

Measuring Retirement Readiness for Public Sector Employees



The Real Deal on Retirement Readiness

The Real Deal projects resources and needs through retirement for each individual employee to provide insights into retirement readiness across the population.

The individual analysis can be replicated for each of your employees, reflecting their specific resources and needs. Insights are gleaned from understanding where your employees are on the spectrum of retirement readiness and why those not on track are in that situation. Based on the outcome of the study, specific initiatives could be recommended.

Do you know how well the retirement income of your employees will keep up with their financial needs throughout retirement?

Unique Considerations for Public Sector Retirement Readiness



The Real Deal for public sector employees takes into account factors specific to public sector retirement system plan design, such as:

- Classes of employees
- Multiple tiers of benefits
- Varying normal retirement ages
- Cost-of-living increases
- Employee contributions
- Retiree medical benefits
- Social Security opt-in/opt-out



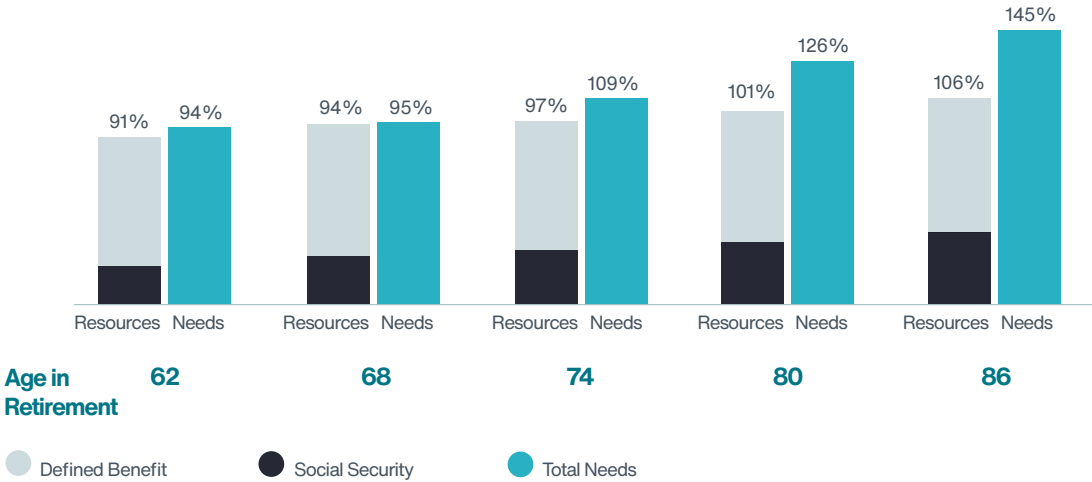
Aon's retirement readiness analysis can provide insights based on:

- Class, tier and benefit design
- Generation
- Race, ethnicity and gender
- Service
- Income levels
- Variations in savings rates
- Various retirement ages



Measuring Adequacy through Retirement

In addition to comparing the replacement ratios of retirement resources and needs in the first year of retirement, the analysis will measure retirement adequacy through the retirement period.

Sample Projected Annuity Resources and Needs through Retirement



Actions from Insights

 <p>Project workforce trends and emerging patterns</p>	 <p>Monitor changes in retirement readiness over time</p>	 <p>Help workers know where they stand and offer tangible steps to improve results</p>
 <p>Understand recent or pending changes in plan design (COLAs, employee contributions levels, retiree medical subsidies)</p>	 <p>Communicate that additional employee savings may be necessary and suggest milestones toward adequacy</p>	 <p>Recognize realistic retirement age targets</p>



About Aon

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