

Retirement Gap Calculator

The Shield Finance | theshieldfinance.com

Calculate how much you need to retire, what your pension will cover, and the savings gap you need to fill with 457(b) and IRA contributions.

STEP 1 — RETIREMENT INCOME TARGET

Current Monthly Take-Home Pay:

Income Replacement Goal (typically 70–80%):

Target Monthly Retirement Income (Step 1 × Step 2):

Target Annual Retirement Income (× 12):

STEP 2 — GUARANTEED INCOME SOURCES

Estimated Monthly Pension Benefit:

Social Security (if applicable):

Spouse Pension / Income:

Other Guaranteed Income:

Total Guaranteed Monthly Income (add all above):

STEP 3 — THE GAP

Monthly Gap = Target Monthly Income – Total Guaranteed Income

\$ _____ – \$ _____ = \$ _____ / month gap Annual Gap: \$ _____ (× 12)

STEP 4 — NEST EGG REQUIRED TO FILL THE GAP

Using the 4% safe withdrawal rate: Annual Gap ÷ 0.04 = Required Nest Egg

\$ _____ ÷ 0.04 = \$ _____ required nest egg

Years Until Retirement:

Current Retirement Savings (457b + IRA + other):

Additional Savings Still Needed:

STEP 5 — MONTHLY SAVINGS REQUIRED TO CLOSE THE GAP

Rule of thumb: To accumulate \$1,000 of nest egg over 20 years at ~7% return, you need to save roughly \$2.20/month. Adjust for your timeline.

STEP 5 (continued) — SAVINGS INPUTS

Additional Savings Needed:

Years Until Retirement:

Assumed Annual Return (e.g., 6%, 7%):

Required Monthly Contribution to Close Gap:

STEP 6 — CURRENT VS. NEEDED CONTRIBUTIONS

Current Monthly 457(b) Contribution:

Current Monthly Roth IRA Contribution:

Total Current Monthly Retirement Savings:

Monthly Shortfall (or surplus):

■ **Tip:** Your pension is a foundation, not a ceiling. Most officers need additional savings to maintain their lifestyle in retirement — especially if they retire early.