Boost Your Financial Well-being with Purdue Resources
* Defining Financial Well-being

* Craft Your Plan

* Savings Options and Advantages
  - HSA, HCFSA, LPFSA, DCFSA
  - Retirement savings plans

* Resources Available To Help
Defining Financial Well-being
* Having financial security and financial freedom of choice, in the present and in the future

* Main elements of financial well-being
  - Feeling in control
  - Capacity to absorb a financial shock
  - On track to meet goals
  - Flexibility to make choices

Don’t glaze over, visualize your retirement future
  - What does retirement mean to YOU?

What do we look forward to with retirement?
  - Time for fun, hobbies, traveling
  - Spending time with family and friends
  - Volunteering

What do we need/want for an enjoyable retirement?
  - Good health
  - Healthy finances
    - Take care of our needs
    - Spend on our wants

Oh hello, Retirement...
I’ve been waiting for you.
What You Need To Know NOW

• Why saving for retirement should start early

* Save early, save often

  Saving $5,000 a year or $100 a week can make a big impact, no matter when you start saving


TIP: Put the Power of Compounding to Work
What You Need To Know NOW

- Why saving for retirement should start early

* Budget busters
  - Largest expenses TODAY
    - Housing
    - Transportation
    - Food
    - Health care
    - Child care
  
  - Largest expenses in RETIREMENT
    - Housing
    - Transportation
    - Food
    - Health care
Find ways to save

- Save for NOW
  - Everyday expenses, including child care
  - Medical/prescription expenses

- Save for FUTURE
  - Start with a plan
  - Take advantage of resources available
Move Forward
With A Plan
Fidelity’s simple rule for spending & saving

50 / 15 / 5

Achieve financial stability today AND maintain your lifestyle in retirement:

- **CREATE A PLAN** for spending and saving
- **FIND SAVINGS OPPORTUNITIES** within your lifestyle
- **TAKE ACTION** with tools and resources available
Create A Spending & Saving Plan

- Plan to spend 50% on things you can’t get by without

* Essential expenses
  - Housing
    - Look for savings around the home
      - Energy-efficient items: light bulbs, curtains, appliances
      - Set thermostat a few degrees cooler or warmer
      - Shop around for services: internet, cable, phone
  - Transportation
    - Consider a more affordable car
    - Take advantage of store loyalty programs
      - Earn fuel points for shopping
  - Food
    - Stock up on sale items, use coupons
    - Take lunch to work, eat meals at home more often

TIP: Shop around for home & auto coverage options
Create A Spending & Saving Plan
• Plan to spend 50% on things you can’t get by without

* Essential expenses
  ▪ Health care
    • Consider a high deductible health plan with HSA
      * Lower premiums and tax-advantaged savings account
    • Shop around for health care services
      * Center for Healthy Living
        ▪ Low cost, no cost primary care services
      * Castlight shopping tool
        ▪ Offered to those covered under Purdue medical plans
  ▪ Children
    • Pay child care expenses through a dependent care FSA
    • Set aside funds for college with tax-advantaged programs
    • Raise Boilermakers for a tuition break!

TIP: Put savings you find toward retirement
Create A Spending & Saving Plan

- Plan to save 15% toward retirement

* Retirement savings
  - Purdue’s contributions count toward your 15% savings goal

4 + 5 + 4 = 13%

- Make the most of Purdue’s contribution
  - Non-Exempt Defined Contribution plan offers a match, save enough to maximize it

- Increase your savings regularly
  - Begin with gradual increase
    * Even as little as 1% makes a difference

TIP: If you get a raise or bonus, save some of it for retirement
Create A Spending & Saving Plan

• Plan to save 5% for unexpected expenses

* Emergency fund and short-term savings
  ▪ Save first to a fund for true emergencies
    • 3-6 months of income
    • Job loss, health crisis
  ▪ Set aside funds separately in short-term savings to cover unexpected expenses
    • Flat tire, roof repair

TIP: Have money left over? Pay down high-interest debt or save for other goals. Use the Fidelity Savings & Spending Check-Up calculator to see where you stand. [https://communications.fidelity.com/wi/2015/savingsandspendingcheckup/]
Savings Options
And Advantages
Purdue Spending & Saving Resources

