation

It's important to keep up-to-date on whether your retirement savings will still cover your anticipated retirement expenses based on any recent lifestyle changes. Our agent can assist you in monitoring your plan annually to ensure your retirement plan stays on track with your financial goals.

² Guarantees are dependent on the claims paying ability of the issuing Company.

³ Ask your agent about adding our innovative Guaranteed Lifetime Rider (GLIR) to your policy.