**Financial Planning For**

**Adequate Retirement Income**

**For Employees of**

**CSI Member Schools – USA**

**A Presentation Outline**



**John Bolt**

**U.S. Managing Director**

**Christian School**

**Pension Plan and Trust Fund**

**September 2023**

**There are basically two steps in planning for retirement**:

Step 1 - Establishing financial need at retirement; and

Step 2 - Accumulating the retirement income to meet the financial need.

There are four building blocks to retirement income:

A. Social Security Benefits,

B. Employment-Related Pension, 403(b) and 401(k) Plans,

C. Personal Savings; and

D. Continued Employment.

Steps 1 and 2 are described on the following pages.

Step 1

Establishing Financial Need at Retirement

There are several ways to estimate what your level of financial need will be when you retire. One approach is to look at the level and pattern of living expenses as measured in the Consumer Expenditure Survey prepared by the United States Department of Labor, Bureau of Labor Statistics (http://stats.bls.gov/cex/). Results adapted from the 2021 Survey, updated to 2023 using the Consumer Price Index, are given in the attached Schedule 2.

* While the Survey information consists of average expenditures for an average family unit, it does help to set the floor for basic retirement security. For consumers age 65 and over, the average family size is 1.7 people. In this age group, 53% are homeowners with no outstanding mortgage, 25% are homeowners with remaining mortgage payments, and 22% of consumers live in rental dwellings.
* Although many employees will not retire until some time in the future, the relationship between the retirement income shown in Step 2 and the expenditures shown in Schedule 2 should still hold, provided that the building blocks for retirement income keep up with inflation.
* In other words, we can do our financial planning based on current dollars since both expenditures and retirement income are expected to rise by similar amounts because of inflation.

Another way to assess financial need is to compare retirement income (before-tax) to earnings (before-tax) in the final year of employment. Many financial planners feel that retirement income including Social Security (before-tax) equal to 70%-80% of your earnings (before-tax) in your final year of employment is an appropriate target. This is a general rule of thumb which is usually considered appropriate for middle income earners. You should also consider that the required percentage may be higher for lower income earners and lower for higher income earners.

Yet another way to establish your expected level of financial need in retirement is to determine the level of your expenses after retirement. Your retirement income must then be at least equal to your expected level of expenses.

Schedule 1 is designed to assist you in determining your required level of annual retirement income by identifying your total annual expenses in retirement. You start by identifying all of your current family expenses which will continue after retirement. Some of your current expenses, such as retirement savings and mortgage payments (if your house will be paid for by the time you retire), will no longer exist after you retire, and this should be taken into account.

Your total expected annual expenses in retirement must be no more than the minimum amount of your annual retirement income in order for you to maintain your current standard of living. You should identify your expected amount of retirement income from all sources. Your expected income and expected expenses should then be compared to determine whether or not there is a shortfall which must be made up through personal savings. This comparison can be performed by completing Schedule 1.

Step 2

Building Blocks Providing Retirement Income

A. Social Security Benefits

(a) Qualifications: ■ Forty quarters of coverage.

■ A maximum of four quarters of coverage is credited in a year.

■ In 2023, one quarter of coverage is credited for each quarter in which at least $1,640 is earned.

Amount: See SCHEDULE 3.

Note: Benefit is increased 50% for a married participant.

Normal Retirement Age: **Year of Birth** **Age**

|  |  |
| --- | --- |
| Prior to 1938 | 65 |
| 1938 | 65 2/12 |
| 1939 | 65 4/12 |
| 1940 | 65 6/12 |
| 1941 | 65 8/12 |
| 1942 | 65 10/12 |
| 1943-1954 | 66 |
| 1955 | 66 2/12 |
| 1956 | 66 4/12 |
| 1957 | 66 6/12 |
| 1958 | 66 8/12 |
| 1959 | 66 10/12 |
| 1960 and later | 67 |

Early Retirement Benefits: Individuals may claim benefits as early as age 62. Benefits are reduced 5/9% for each of the first 36 months that commencement precedes Social Security Normal Retirement Age (SSNRA), and 5/12% for each additional month before SSNRA.

Late Retirement Benefits: Individuals may delay commencement of benefits until age 70. Benefits are increased 2/3% for each month that commencement is delayed past SSNRA, up to age 70.

(b) Effect of Inflation: Social Security is adjusted for increases in the Consumer Price Index.

B. Employer-Related Pension, 403(b) and 401(k) Plans

Basic Concepts of the Christian School Pension Plan

■ Participation:

employed at a school participating in the plan before July 1, 2018

■ Normal Retirement Age:

age 65

■ Early Retirement Age:

age 55 or over and at least 5 years of vesting service

■ Vesting:

5 years of vesting service or age 65. Beginning September 1, 2019, a participant must work 1,000 hours or more during the plan year (9/1-8/31) to earn an additional year of vesting service.

■ Suspension of Benefits:

retired participants working more than a 50% schedule at a participating school cannot receive pension benefits while working unless the following conditions are met:

at least age 65

reemployed for a Plan Year or shifts to a position during a Plan Year that is scheduled to work no more than 80% of the schedule of an equivalent full-time position

retirement benefits have commenced previously due to the Participant’s termination of employment and the Participant’s Termination Date is more than six months prior to the date the Employee is reemployed or has a qualifying change in schedule

■ Plan Benefits (see your personalized benefit statement):

(1) Annual Normal Retirement Benefit:

(a) 60% of total employee contributions before September 1, 2005, plus

(b) 50% of total employee contributions after August 31, 2005 and before September 1, 2017, plus

(c) 40% of total employee contributions after August 31, 2017 and before September 1, 2019

(d) No further benefits accrue under the Plan after August 31, 2019

(2) Annual Early Retirement Benefit:

Same as (1) above, except:

(a) For benefits earned before September 1, 2005:

(i) if termination occurs on or after age 55, reduced by 5% for each year benefits commence before age 62, with no reduction between ages 62 and 65, or

(ii) if termination occurs prior to age 55, reduced by 4% for each year benefits commence before age 65

(b) For benefits earned after August 31, 2005:

(i) reduced by 8% for each year benefits commence before 65 through 60; and 40% plus 4% for each year benefits commence before 60 through 55

(3) Refund of Employee Contributions:

Employee contributions may be refunded upon termination of employment. If vested, employee retains a right to that portion of his/her accrued benefit which is derived from employer contributions.

