



## Florida Retirement System

P. O. Box 13300 ♦ Tallahassee, FL 32317-3300 ♦ [MyFRS.com](http://MyFRS.com) ♦ 1-866-44-MyFRS

August 4, 2004

Jane Doe  
123 Main St.  
Tallahassee, FL 12345

Dear Ms. Doe:

To help you plan for your retirement needs, we have asked Financial Engines to send you the enclosed Personal Retirement Forecast. The Forecast gives you information on your FRS Investment Plan and Social Security and how much these benefits might be worth in retirement. To take full advantage of this Forecast:

1. **Review the enclosed Personal Retirement Forecast**
2. **Find out whether you may have enough for retirement**
3. **Go to <http://MyFRS.com/help>, or call the MyFRS Financial Guidance Line and talk to an unbiased Ernst & Young financial planner.**

**The enclosed Forecast shows that you may have a shortfall of \$15,864 per year in retirement income.** Going online or speaking to an experienced financial planner can help you explore your choices, adjusting the mix of your investments to better fit your risk tolerance, retirement income options or potentially switching FRS plans.

Take advantage of personalized free help by calling the MyFRS Financial Guidance Line toll-free at 1-866-446-9377 or log in at <http://MyFRS.com/help> using the **PIN** on your Forecast.

Sincerely,

Ron Poppell  
Director of Educational Services  
MyFRS Financial Guidance Program

**The MyFRS Financial Guidance Program** is the official education program of the Florida Retirement System (FRS) helping all employees prepare for retirement and get the most out of the two FRS retirement plans. **Financial Engines** was selected in 2001 to provide retirement forecast information and retirement guidance to all employees covered by the FRS via personalized benefit statements and online services. **Ernst & Young** was also selected in 2001 to provide retirement and financial guidance to all employees via workshops and one-on-one telephone support. These companies have no vested interest in which retirement plan or which investment funds are chosen.



# Your Personal Retirement Forecast

Prepared for **Jane Doe** as of August 4, 2004

## Information used to create your Forecast\*

Birth date:	08/17/1946	Years of service:	2.75
You are enrolled in:	FRS Investment Plan	One-time 2nd Choice Election available:	Yes
Median estimated annual retirement income:	\$15,600	Your current FRS balance:	\$20,000
Annual income estimate for Social Security:	\$13,536	MyFRS.com PIN	123456

\*Values are in today's dollars and are approximate. Median estimated annual retirement income includes your current (FRS) and future employer retirement benefits. Financial Engines received your information from the FRS; see other side for details and assumptions.

## How much will you need to retire?

Consider setting a retirement income goal of 70% of what your salary will be in the year prior to retirement. You may no longer have major expenses such as a mortgage, but you may have increased health care costs.

Your annual estimated income in year prior to retirement	<b>\$35,858</b>
Your retirement income goal (125% of \$35,858)	<b>\$45,000</b>

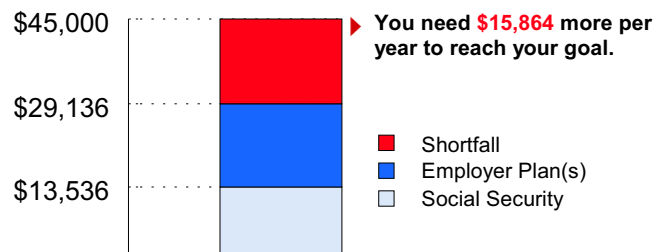
Values are in today's dollars, before taxes.

## ⚠ You may not have enough to retire!

Your current (FRS) and future employer plan(s) plus Social Security may provide an estimated \$29,136 in retirement income.

If you want to reach your goal of \$45,000 **you need an additional \$15,864/year in retirement income.**

### Median Estimated Annual Retirement Income\*



\*See other side to learn more about assumptions we made to create this Forecast.

## You have free personalized help!

As an FRS-covered employee you can use valuable resources free of charge. Get your questions answered.

We take measures to ensure that the privacy of your personal information is protected. This document contains confidential information, and we encourage you to protect the confidentiality of the sensitive information enclosed.

- ▶ **Call 1-866-44MyFRS\* (select option 2)** and an experienced financial planner will help you create a retirement strategy.

OR

- ▶ **Log in with your PIN 123456** at <http://MyFRS.com/help>

\*TTY: 1-888-429-2160

- Explore more options on the other side -

## Can you afford to save more?

If you reduced your take-home pay \$255 per month for the next 10 years, you could increase your retirement income by \$2,360 per year.<sup>1</sup>

Here are some examples of how much your take home pay may be reduced if you made \$30,000 per year and contributed to a tax-deferred account such as 403(b) or 457 plan.<sup>1</sup>

<sup>1</sup>The income increase is estimated assuming you contribute to a tax-deferred account with a 6% nominal return and purchase of a joint-survivor annuity. Assuming filing status is married filing jointly, state of residence is FL, and pay period is monthly. This example only applies if you have not yet reached the maximum IRS pre-tax contribution limit.

Your take home pay is reduced by	Your pre-tax contribution is
\$85	\$100
\$170	\$200
\$255	\$300

## Explore improving your Forecast

If you would like to change the assumptions used to create your Forecast you can log in online at <http://MyFRS.com/help> or call 1-866-44-MyFRS (1-866-446-9377; TTY 1-888-429-2160).

Key assumptions include the following: your FRS salary grows 4.00% annually. You leave your FRS job at age 65. You begin FRS plan benefits at 65, begin collecting Social Security benefits at age 66, and retire at age 65 (go online to learn more about these assumptions). You take your FRS benefit as a single-life annuity (similar to Option 1 in the Pension Plan).

Your Social Security benefit has also been estimated. To get a personalized estimate from the Social Security Administration, visit <http://www.ssa.gov> to obtain your Social Security Statement.

### About Your Personal Retirement Forecast

The value of your benefits is estimated before taxes and is adjusted for the effects of inflation (today's dollars). This Forecast includes only those outside assets entered into the Advisor, Choice or Second Choice services and other personalizations made in those services. The outside assets entered in the services are included in your employer plan(s) estimate. In the range of outcomes we have estimated, you have a 50% chance of having \$15,600 or more when you retire. However, you have a 5% chance of having \$15,100 or less if your employer plan(s) perform poorly, and a 5% chance of having \$16,100 or more if your employer plan(s) perform well. There is a 5% chance that the value of your investments could decline by 2.70% or more in the next 12 months.

Financial Engines relies on the FRS to provide accurate information about you and your plan(s), and makes no representations about the accuracy of the data.

The estimated retirement income values are not guarantees of future results, but only reasonable estimates based upon information about you and your retirement account and forward-looking models of the economy and securities markets that utilize such data as historical returns, historical correlations, expected growth rates and risk premiums. Since past performance is not an accurate predictor of the future and reliance on historical and current data necessarily involves inherent limitations, you must understand that the estimates are only a tool to be used in evaluating your retirement portfolio and not a substitute for your informed judgment.

- Continued from other side -