- Make your money work for you now and later

* Save while spending

Flexible Spending Accounts (FSA)

* Save to spend later

Health Savings Account (HSA)

Purdue Retirement Plans

- Save while spending

- Save to spend later
Purdue Spending Resources

- Save while you spend

* FSA types
  - Health Care (HCFSA)
  - Limited Purpose (LPFSA)
    - Available with HSA only
  - Dependent Care (DCFSA)

* Advantages
  - Contribute pre-tax
    - Lowers taxable income
  - Spend tax-free
    - On eligible expenses
  - Funds available immediately*
    - Quick and easy access with debit card
    - HCFSA and LPFSA’s
  - Direct deposit for reimbursement

TIP: Remember the FSA “Use it or lose it” rule! Be sure to spend FSA funds by end of year.

*Immediate access applies to HCFSA and LPFSA. DCFSA contributions deposited per pay.
Tax savings example

- **Medical**
  - $2,500

- **Childcare**
  - $5,000

**Did you know?**

**Contributions to FSA’s are pre-tax, giving you about a 30% tax savings when you contribute.**

**Your Tax Savings:**

If your flex plan contribution equals total expenses => $7,500

(Note: Maximum medical expenses contribution is $2,500; maximum dependent care contribution is $5,000)

*Your tax savings would be:* $2,520

Spend this much out of your flex account to break even => $4,980

HSA’s and retirement accounts go together like:

Purdue Savings Options And Advantages
• Save to spend later

TIP: Maximize your retirement savings by contributing to both an HSA and voluntary retirement savings plans.
**Purdue Saving Resources**

- Good way to save now and for the future

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**Save while you spend**

- Contribute pre-tax
  - Lowers taxable income
  - Change any time

- Purdue contributes

- Interest/earnings grow tax-free
  - Investment options available

- Spend tax-free
  - On eligible expenses

- Easy to Use
  - One debit card for HSA and LPFSA
  - Direct deposit

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**Health Savings Account (HSA)**

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**Save to spend later**

- Save for retirement

- Earnings/investments
  - Continue to grow tax-free

- Remaining funds
  - Roll forward each year

- You keep funds
  - At separation/retirement

- After retirement spend
  - Eligible expenses
    - Tax-free
  - Non-medical expenses
    - Pay tax on withdrawals
    - No tax penalty

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**TIP:** HSA’s are available with high deductible medical plans only, per the IRS.
Purdue Saving Resources

- Save to spend later

* Purdue retirement plans-exempt employees (Paid Monthly)
  - Administered by Fidelity

* 403(b) Defined Contribution
  - 10% Purdue contribution
    - 3 year waiting period for Admin/Prof
      - Waiver available for those who qualify

* 401(a) Mandatory Plan
  - 4% employee pre-tax contribution
  - Immediate participation

* Did you know?
  - You control where funds are invested and how much to each fund.

* Fun fact!
  - Also called Purdue Standard Retirement and Savings Plans

TIP: Don’t forget to enter beneficiary information for your retirement accounts and HSA. A good rule of thumb: review every fall during benefits open enrollment.
Purdue retirement plans for non-exempt employees (Paid biweekly, hired 9/9/13 and after)

- Administered by Fidelity

- **403(b) Defined Contribution**
  - 4% Purdue contribution
  - Up to 4% Purdue matching contribution
    * Based on up to 4% 403(b) voluntary employee contribution
  - Vested after 3 years

- **403(b) Voluntary Savings Plan**
  - 5% employee contribution
    * Set automatically with hire after 30 days
  - May increase or decrease at any time

**Fun fact!**

- Also called Purdue Matching Retirement and Savings Plans

**TIP:** Don’t forget to enter beneficiary information for your retirement accounts and HSA. A good rule of thumb: review every fall during benefits open enrollment.
**Purdue retired plans**

- **non-exempt employees** (Paid biweekly hired prior to 9/9/13)

- Administered by Indiana Public Retirement System (INPRS)

- **PERF Defined Benefit Plan**
  - Purdue contributes amount determined by INPRS board annually
  - Receive a monthly benefit upon retirement
    - Amount based on salary, age, and years of service
  - Vested after 10 years of PERF service