403(b) or 401(k) Plans

■ Participation:

Prior to September 1, 2019, tax deferred annuity programs (TDAs) such as 403(b) and 401(k) plans or Individual Retirement Accounts (IRAs) were mostly used on a voluntary basis by employees and school boards as a vehicle for supplementing pension incomes provided under the CSPP and Social Security. Pension accruals in the CSPP ceased on September 1, 2019, and CSI expects most schools will offer TDAs through a plan such as the Christian Schools International 403(b) Retirement Savings Plan.

■ Retirement Savings:

Employees may, but are not required to, contribute money on a tax-deferred basis to their employer-sponsored 403(b) or 401(k) plan. Contributions are typically invested in mutual funds available under the plan. The specific investment allocation is selected by the employee. The investments will grow until retirement, and may be withdrawn after age 59.5.

■ Employer Contributions:

Employers may, but are not required to, contribute to a 403(b) or 401(k) plan by providing non-elective or matching contributions into the plan. Non-elective contributions are typically a fixed dollar amount or a fixed percentage of pay. Matching contributions match a portion of an employee’s own contributions, up to a limit.

■ Tax Deductibility:

The annual amount that may be contributed to a TDA on behalf of a participant is limited. In general, the total annual contribution to the TDA may not exceed $22,500, or $30,000 if you will reach age 50 by the end of 2023.

C. Personal Savings and Individual Retirement Accounts (IRAs)

- A need for personal savings.

- The most common form of personal savings for the average wage earner is the purchase of a home on the installment plan (mortgage) which has the following features:

■ Forced form of savings for retirement.

■ The asset tends to appreciate with rate of inflation.

■ In most instances all gains realized on the sale after age 55 (and in some cases before age 55) are excluded from federal income tax, which is not true for other investments.

- A common retirement savings vehicle not sponsored by an employer is an IRA set up by the employee. Employees participating in an employer-sponsored 403(b) or 401(k) are only able to deduct IRA contributions up to the full $6,500\* IRA limit if their adjusted gross income is less than $73,000, or less than $116,000 for married participants filing jointly. This deduction limit declines as adjusted gross income increases, with no deduction available for single participants at $83,000, or for married participants filing jointly at $136,000.  
  
In addition to the traditional IRA, the Roth IRA was introduced in 1998. The annual amount contributed to a Roth IRA is not tax deductible. However, the investment earnings on the contribution are tax-free if they are not withdrawn before age 59-1/2.  
  
A full $6,500\* Roth IRA contribution is permissible only for persons whose modified adjusted gross income is less than $138,000 if single or $218,000 if married filing a joint return. A combined maximum of $6,500\* of IRA contributions per year may be used whether in the traditional IRA or Roth IRA form or divided between the two forms of IRA. This contribution limit also declines as modified adjusted gross income increases, with no contribution allowed for single persons at $153,000 and for married persons filing jointly at $228,000.  
  
\* If you are 50 years of age or older in 2023, your limit is $7,500 rather than $6,500.

D. Continued Employment

The fourth and final building block to retirement income is continued employment.

Retirement Income Objectives

The calculations below show the amount of retirement income needed (in addition to Social Security benefits) to replace an appropriate percentage of pre-retirement pay. Figures are shown for single and married employees and for different salary levels.

The following tables consider an employee who retires at age 65 in 2023. For the married employee, it is assumed that the spouse is also age 65. The purpose is to determine the retirement income (in addition to Social Security) needed so that the before-tax income in retirement will replace the target percentage of before-tax earnings in the final year of employment.

Single Married

2022 Salary $30,000 $ 47,500 $65,000 $30,000 $ 47,500 $ 65,000

I. Before Tax Earnings in

Final Year of Employment

A. Gross Earnings $30,000 $47,500 $65,000 $30,000 $47,500 $65,000

B. Target Percentage

to Replace 80% 75% 70% 80% 75% 70%

C. Target: AxB $24,000 $35,625 $45,500 $24,000 $35,625 $45,500

II. Retirement Income

A. Target $24,000 $35,625 $45,500 $24,000 $35,625 $45,500

B. Social Security 12,684 16,008 19,356 18,972 24,012 29,034

C. Retirement Income

Needed

1. Net: A-B $ 11,352 $19,617 $26,144 $5,028 $11,613 $16,466

2. As % of 2022

Salary 38% 41% 40% 17% 24% 25%

Retirement income, other than Social Security, can come from various sources, such as:

a. Christian School Pension Plan

b. Other employer pension plans such as a 403(b) or 401(k) plan

c. TDA's

d. IRA's

e. Personal savings and investments

This page and the following page shows, for certain actual CSI employees (unidentified), the anticipated retirement income from the Christian School Pension Plan as related to salary. Selected were participants within a few years of retirement and with many years of service, showing some under the 3% Plan and some under the 5% Plan. While these concepts still apply for short service employees, retirement income as a percentage of salary will be lower for short service employees than for current long service employees due to the plan freeze effective August 31, 2019.

Christian School Pension Plan

Projected Retirement Income for Selected

Long-Service Employees

Participants in 3% Plan August 31, 2023

1. Employee A B C D E

2. Age in 2023 63 63 61 62 62

3. Service at Normal

Retirement 37 37 34 32 32

4. Annual Salary

a. 2022-2023 $67,782 $95,259 $87,470 $68,104 $55,407

(estimated)

b. Projected to $73,313 $103,032 $102,328 $76,608 $62,325  
age 65

5. Annual Normal

Retirement Pension

1. Accrued 8/31/19 $23,231 $33,585 $38,457 $25,570 $23,707

b. As % of age 65

salary 32% 33% 38% 33% 38%

(5a. as % of 4b.)

Christian School Pension Plan

Projected Retirement Income for Selected

Long-Service Employees

Participants in 5% Plan August 31, 2023

1. Employee F G H I J

2. Age in 2023 64 61 64 60 60

3. Service at Normal

Retirement 32 35 36 32 32

4. Annual Salary

a. 2022-2023 $127,144 $44,585 $50,262 $32,423 $83,416

(estimated)

b. Projected to $132,230 $52,159 $52,272 $39,448 $101,487  
 age 65

5. Annual Normal

Retirement Pension

a. Accrued 8/31/19 $66,235 $23,977 $24,321 $15,646 $43,682

b. As % of age 65

salary 50% 46% 47% 40% 43%

(5a. as % of 4b.)

