

# Test your retirement IQ!

Take this quick quiz to see how you come out.

1. If I retire at age 65, I can expect to live \_\_\_\_\_ more years.
2. After I retire, I'll need \$\_\_\_\_\_ per month, in today's dollars, to live comfortably.
3. I am covered under Social Security. \_\_\_ Yes \_\_\_ No  
My Social Security full retirement age is \_\_\_\_\_.
4. I am covered under the Wisconsin Retirement System (WRS). \_\_\_ Yes \_\_\_ No
5. If covered, my WRS pension will be about \_\_\_\_\_ % of my salary while I was working.
6. After I retire the UW will pay \$\_\_\_\_\_ toward my health insurance premium.
7. I think I'll need more income than Social Security and WRS provide when I retire.  
\_\_\_ Yes \_\_\_ No
8. I understand my outside options to save for retirement:
  - Bank accounts, CDs
  - U.S. Savings Bonds
  - Traditional and Roth IRAs
  - Retirement accounts from past employers [401(k), etc.]
  - Wisconsin Deferred Compensation account
  - UW 403(b) TSA account
9. I think I am saving enough for retirement.  
\_\_\_ Yes \_\_\_ No \_\_\_ How can I tell?
10. My plan to add to my retirement savings *this year* is:
  - a. To hope I'll have a few extra dollars in a couple of months.
  - b. Not sure. I need to research my savings options.
  - c. To get started *this week* making regular contributions to a long-term savings plan.

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## Here are some pointers to help make sure you are on target:

1. Retired Wisconsin public employees live a little longer than the national average. At age 65, their life expectancy is 21.6 years for women, and 17.8 years for men. Many, of course, will live longer.
2. Figure at least 70 – 80% of your current salary, more if you expect to be of moderate or low income when you retire.
3. Yes. All UW employees have Social Security coverage except student employees who are enrolled and attending classes at UW.  
  
Only those born in 1937 or before will receive full Social Security benefits at age 65. Those born in years 1943 – 1954 reach full retirement age for Social Security purposes at 66. Those born in 1960 or later will receive full Social Security benefits at age 67.
4. Probably yes. Except for students, grad and post-doc appointees, and visiting professors, you are WRS-eligible if you are expected to work at least one-third of full time per year and to stay for at least one year (365 days), or if you actually met those thresholds though not expected to do so.
5. Figure 1.6% of your monthly salary for each full year of service under the WRS. For example, 10 years of service = 16% of your working salary. You could be entitled to higher benefits if you have service from before 2000, have military service, or worked in a protective or executive position. Your pension could be lower if you retire early or select an annuity that includes a joint survivor or other death benefit.
6. \$0! Unless you have unused sick leave credits to convert, you will be responsible for your entire premium.
7. For a detailed explanation of the value of your sick leave in retirement, see [www.uwsa.edu/hr/benefits/leave/sickleave.pdf](http://www.uwsa.edu/hr/benefits/leave/sickleave.pdf).
8. To generate an additional \$100 of income per month, you'll need \$15,000 – \$20,000 in savings at retirement. You can meet this goal by saving \$100 per month for ten years, and earning 7% on your account. If you can keep it up for twenty years, you'll have over \$51,000.
9. If not, take a few minutes to ask! Most banks and mutual fund companies will be glad to explain their IRAs and after-tax investments. IRAs are also available from all of our TSA providers. For information about the Wisconsin Deferred Compensation program, call 800-457-9327. To learn about the UW 403(b) Program, ask your Staff Benefits Office, call any of our authorized investment companies, check out our website, [www.uwsa.edu/hr/benefits/retsav/tsa.htm](http://www.uwsa.edu/hr/benefits/retsav/tsa.htm) or make an appointment with a counselor. It's free!
10. There are many calculators on the web to help you figure out whether you are on track with your savings. A simple one to start with is the Ballpark Estimate created by the American Savings Education Council, on-line at [www.asec.org](http://www.asec.org).
11. Contributions from your paycheck to the UW TSA 403(b) Program or the Wisconsin Deferred Compensation Program are easy and automatic. You choose your own investments and pay no tax until you withdraw the money at retirement. Tax-deferred investments provide a great way to save for retirement. Take action now! ■