- **PERF Annuity Savings Account**
  - Purdue contributes 3%
  - Vested immediately

**Savings Resources**

- Save to spend later

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**TIP:** Update your PERF Annuity Savings Account investment elections and beneficiaries at [https://www.benefitsweb.com/inprs.html](https://www.benefitsweb.com/inprs.html)
# Saving Resources For All Employees

- Save to spend later

## Voluntary Options

<table>
<thead>
<tr>
<th>Plan Type</th>
<th>Similar</th>
<th>Different</th>
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</table>
| **403(b) Voluntary Savings Plan** | • Eligible to contribute 1%-85% of pay right away  
• Vested immediately  
• Contribute pre-tax and pay taxes at time of withdrawal  
• 2015 IRS maximum per plan:  
  - $18,000 under age 50  
  - $24,000 age 50 and over | • After-tax (ROTH) option  
• Loan provision  
• Withdrawals allowed:  
  - at age 59½  
  - age 55 and separated  
  - Severe financial hardship | |
| **457(b) Voluntary Savings Plan** | | • Withdrawals allowed:  
  - upon separation only |

*Non-exempt hired 9/9/2013 begin 5% contribution automatically*
Resources Available
To Help
Many tools are available to help you manage your HSA/FSA’s and retirement accounts.

Did you know?
- Purdue’s MyMoney website offers financial tools and information to help manage debt and increase financial awareness.
- [www.purdue.edu/mymoney](http://www.purdue.edu/mymoney)
* HSA’s/FSA’s
  - PayFlex website
    - Monitor your account balance
    - Set email and text notifications
    - Set up direct deposit
    - Order additional debit cards
    - File claims
    - Review HSA investment options
HSA’s/FSA’s

- PayFlex mobile app
  - View
    * Account balances
    * Claims processed and transaction details
    * Lists of eligible/ineligible expenses
  - Receive important account alerts
  - File claims and send requested receipts to substantiate
* **Fidelity**

  - **Website**
    - View
      * Plan information/statements
      * Transaction history
      * Investment performance
      * Retirement Planning tools/resources
  - **Actions**
    * Update
      - Investments
      - Voluntary Contributions
      - Beneficiaries
    * Request loan/withdrawals
      - Loan/hardship or age 59 1/2 withdrawal option
        * Available with 403(b) Vol. only
      - Upon separation for all other plans

**TIP:** If you’re more than 5 years away from retirement, try the Retirement Quick Check to help plan how much you will need in retirement.
Purdue Spending & Saving Tools
• Tools and resources you need to help you manage

* PMU Fidelity office
  • In-Person Consultation Advantages
    • No cost guidance to help you
      * Maximize retirement savings and achieve other goals
    • Face-to-face planning
      * With investment professional
    • Convenient time and location
      * On campus

Who You Will Meet
• Paul Bhe
• Andy Marsh
• Tosin Ratchford
• Jennifer Spencer

Schedule by phone or online at
https://nb.fidelity.com/public/nb/purdue/contactus
Fidelity

- Mobile app
  - View
    - Balances
    - Investments
    - Performance
  - Check out financial educational information
    - Browse articles, videos, and podcasts
- Try interactive features
  - Retirement Readiness Quiz
Purdue Spending & Saving Tools

- Resources you need to know to get started

* Inspired? Get started!

  - Check out
    - MyMoney website
      * www.purdue.edu/mymoney
        - Provided by Purdue’s Division of Financial Aid (DFA)

  - Contact

<table>
<thead>
<tr>
<th>FSA’s/HSA’s</th>
<th>PayFlex</th>
<th>purdue.healthhub.com</th>
<th>888-879-1454</th>
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<td>Retirement</td>
<td>Fidelity</td>
<td><a href="http://www.purdue.edu/hr/enefits/currentEmployees/retirement/FidelityInvestorCenter">www.purdue.edu/hr/enefits/currentEmployees/retirement/FidelityInvestorCenter</a></td>
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<td>*Under “Resources” choose Exempt (paid monthly) or Non-Exempt (paid biweekly)</td>
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<tr>
<td>PERF-INPRS</td>
<td></td>
<td><a href="http://www.in.gov/perf">www.in.gov/perf</a></td>
<td>888-526-1687</td>
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