The projected salary is based on the assumption of 4% annual salary increases in each year after the 2018-2019 school year. (Plan changes as of September 1, 2005, September 1, 2017 and September 1, 2019 are also accounted for.)

The accrued annual pension as of August 31, 2019 does not include the additional pension for the spouses of certain participants. This accrued annual benefit is based on the following formula:

a. $60 for each year of service before 9/1/1951, plus

b. 60% of total employee contributions from 9/1/1951 through 8/31/2005, 50% of total employee contributions from 9/1/2005 through 8/31/2017, 40% of total employee contributions from 9/1/2017 through 8/31/2019, plus

c. 2% of total employee contributions from 9/1/1951 through 8/31/1983, multiplied by the number of years of unadjusted service from 9/1/1951 through 8/31/1983, plus

d. 2% of the sum of that portion of b. accrued as of 8/31/1985, plus c.; multiplied by the number of years of unadjusted service from 9/1/1983 through 8/31/1985, plus

e. 11.5% of the sum of that portion of b. accrued as of 8/31/1987, plus c., plus d.; multiplied by the number of years of unadjusted service from 9/1/1985 through 8/31/1987, plus

f. 2% of the sum of that portion of b. accrued as of 8/31/1990, plus c. through e.; multiplied by the number of years of unadjusted service from 9/1/1987 through 8/31/1990, plus

g. 3.5% of the sum of that portion of b. accrued as of 8/31/1992, plus c. through f.; multiplied by the number of years of unadjusted service from 9/1/1990 through 8/31/1992, plus

h. 2% of the sum of that portion of b. accrued as of 8/31/1994, plus c. through g.; multiplied by the number of years of unadjusted service from 9/1/1992 through 8/31/1994.

The Effect of Early Retirement

Many people wish to retire before their normal retirement age of 65. The financial impact of early retirement should be considered prior to making this decision.

Most pension plans reduce the entire accrued pension benefit by approximately 6% for each year that a member's retirement date precedes age 65. The Christian School Pension Plan utilizes two sets of early retirement reduction factors depending on when the benefits were earned.

The Plan provides the following enhanced early retirement benefits for benefits earned before September 1, 2005:

1. If you retire at or after age 62 with 5 or more years of service, your accrued pension benefit is not reduced; and

2. If you retire prior to age 62 but after 5 years of service, your accrued pension benefit is reduced by 5/12% for each month (5% per year) that your retirement date precedes age 62.

For benefits earned after August 31, 2005:

1. If you retire at or after age 60 with 5 or more years of service, your accrued pension benefit is reduced by 8/12% for each month (8% per year) that your retirement date precedes age 65; and

2. If you retire prior to age 60 but after 5 years of service, your accrued pension benefit is reduced by 40% plus 4/12% for each month (4% per year) that your retirement date precedes age 60.

Retiring early also affects your Social Security benefits. Old Age Social Security benefits do not normally commence until you reach your Social Security Normal Retirement Age, which varies from 65 to 67 depending on your year of birth (see page 4). Old Age benefits may start as early as age 62, but are reduced by 5/9% (6.67% per year) for each of the first 36 months that commencement precedes your Social Security Normal Retirement Age, plus 5/12% (5% per year) for each month in excess of 36.

The Effect of Early Retirement – (Continued)

The combination of lower CSPP benefits and lower Social Security benefits means that some individuals may not be able to afford to retire early unless they accumulate some personal savings.

The following example demonstrates the financial effect of retiring early. It illustrates how much a person must save to retire early with the same level of income as would be obtained at age 65 if employment continued. All amounts are shown in today's dollars.

Christian School Pension Early Retirement Benefit Example

Assume Employee G (shown on page 10) retires at age 62

Benefit accrued as of September 1, 2005 $9,220

(Total pre-change benefit)

Benefit accrued September 1, 2005 – August 31, 2019 $14,757

(Total post-change benefit)

Total benefit accrued as of August 31, 2019 $23,977

Pre-change accrued benefit (early retirement)

No reduction for benefits that begin at age 62 $9,220/year

Post-change accrued benefit (early retirement)

8% reduction per year before age 65 (8% x 3) 24%

Post-change benefit percentage (100% - 24%) 76%

Post-change benefit ($14,757 x 76%) $11,215/year

Total early retirement benefit ($9,220 + $11,215) $20,435/year

Financial Effect of Retiring Early (Employee G)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| (All amounts are annual) | Christian School  Pension | Social Security  Benefit | Total | Total Income  Shortfall |
| Target income  (benefits if retiring at age 65) | $23,977 | $15,636 | $39,613 | N/A |
| Income at age 62  and thereafter | $20,435 | $12,228 | $32,663 | $6,950 |

In this example, Employee G needed to have saved enough money to provide an annuity indexed for inflation which makes up the annual shortfall in income of $6,950 at age 62.

The lump sum amount required to provide this inflation linked annuity is $93,835 in today's dollars, assuming an interest rate of 7.0% and future inflation of 2.2%. In order to accumulate this amount, Employee G would need to save 4.7% of his or her earnings in an IRA or a TDA during the most recent 30 years of his or her career. This assumes salary increases of 4.0% each year and interest of 7.0% per year on the savings.

Early Retirement and TDAs/IRAs

As mentioned, the decision to retire early may require individuals to use personal savings to help fund their retirement, however retiring early generally leads to lower TDA and IRA account balances due to fewer years of savings and investment earnings, yet longer periods of time in retirement which requires individuals to spread their account balances over a longer lifespan.

Early Retirement Impact on TDAs or IRA Example

Assume a 40-year old employee is earning $50,000, plans to save 6% per year, and expects an investment return of 7.5% pre- and post-retirement. The individual is debating retiring at either age 60, age 65, or age 70 and is budgeting to live to 95 years old.

|  |  |  |  |
| --- | --- | --- | --- |
|  | Retire at 60 | Retire at 65 | Retire at 70 |
| Expected savings at retirement  (from page 19 x 5.0 x 6) | $176,400 | $294,330 | $472,560 |
| Age 60 withdrawal, lasting 35 years (from page 21) | 6.05% | N/A | N/A |
| Age 65 withdrawal, lasting 30 years (from page 21) | N/A | 6.45% | N/A |
| Age 70 withdrawal, lasting 25 years  (from page 21) | N/A | N/A | 6.90% |
| Annual Annuity commencing at retirement age | $10,672 | $18,984 | $32,606 |

In this example, the individual would retire at 60 with significantly less savings and 5-10 extra years in retirement, leading to lower lifetime income.

