

Retire Example

This is the worksheet for the fictitious retiree discussed in "retire explanation".

Column 1 calculates his take home pay if he continues to work. **Column 2** calculates his take home pay if he accepts the district's voluntary resignation offer.

STEP 1: In the yellow box, he entered his **estimated "total pay" (next year's salary [about 1% increase], include any extra duty pay)**

STEP 2: In the blue box, he entered the pension amount he selected (from the ORS website) for one of the survivor choices: straight life, 100%, 75%, or 50%

STEP 3: In the pink box, he entered the severance/buyout funds he chose to use. 50000+about 17000 = 67000 divided by 5 yrs = 13,400 per year.

He will use the 20% (the amount available) of the package each year for two years (until social security is available).

STEP 4: In the dark gray box, he entered any funds he is taking from annuities or 403b accounts.

STEP 5: In the light gray box, he entered any social security funds (available through the SS Administration) he will use. None for two years.

STEP 6: In the red box, since he is in the MIP, he multiplied his **total pay** by .043 and entered that amount in the red box.

STEP 7: In the dark purple box, he entered the yearly amount he is contributing to any 403b accounts / retirement accounts.

STEP 8: In the orange box, he entered any "other income" he is planning on.

STEP 9: He will leave the dark green box empty, because he has no yearly insurance cost (can calculate the exact cost from the ORS site).

STEP 10: In the light green box in column 1, he entered any "other expenses" he might have. Retirees may no longer need a cleaning lady, might use less gas, etc...

Do not enter any amount in the light green box in column 2, unless it is an additional expense you might incur for retiring.

	Column 1		Column 2	
	If you continue to work		If you take retire	
next year's total pay:	98542.67		47636.02	Enter pension amount (75% option)
subtract MIP contributions	4237.33		13400.00	add any funds you will take from buyout and/or severance (he chose 20%)
subtract 403b contributions	10000.00			add any funds you will take from annuities or 403b accounts
				add social security
add other sources of income:				add other sources of income:
part time job?, etc...			5000.00	part time job?, etc...
subtract FICA tax (7.65%)	7538.51			no FICA tax if retired
taxable income	76766.83		66036.02	taxable income
subtract federal tax(about 15%)	11515.02		7924.32	subtract federal tax (about 12%)
subtract State tax (4%)	3070.67			no State tax if retired
subtract Union dues	888.00			no union dues if retired
* take-home pay after taxes	61293.13		58111.70	* take-home pay after taxes
				subtract insurance cost (calculate from ORS website)
subtract additional expenses while working:				:subtract additional expenses (if any) if retired
cleaning lady, excess mileage, etc ?	3000.00			
** take-home pay if working:	58293.13		58111.70	** take-home pay if retired

