

The Emeriti Program Advantage

- **Purpose:** Funding for retirement health care expenses
- **Eligibility:** Age 40 or older for 25 years
- **Contribution:** Monthly employee and SMU matching contributions of \$50 each started in 2008
- **Match Increase:** 4% yearly since 2008
- **Tax Law Benefit:** Goes in, grows, and is withdrawn with taxes (a **major** fund accumulation advantage)
- **Contrast:** Slides 2 and 3 illustrate the Emeriti Program savings advantage in just a decade.

Saving Without Tax Advantage or Match

SMU	Self	Self-Tax	Accumulated
\$0.00	\$600.00	\$450.00	\$450.00
\$0.00	\$624.00	\$468.00	\$943.20
\$0.00	\$648.96	\$486.72	\$1,482.74
\$0.00	\$674.92	\$506.19	\$2,071.96
\$0.00	\$701.92	\$526.44	\$2,714.43
\$0.00	\$729.99	\$547.49	\$3,413.93
\$0.00	\$759.19	\$569.39	\$4,174.50
\$0.00	\$789.56	\$592.17	\$5,000.44
\$0.00	\$821.14	\$615.86	\$5,896.33
\$0.00	\$853.99	\$640.49	\$6,867.01

Assumptions *4% Annual ↑* *8% Return*

Emeriti: Saving With Tax Advantage & SMU Match			
SMU	Self	Annual T	Accumulated
\$600.00	\$600.00	\$1,200.00	\$1,200.00
\$624.00	\$624.00	\$1,248.00	\$2,544.00
\$648.96	\$648.96	\$1,297.92	\$4,045.44
\$674.92	\$674.92	\$1,349.84	\$5,718.91
\$701.92	\$701.92	\$1,403.83	\$7,580.26
\$729.99	\$729.99	\$1,459.98	\$9,646.66
\$759.19	\$759.19	\$1,518.38	\$11,936.77
\$789.56	\$789.56	\$1,579.12	\$14,470.83
\$821.14	\$821.14	\$1,642.28	\$17,270.78
\$853.99	\$853.99	\$1,707.97	<u>\$20,360.42</u>
<i>Assumptions</i>	<i>4% Annual ↑</i>	<i>8% Return</i>	