Optional Forms of Pension

When you retire, the Christian School Pension Plan provides you with the option to select the form of pension best suited for your own personal situation. The normal form of pension under the CSPP is payable for your lifetime. You may choose an optional form of pension which may better suit your needs.

If you have a spouse at retirement, you must receive a reduced pension for your lifetime. The reason for the reduction is that benefit payments will be payable over the lives of two people instead of just one. The value of the benefits, whether paid to one person or two, is the same. The benefit amount depends on your and your spouse’s ages. Upon your death, payment equal to 50% of your pension payments must continue for your spouse's lifetime. You may elect a different form of pension if both you and your spouse sign a form waiving the joint and 50% survivor pension.

I — Surviving Spouse and Contingent Annuitant Factors

The amount of pension payable to you in the normal form is adjusted if you receive an alternate form of pension. The amount of pension payable in each alternate form is a fraction of the amount payable to you in the normal form. Sample fractions for an age 65 retiree are as follows:

Spouse’s or Contingent Percentage of Participant's Adjusted Pension

Annuitant's Age Continued to Contingent Annuitant or Spouse

50% 75% 100%

|  |  |  |  |
| --- | --- | --- | --- |
| 72 | 0.9630 | 0.9456 | 0.9287 |
| 65 | 0.9417 | 0.9150 | 0.8898 |
| 57 | 0.9161 | 0.8792 | 0.8451 |
| 52 | 0.9016 | 0.8593 | 0.8208 |
| 47 | 0.8894 | 0.8428 | 0.8008 |
| 42 | 0.8797 | 0.8297 | 0.7852 |

II — Period Certain and Life Factors

Conversion Factors for Retiree Ages

Age 55 Age 60 Age 65

Life Guaranteed 5 years .9982 .9961 .9923

Life Guaranteed 10 years .9925 .9847 .9718Optional Forms of Pension – (Continued)

**Example**: Assume you are age 65, your spouse is 8 years younger than you, and you wish to receive a pension for your lifetime with 75% continuing to your spouse upon your death. If the pension payable to you in the normal form is $1,000 per month, the amount payable on the joint and 75% survivor basis is as follows:

$1,000 x .8792 = $879 per month payable to you until your death

$879 x 75% = $659 per month payable to your spouse after your death

**III –– Joint and Survivor with Pop-up Feature**

You may also choose a modified joint and survivor pension with a pop-up feature. This alternate form is similar to the joint and survivor pension described earlier. However, if your spouse’s death precedes yours, the amount of pension payable to you “pops up” to the amount payable in the normal form. Sample fractions for an age 65 retiree are as follows:

Spouse’s or Contingent Percentage of Participant's Adjusted Pension

Annuitant's Age Continued to Contingent Annuitant or Spouse

50% 75% 100%

|  |  |  |  |
| --- | --- | --- | --- |
| 72 | 0.9529 | 0.9310 | 0.9101 |
| 65 | 0.9340 | 0.9041 | 0.8761 |
| 57 | 0.9115 | 0.8728 | 0.8373 |
| 52 | 0.8987 | 0.8553 | 0.8160 |
| 47 | 0.8876 | 0.8404 | 0.7980 |
| 42 | 0.8786 | 0.8283 | 0.7835 |

**Example:** Assume you are age 65, your spouse is 8 years younger (like the previous example), and you wish to receive a joint and 75% survivor pension with the pop-up feature. If the pension payable to you in the normal form is $1,000 per month, the amount payable on the modified joint and 75% survivor basis is as follows:

$1,000 x .8728 = $873 per month payable to you until your death

$873 x 75% = $655 per month payable to your spouse after your death

If your spouse dies before you, then the amount payable to you until your death will increase to $1,000. This increased monthly payment is effective beginning with the month following the month in which your spouse’s death occurs.

Optional Forms of Pension – (Continued)

**IV –– Two-Stage Retirement Payments Option**

With this option, a participant or surviving spouse whose benefit payments begin at or after age 62 may elect to have the initial monthly payments based only on the portion of that participant's benefit that is not subject to any early retirement reduction (benefits earned prior to September 1, 2005). When the participant reaches age 65, an additional amount is added to the monthly payment. The added benefit is based on that portion of the participant's benefit that would be subject to an early retirement reduction if paid between age 62 and 65 (benefits earned on or after September 1, 2005).

**Example:** Assume you retire at age 62 and have an annual benefit of $20,000 earned prior to September 1, 2005 and an annual benefit of $2,000 earned on or after September 1, 2005. The $20,000 benefit is unreduced beginning at age 62. The $2,000 benefit is unreduced beginning at age 65. You can elect the two-stage benefit retirement payment option and at age 62 begin drawing the $20,000 benefit. At age 65, the additional $2,000 benefit begins automatically and is added to the regular benefit payments.

##### Sample 403(b) or 401(k) Account Balances

This section shows potential account balances for a sample employee, based on differing savings periods and investment returns. These figures are useful to help determine how much employees need to save to meet their retirement goals based on the number of years to retirement and different market returns. Note: there are risks involved with conservative and aggressive investment strategies, such as investment earnings not keeping up with inflation for conservative strategies, or volatile returns for aggressive strategies.

The table on the following page shows the potential 403(b) or 401(k) account balances attributable to future savings for an employee earning $10,000 per year, saving 1% of salary annually, and earning an investment return between 3.00% and 10.50%, as shown at the top of each column. The employee is assumed to receive 4% annual salary increases.

To use this table to estimate your account balance at retirement attributable to future savings:

* First determine the number of years you plan to save, and your expected annual investment return; look up the corresponding value in the table.
* Second, multiply the selected value by your current salary, and divide by $10,000.
* Third, multiply the amount by your expected savings rate as a percentage, and divide by 1%. Your savings rate should include both your personal and your employer contribution percentages.

Note: investment returns are volatile, and the returns presented in this table are for planning purposes only.

