

Your Ticket to Retirement



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4 Smart Ways to Spend Your Tax Refund

Receiving an income tax refund can be a wonderful opportunity to elevate your financial future. Rather than succumbing to impulsive purchases, envision how you can use your refund to build a stronger financial foundation. Consider reducing debt, establishing an emergency fund, or investing in your future aspirations. Whether you choose to contribute to retirement savings or make a meaningful purchase, deliberate spending can transform your refund into lasting benefits instead of fleeting satisfaction. In this guide, we will uncover inspiring strategies to maximize your tax refund and align it with your financial dreams.

- Add it to your retirement savings, or jumpstart your retirement plan:** Boosting your 457 plan, IRA, or other retirement accounts with your refund can help grow your nest egg and take advantage of tax-deferred or tax-free growth. Even a small contribution today can compound over time, giving you greater financial security in retirement.
- Add it to your Health Savings Account (HSA):** If you have a high-deductible health plan (HDHP), contributing to an HSA allows you to save tax-free for medical expenses. Your refund can cover future healthcare costs, including prescriptions, doctor visits, and even long-term care expenses in retirement.
- Fund a college education:** Whether saving for your child, grandchild, or even your own continued education, depositing your refund into a 529 plan or an education savings account can help offset future tuition costs and student loans while taking advantage of potential tax benefits.
- Add to your emergency fund:** Life is unpredictable, and an emergency fund can provide peace of mind during unexpected situations like medical expenses, car repairs, or job loss. Aim to have three to six months' worth of living expenses set aside in a high-yield savings account.

Saving a little or all of your tax refund doesn't matter; what's important is ensuring your refund works for you, which is vital for long-term savings and security. If you want to learn more about smart ways to spend your tax refund you can right click on the link to learn more at: [9 smart ways to spend your tax refund](#)

The Wayne County Employees' Retirement System (WCERS) provides retirement services for active, deferred, and retired employees of Wayne County, Airport Authority and 3rd Circuit Court.

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How much should you have saved for retirement by now?

Saving for retirement is one of the most crucial financial goals individuals can pursue, yet a significant number of employees remain uncertain about whether they are saving an adequate amount. While personalized retirement planning tailored to individual circumstances is ideal, having general savings benchmarks can provide a straightforward framework for assessing your progress and making necessary adjustments along the way.

Employees can actively participating in a 457 Plan, such as the Deferred Compensation Plan or the Roth Plan, is a powerful step toward achieving long-term financial security. To guide your savings journey, experts recommend targeting these savings milestones:

- By age 35—Aim for 1 to 2 times your salary
- By age 50— Aim for 4 to 6 times your salary
- By age 60— Aim for 6 to 10 times your salary

By age 65, experts recommend saving 7.5 to 13.5 times your annual salary to maintain financial security.

Employees can enhance their retirement savings by making consistent contributions to their Deferred Compensation and/or Roth plans to increase retirement savings efforts. If you begin saving 6% of your salary in your 20s and gradually increase it to 15%, you will significantly improve your chances of achieving your retirement goals.

Key Insights

- Savings benchmarks based on age and salary can serve as a helpful way to track progress against saving for retirement.
- Saving 15% of income per year (including any employer contributions) is an appropriate savings level for many people.
- Having one to one-and-a-half times your income saved for retirement by age 35 is an attainable target for someone who starts saving at age 25.

Understanding and setting these targets can be a powerful motivator, prompting you to take proactive measures. Remember, even small and consistent actions taken today—such as contributing a little more each pay period or reallocating your investments—can lead to a significantly more secure and comfortable retirement in the future. By being informed and engaged in your retirement savings strategy, you can work towards achieving the financial freedom you desire in your later years.

If you want to learn more about smart ways to spend your tax refund you can right click on the link to learn more at:

[You're age 35, 50, or 60: How much should you have saved for retirement by now? | T. Rowe Price](#)

Vesting plays a vital role in retirement planning, helping you understand when you will fully own the benefits contributed by your employer, such as those in a 457 plan or pension funds. While your personal contributions to a retirement plan are always yours, employer contributions generally follow a vesting schedule. This means you'll need to work for a specific number of years to gain full ownership of those funds. By grasping the concept of vesting, you can make proactive decisions regarding your retirement savings, navigate job transitions more effectively, and enhance your long-term financial security.

How Vesting Works:

The vesting schedule for the Defined Contribution plan stipulates that employees must complete two years of credited service to qualify for employer-funded contributions. It is essential to understand that if an employee separates from service prior to fulfilling this two-year requirement, they will forfeit any employer contributions. In such cases, the employee will remain eligible only for their personal contributions, as well as any earnings accrued within the plan.

The vesting policy for the Defined Benefit plan stipulates that employees must complete a minimum of ten years of credited service to be eligible for retirement benefits. Should an employee separate from the organization prior to achieving ten years of credited service, they will receive only the contributions they made to the plan, along with any associated earnings.

It is important to emphasize that employees who separate after completing ten years of credited service become vested deferred members. This status allows them to return at the age of 65 to apply for their deferred pension benefits. It is essential to consider your vesting status before making significant decisions that may influence your retirement savings and options. Careful attention to this aspect will help ensure that your financial future is secure and aligned with your goals.



Deadline to File Taxes

DEADLINE TO FILE TAXES

TUESDAY, APRIL 15, 2025



Make sure to meet the tax deadline this year! If you missed out on tax deferral savings last year, now is a great opportunity to start planning for tax deferral strategies for next year. Taking proactive steps can help you maximize your savings and make the most of your financial situation!

Wayne County Retirement Regular & Quarterly Board Meetings Schedule 2025: All meetings will be held on the 18th floor of the Grand Park Centre at 10:00am, unless otherwise specified.

Monday, January 27	<i>Monday, February 10</i> Monday, February 24	Monday, March 31	Friday, April 25	<i>Friday, May 9</i> Tuesday, May 27	Monday, June 30
Monday, July 28	<i>Friday, August 8</i> Monday, August 25	Monday, September 29	Monday, October 27	<i>Friday, November 14</i> Friday, November 21	Friday, December 19

WAYNE COUNTY RETIREMENT COMMISSION

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Denis Martin

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