For example, a 40-year old planning to work to age 65 would have 25 future years in the plan. If they expected to earn 7.50% on their savings, they would use the value of $9,811 from the table. Assume that participant is currently earning $50,000 per year and is planning to save 6% of salary each year. The expected 403(b) or 401(k) balance at retirement attributable to future savings would equal $9,811 \* $50,000 / $10,000 \* .06 / .01 = $294,330.

Many financial planners suggest retirees should withdraw 3% to 4% of their 403(b) or 401(k) investments each year to provide income in retirement, while also reserving assets to pay for unexpected expenditures and longer life expectancies. Multiplying the resulting balance from   
the table on the following page by 3% or 4% will provide an estimate of the annual income one can expect from an employer-sponsored TDA.

##### Sample 403(b) or 401(k) Account Balances

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Future Years in Plan | Annual Investment Return | | | | | |
| 3.00% | 4.50% | 6.00% | 7.50% | 9.00% | 10.50% |
| 5 | $573 | $591 | $608 | $627 | $643 | $664 |
| 6 | $712 | $739 | $766 | $796 | $823 | $855 |
| 7 | $860 | $899 | $938 | $982 | $1,024 | $1,071 |
| 8 | $1,017 | $1,071 | $1,126 | $1,187 | $1,248 | $1,315 |
| 9 | $1,184 | $1,256 | $1,330 | $1,413 | $1,497 | $1,590 |
| 10 | $1,362 | $1,455 | $1,552 | $1,661 | $1,774 | $1,899 |
| 11 | $1,551 | $1,668 | $1,793 | $1,934 | $2,082 | $2,246 |
| 12 | $1,751 | $1,897 | $2,055 | $2,233 | $2,423 | $2,636 |
| 13 | $1,964 | $2,142 | $2,338 | $2,561 | $2,801 | $3,073 |
| 14 | $2,189 | $2,405 | $2,645 | $2,920 | $3,220 | $3,562 |
| 15 | $2,428 | $2,686 | $2,977 | $3,312 | $3,683 | $4,109 |
| 16 | $2,681 | $2,987 | $3,336 | $3,740 | $4,195 | $4,721 |
| 17 | $2,949 | $3,309 | $3,723 | $4,208 | $4,760 | $5,404 |
| 18 | $3,232 | $3,653 | $4,141 | $4,718 | $5,383 | $6,166 |
| 19 | $3,532 | $4,020 | $4,592 | $5,274 | $6,070 | $7,016 |
| 20 | $3,849 | $4,412 | $5,078 | $5,880 | $6,827 | $7,963 |
| 21 | $4,184 | $4,830 | $5,602 | $6,540 | $7,661 | $9,018 |
| 22 | $4,537 | $5,275 | $6,166 | $7,258 | $8,578 | $10,193 |
| 23 | $4,910 | $5,749 | $6,773 | $8,039 | $9,587 | $11,500 |
| 24 | $5,304 | $6,254 | $7,426 | $8,888 | $10,696 | $12,954 |
| 25 | $5,719 | $6,792 | $8,128 | $9,811 | $11,915 | $14,571 |
| 26 | $6,157 | $7,364 | $8,882 | $10,813 | $13,254 | $16,368 |
| 27 | $6,619 | $7,973 | $9,692 | $11,901 | $14,724 | $18,364 |
| 28 | $7,106 | $8,620 | $10,562 | $13,082 | $16,337 | $20,581 |
| 29 | $7,619 | $9,308 | $11,496 | $14,363 | $18,107 | $23,042 |
| 30 | $8,159 | $10,039 | $12,498 | $15,752 | $20,048 | $25,773 |
| 31 | $8,728 | $10,815 | $13,572 | $17,258 | $22,177 | $28,804 |
| 32 | $9,327 | $11,639 | $14,724 | $18,890 | $24,510 | $32,166 |
| 33 | $9,958 | $12,514 | $15,958 | $20,658 | $27,067 | $35,894 |
| 34 | $10,622 | $13,442 | $17,280 | $22,572 | $29,868 | $40,028 |
| 35 | $11,320 | $14,426 | $18,696 | $24,644 | $32,936 | $44,610 |
| 36 | $12,054 | $15,470 | $20,212 | $26,887 | $36,295 | $49,689 |
| 37 | $12,826 | $16,577 | $21,835 | $29,314 | $39,972 | $55,317 |
| 38 | $13,638 | $17,750 | $23,572 | $31,939 | $43,996 | $61,552 |
| 39 | $14,491 | $18,993 | $25,430 | $34,778 | $48,400 | $68,459 |
| 40 | $15,387 | $20,309 | $27,417 | $37,848 | $53,218 | $76,109 |
| 41 | $16,329 | $21,703 | $29,542 | $41,167 | $58,488 | $84,581 |
| 42 | $17,318 | $23,179 | $31,814 | $44,754 | $64,251 | $93,961 |
| 43 | $18,357 | $24,741 | $34,242 | $48,630 | $70,553 | $104,346 |
| 44 | $19,448 | $26,394 | $36,837 | $52,817 | $77,443 | $115,842 |
| 45 | $20,593 | $28,143 | $39,609 | $57,340 | $84,975 | $128,567 |

##### Sample TDA or IRA Withdrawal Rates

This section shows potential annual withdrawal rates from a savings account, based on differing investment returns and time horizons. These figures are useful to help determine how much income employees can expect from their savings accounts throughout retirement. As in the previous section, there are risks that should be considered with both conservative and aggressive investment strategies.

As mentioned in the explanation on page 18, many financial planners suggest an appropriate annual withdrawal rate from a TDA or IRA is approximately 3% to 4% per year. This strategy will often allow the retiree to draw a steady stream of income while reserving assets to cover unexpected expenses or pass on as an inheritance.

Another strategy to consider is withdrawing an increasing percentage of assets each year, with the goal of exhausting the TDA or IRA over a fixed period of time. When implementing this strategy, one must consider two things:

* + Expected investment returns:
  + Higher investment returns generate higher investment balances, and will support higher annual withdrawals.
  + Note higher investment returns generally require investing in more volatile assets that may or may not be suitable for your investment portfolio.
  + Period of time:
    - The longer a participant expects to withdraw money, the lower the annual withdrawal amount.

The table on the following page shows sample withdrawal amounts for a $100,000 TDA or IRA balance, assuming the participant increases the dollar amount of the withdrawal 2% each year to cover inflation, with plans to completely exhaust the account balance over a 25, 30 or 35 year period.

Withdrawals per $100,000 Account Balance

25-Year Withdrawal Schedule

|  |  |  |  |
| --- | --- | --- | --- |
| Investment Return Assumption | Initial Withdraw Rate | Initial Annual Withdraw Amount | Annual Withdraw After 25 Years |
| 3.0% | 4.35% | $4,350 | $6,997 |
| 4.5% | 5.15% | $5,150 | $8,283 |
| 6.0% | 6.00% | $6,000 | $9,651 |
| 7.5% | 6.90% | $6,900 | $11,098 |
| 9.0% | 7.85% | $7,850 | $12,626 |
| 10.5% | 8.80% | $8,800 | $14,154 |

30-Year Withdrawal Schedule

|  |  |  |  |
| --- | --- | --- | --- |
| Investment Return Assumption | Initial Withdraw Rate | Initial Annual Withdraw Amount | Annual Withdraw After 30 Years |
| 3.0% | 3.80% | $3,800 | $6,748 |
| 4.5% | 4.55% | $4,550 | $8,080 |
| 6.0% | 5.50% | $5,500 | $9,767 |
| 7.5% | 6.45% | $6,450 | $11,454 |
| 9.0% | 7.40% | $7,400 | $13,141 |
| 10.5% | 8.45% | $8,450 | $15,006 |

35-Year Withdrawal Schedule

|  |  |  |  |
| --- | --- | --- | --- |
| Investment Return Assumption | Initial Withdraw Rate | Initial Annual Withdraw Amount | Annual Withdraw After 35 Years |
| 3.0% | 3.30% | $3,300 | $6,470 |
| 4.5% | 4.15% | $4,150 | $8,137 |
| 6.0% | 5.10% | $5,100 | $9,999 |
| 7.5% | 6.05% | $6,050 | $11,862 |
| 9.0% | 7.10% | $7,100 | $13,921 |
| 10.5% | 8.15% | $8,150 | $15,980 |

Effects of Inflation on Sources of Income

Depending on the age at which you retire, the rate of inflation, and how long you live, inflation may result in a serious erosion of your retirement security. Different rates of inflation are likely to apply to different expenditure categories of your budget. Although your Social Security benefits are automatically adjusted for changes in the Consumer Price Index, your other sources of retirement income, such as your CSPP Pension, may not increase with inflation.

To demonstrate the effect of inflation on your retirement income, we will use the example of an employee earning $47,500 at retirement at age 65. As shown on page 8, this employee would have the following retirement needs:

Single Married

Social Security $16,008 $24,012

Other Sources 19,617 11,613

Total Target $35,625 $35,625

The following chart shows the additional income that will be needed assuming that annual inflation is 2% or 4%. With higher inflation than 4%, the shortfall will be even greater. The effect of inflation increases with earlier retirement and longer expected lifetimes. After 10 or 20 years, actual income as a percentage of target income decreases as a result of inflation. For example, with 2% inflation, a single employee would have only 82% of his or her target income after 20 years of retirement. The lump sum amount (in today’s dollars) required to provide an annuity equal to the shortfall is shown below. In our example, to increase the 82% target to 100%, the lump sum amount needed at age 65 is $31,588.

**Effects of Inflation**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **\_\_\_ 2% Inflation\_\_\_\_\_** | | **\_\_ 4% Inflation\_\_\_\_\_** | |
|  | Single | Married | Single | Married |
| **10 Years Following Retirement** |  |  |  |  |
|  |  |  |  |  |
| Target Retirement Income | $43,427 | $43,427 | $52,734 | $52,734 |
| Actual Retirement Income: |  |  |  |  |
| Social Security | 19,514 | 29,270 | 23,696 | 35,544 |
| Other | 19,617 | 11,613 | 19,617 | 11,613 |
| Total | $39,131 | $40,883 | $43,313 | $47,157 |
|  |  |  |  |  |
| Shortfall | $4,296 | $2,544 | $9,421 | $5,577 |
| Actual Income as % of Target Income | 90% | 94% | 82% | 89% |
| Lump Sum Needed 10 Years Following Retirement | $13,440 | $7,956 | $28,446 | $16,839 |
|  |  |  |  |  |
| **20 Years Following Retirement** |  |  |  |  |
|  |  |  |  |  |
| Target Retirement Income | $52,937 | $52,937 | $78,059 | $78,059 |
| Actual Retirement Income: |  |  |  |  |
| Social Security | 23,787 | 35,681 | 35,075 | 52,613 |
| Other | 19,617 | 11,613 | 19,617 | 11,613 |
| Total | $43,404 | $47,294 | $54,692 | $64,226 |
|  |  |  |  |  |
| Shortfall | $9,533 | $5,643 | $23,367 | $13,833 |
| Actual Income as % of Target Income | 82% | 89% | 70% | 82% |
| Lump Sum Needed 20 Years Following Retirement | $31,588 | $18,700 | $70,626 | $41,810 |
|  |  |  |  |  |
|  |  |  |  |  |
| **30 Years Following Retirement** |  |  |  |  |
|  |  |  |  |  |
| Target Retirement Income | $64,530 | $64,530 | $115,546 | $115,546 |
| Actual Retirement Income: |  |  |  |  |
| Social Security | 28,996 | 43,494 | 51,920 | 77,880 |
| Other | 19,617 | 11,613 | 19,617 | 11,613 |
| Total | $48,613 | $55,107 | $71,537 | $89,493 |
|  |  |  |  |  |
| Shortfall | $15,917 | $9,423 | $44,009 | $26,053 |
| Actual Income as % of Target Income | 75% | 85% | 62% | 77% |
| Lump Sum Needed 30 Years Following Retirement | $39,876 | $23,606 | $92,024 | $54,477 |

In Summary

Financial security in retirement is attainable if you plan for it properly. The first step is to establish your retirement goals:

* At what age do you plan to retire? Remember, the earlier you retire, the lower your retirement savings. Also, you have less time to save, and you must protect your income from inflation for a longer period of time;
* What level of income will you need to maintain your standard of living? Some of your current expenses may no longer exist at retirement (e.g., mortgage payments, university tuition for children, retirement savings, etc.). Other expenses may be added such as travel and hobbies. The sum of all of your expenses in retirement including taxes is equal to the amount of income protected for inflation which you must have in order to maintain your standard of living.
* Once you have established your retirement goals, the next step is to assess all of your sources of income at your target retirement date. This includes your:

(1) CSPP pension and employer-sponsored 403(b) or 401(k) savings;

1. Social Security benefits; and
2. Personal savings

If your projected income is less than your target income you will need to make up the shortfall with additional personal savings. The most effective way to save for retirement is by making contributions to an IRA or TDA. The earlier you start to save, the more effective your retirement savings program will be.

Determination of Target Retirement Income

**SCHEDULE 1**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **CURRENT EXPENSES WHICH WILL CONTINUE AFTER RETIREMENT** | | | | |
| **Expenses** | **Own**  **Monthly** | **Spouse's**  **Monthly** | **Combined**  **Monthly** | **Combined**  **Annual** |
| Employment: |  |  |  |  |
| * Income Tax |  |  |  |  |
| * FICA Contribution |  |  |  |  |
| * IRA and TDA Contributions |  |  |  |  |
| * Employer's Pension Plan |  |  |  |  |
| * Group Insurance |  |  |  |  |
| * Union/Professional Dues |  |  |  |  |
| * Charitable Donations |  |  |  |  |
| * Other |  |  |  |  |
| Household/Living: |  |  |  |  |
| * Rent |  |  |  |  |
| * Mortgage |  |  |  |  |
| * Taxes |  |  |  |  |
| * Insurance |  |  |  |  |
| * Heat |  |  |  |  |
| * Water |  |  |  |  |
| * Electricity |  |  |  |  |
| * Telephone |  |  |  |  |
| * Cable Television |  |  |  |  |
| * Repairs |  |  |  |  |
| * Furnishings |  |  |  |  |
| * Other |  |  |  |  |
| * **SUB-TOTALS:** |  |  |  |  |

Determination of Target Retirement Income

**SCHEDULE 1**

**Continued**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **CURRENT EXPENSES WHICH WILL CONTINUE AFTER RETIREMENT** | | | | |
| **Expenses** | **Own**  **Monthly** | **Spouse's**  **Monthly** | **Combined**  **Monthly** | **Combined**  **Annual** |
| Personal: |  |  |  |  |
| * Food |  |  |  |  |
| * Clothing |  |  |  |  |
| * Laundry/Cleaning |  |  |  |  |
| * Medical/Dental (self-paid) |  |  |  |  |
| * Entertainment |  |  |  |  |
| * Vacation |  |  |  |  |
| * Clubs |  |  |  |  |
| * Personal Care/Grooming |  |  |  |  |
| * Public Transportation |  |  |  |  |
| * Consumer Loan Payments   • Credit Cards  • Loans  • Other |  |  |  |  |
| * Life Insurance Premiums |  |  |  |  |
| * Gifts and Donations |  |  |  |  |
| * Spouse/Child Maintenance/Support |  |  |  |  |
| * Other |  |  |  |  |
| Automobile: |  |  |  |  |
| * Gas and Oil |  |  |  |  |
| * Insurance |  |  |  |  |
| * Maintenance |  |  |  |  |
| * License |  |  |  |  |
| * Loan Payments |  |  |  |  |
| * Other |  |  |  |  |
| * **SUB-TOTALS THIS PAGE:** * **SUB-TOTALS FROM PREVIOUS PAGE:** * **GRAND-TOTALS:** |  |  |  |  |

Determination of Target Retirement Income

**SCHEDULE 1**

**Continued**

|  |  |  |  |
| --- | --- | --- | --- |
| **EXPECTED ANNUAL INCOME IN RETIREMENT IN TODAY'S DOLLARS** | | | |
|  | **You** | **Your**  **Spouse** | **Total** |
| * Old Age Social Security Benefit |  |  |  |
| * Christian School Pension Plan |  |  |  |
| * 403(b) or 401(k) Income |  |  |  |
| * Spouse's Pension Plan |  |  |  |
| * Other Income |  |  |  |
| * Total Annual Retirement Income | $ |  |  |
| **EXPECTED RETIREMENT INCOME AND EXPECTED RETIREMENT EXPENSES** | | | |
| **ANNUAL INCOME** $  **ANNUAL EXPENSES**  **ANNUAL SURPLUS/(SHORTFALL)** $ | | | |

Standard Family Budget\*

**SCHEDULE 2**

|  |  |  |  |
| --- | --- | --- | --- |
| **Expenditure Category** | **Month** | **Year** | **%** |
|  |  |  |  |
| Food | 594 | 7,128 | 12.4% |
|  |  |  |  |
| Housing | 1,385 | 16,620 | 29.0% |
|  |  |  |  |
| Home Furnishings & | 211 | 2,532 | 4.4% |
| Equipment |  |  |  |
|  |  |  |  |
| Household Operation | 132 | 1,584 | 2.8% |
|  |  |  |  |
| Clothing | 90 | 1,080 | 1.9% |
|  |  |  |  |
| Health Care | 644 | 7,728 | 13.5% |
|  |  |  |  |
| Personal Care | 57 | 684 | 1.2% |
|  |  |  |  |
| Recreation, Reading, Gifts, | 609 | 7,308 | 12.7% |
| Contributions & Communication |  |  |  |
|  |  |  |  |
| Alcohol & Tobacco | 60 | 720 | 1.3% |
|  |  |  |  |
| Transportation | 656 | 7,872 | 13.7% |
|  |  |  |  |
| Personal Insurance & Pension | 261 | 3,132 | 5.5% |
|  |  |  |  |
| Miscellaneous | 75 | 900 | 1.6% |
|  |  |  |  |
| Total | 4,774 | 57,288 | 100.0% |

|  |  |
| --- | --- |
| \* | The standard family budget is based on 2021 expenditures of consumers age 65 and over. The average family size is 1.7 people. The numbers were increased by 4.70% for inflation from 2021 to 2022 and by 4.95% for inflation from 2022 to 2023. |
| \*\* | This average housing cost is based on the following assumptions:   * For the 25% of consumers who are homeowners with a mortgage, housing costs are about $21,300. * For the 53% of consumers who are homeowners without a mortgage, housing costs are about $13,000. * For the 22% of consumers who are renters, housing costs are about $20,100. |

**SCHEDULE 3**

##### Christian School Pension Plan

**January 2023 Social Security Table – Monthly Old Age Benefit at 65**

The Department of Social Security ([www.ssa.gov](http://www.ssa.gov/)) is now issuing personal estimates of Social Security benefits to individuals. The figures below provide illustrations at sample ages and compensation levels.

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Year** | **Year** | **2022 Annual Compensation** | | | | | | | |
| **Born** | **65** | **$20,000** | **$25,000** | **$30,000** | **$35,000** | **$40,000** | **$50,000** | **$60,000** | **$147,000 and above** |
| 1958 | 2023 | $895 | $975 | $1,054 | $1,134 | $1,214 | $1,374 | $1,533 | $2,694 |
| 1959 | 2024 | $913 | $995 | $1,078 | $1,160 | $1,243 | $1,408 | $1,572 | $2,750 |
| 1960 | 2025 | $882 | $963 | $1,044 | $1,124 | $1,205 | $1,367 | $1,528 | $2,661 |
| 1961 | 2026 | $886 | $968 | $1,049 | $1,131 | $1,213 | $1,376 | $1,539 | $2,675 |
| 1962 | 2027 | $893 | $977 | $1,060 | $1,144 | $1,227 | $1,394 | $1,561 | $2,700 |
| 1963 | 2028 | $900 | $986 | $1,071 | $1,156 | $1,241 | $1,412 | $1,582 | $2,724 |
| 1964 | 2029 | $907 | $994 | $1,081 | $1,168 | $1,255 | $1,429 | $1,602 | $2,748 |
| 1965 | 2030 | $914 | $1,003 | $1,091 | $1,179 | $1,268 | $1,445 | $1,622 | $2,770 |
| 1966 | 2031 | $921 | $1,011 | $1,101 | $1,191 | $1,281 | $1,462 | $1,642 | $2,793 |
| 1967 | 2032 | $927 | $1,019 | $1,110 | $1,202 | $1,294 | $1,478 | $1,661 | $2,815 |
| 1968 | 2033 | $933 | $1,027 | $1,120 | $1,213 | $1,307 | $1,494 | $1,680 | $2,837 |
| 1969 | 2034 | $940 | $1,035 | $1,130 | $1,225 | $1,320 | $1,509 | $1,699 | $2,859 |
| 1970 | 2035 | $946 | $1,043 | $1,139 | $1,236 | $1,332 | $1,525 | $1,718 | $2,881 |
| 1971 | 2036 | $952 | $1,051 | $1,148 | $1,247 | $1,345 | $1,541 | $1,737 | $2,902 |
| 1972 | 2037 | $958 | $1,058 | $1,158 | $1,257 | $1,357 | $1,556 | $1,756 | $2,923 |
| 1973 | 2038 | $964 | $1,065 | $1,166 | $1,267 | $1,368 | $1,571 | $1,773 | $2,943 |
| 1974 | 2039 | $970 | $1,072 | $1,175 | $1,277 | $1,379 | $1,584 | $1,789 | $2,962 |
| 1975 | 2040 | $975 | $1,079 | $1,182 | $1,286 | $1,390 | $1,597 | $1,805 | $2,980 |
| 1976 | 2041 | $980 | $1,085 | $1,190 | $1,295 | $1,400 | $1,610 | $1,820 | $2,998 |
| 1977 | 2042 | $985 | $1,091 | $1,198 | $1,304 | $1,410 | $1,623 | $1,836 | $3,015 |
| 1978 | 2043 | $990 | $1,098 | $1,205 | $1,313 | $1,420 | $1,635 | $1,850 | $3,032 |
| 1979 | 2044 | $995 | $1,104 | $1,212 | $1,321 | $1,430 | $1,647 | $1,864 | $3,048 |
| 1980 | 2045 | $999 | $1,108 | $1,218 | $1,328 | $1,437 | $1,657 | $1,876 | $3,062 |
| 1981 | 2046 | $1,002 | $1,113 | $1,224 | $1,334 | $1,445 | $1,666 | $1,888 | $3,075 |
| 1982 | 2047 | $1,006 | $1,117 | $1,229 | $1,340 | $1,452 | $1,675 | $1,898 | $3,086 |
| 1983 | 2048 | $1,009 | $1,121 | $1,233 | $1,346 | $1,458 | $1,683 | $1,907 | $3,097 |
| 1984 | 2049 | $1,011 | $1,125 | $1,237 | $1,350 | $1,463 | $1,689 | $1,915 | $3,106 |
| 1985 | 2050 | $1,014 | $1,127 | $1,241 | $1,355 | $1,468 | $1,695 | $1,922 | $3,115 |
| 1986 | 2051 | $1,016 | $1,130 | $1,244 | $1,358 | $1,472 | $1,701 | $1,929 | $3,122 |
| 1987 | 2052 | $1,018 | $1,132 | $1,247 | $1,361 | $1,476 | $1,704 | $1,934 | $3,128 |
| 1988 | 2053 | $1,019 | $1,134 | $1,249 | $1,363 | $1,478 | $1,708 | $1,937 | $3,132 |
| 1989 | 2054 | $1,020 | $1,135 | $1,250 | $1,365 | $1,480 | $1,711 | $1,940 | $3,136 |
| 1990 | 2055 | $1,021 | $1,136 | $1,251 | $1,367 | $1,482 | $1,713 | $1,943 | $3,139 |
| 1991 | 2056 | $1,022 | $1,137 | $1,252 | $1,368 | $1,483 | $1,714 | $1,945 | $3,141 |
| 1992 | 2057 | $1,022 | $1,138 | $1,253 | $1,369 | $1,484 | $1,715 | $1,947 | $3,143 |
| 1993 | 2058 | $1,022 | $1,138 | $1,253 | $1,369 | $1,484 | $1,715 | $1,947 | $3,143 |
| 1994 | 2059 | $1,022 | $1,138 | $1,253 | $1,369 | $1,484 | $1,715 | $1,947 | $3,143 |
| 1995 | 2060 | $1,022 | $1,138 | $1,253 | $1,369 | $1,484 | $1,715 | $1,947 | $3,143 |
| 1996 | 2061 | $1,022 | $1,138 | $1,253 | $1,369 | $1,484 | $1,715 | $1,947 | $3,143 |
| 1997 | 2062 | $1,022 | $1,138 | $1,253 | $1,369 | $1,484 | $1,715 | $1,947 | $3,143 |
| 1998 | 2063 | $1,022 | $1,138 | $1,253 | $1,369 | $1,484 | $1,715 | $1,947 | $3,143 |