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First Responder Retirement Decision Guide

How CalPERS and a 457(b) Work Together

California first responders often have one of the strongest retirement foundations available through **CalPERS pensions**.

Law enforcement, fire, and public safety careers are demanding, and retirement planning often looks different than it does for the general workforce.

A helpful way to think about retirement planning for first responders is this:

Your CalPERS pension is the foundation.

Your retirement savings create flexibility.

Understanding how these two work together is one of the most important steps toward building a successful retirement strategy.

The Foundation: Your CalPERS Pension

Most California first responders retire with a **CalPERS pension**, which provides lifetime income based on:

- years of service
- retirement age
- final compensation

This pension creates a reliable base of retirement income.

Unlike investment accounts, the pension itself **is not invested or managed** — it is a guaranteed benefit built through your service.

This makes it a powerful starting point for retirement planning.



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The Flexibility: Your 457(b) or 401(k)

While the pension provides the base, many first responders build additional retirement flexibility using:

- governmental **457(b) plans**
- **401(k) plans**
- IRAs or other savings accounts

These accounts can help provide:

- income before Social Security begins
- flexibility for lifestyle spending
- protection against inflation
- additional retirement security

Many first responders use these accounts to build what can feel like a **second retirement paycheck**.

Why the 457(b) Can Be Especially Valuable

If your agency offers a **governmental 457(b)** plan, it has a unique advantage.

Unlike most retirement accounts:

457(b) funds can be accessed after separation from service without the normal 10% early withdrawal penalty.

This feature makes the 457(b) especially useful for careers that may involve **earlier retirement timelines**, such as law enforcement or fire service.



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Common Retirement Planning Challenges for First Responders

Many public safety professionals face similar planning challenges, including:

- retirement accounts invested in default funds for many years
- limited coordination between pension and savings
- unclear understanding of plan fees
- uncertainty about retirement timing

Because of the demanding nature of the job, retirement planning often becomes something that gets **delayed or overlooked**.

But a thoughtful review can often uncover opportunities to improve strategy.

A Simple Planning Framework

A helpful way to approach retirement planning as a first responder is:

Pension = income foundation

Savings = retirement flexibility

When these two are coordinated together, retirement planning becomes more predictable and easier to manage.

Questions Worth Asking

Many first responders benefit from reviewing their retirement plan when they are asking questions such as:



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- Am I contributing enough to my 457(b)?
- How should my retirement savings be invested?
- How does my retirement account fit with my pension?
- When can I realistically retire?

These questions can have a significant impact on long-term financial outcomes.

Additional Financial Decision Guides

You may also find these guides helpful:

What Should I Do With an Old 401(k)?

www.mydrwealth.com/old-401k-decision-guide

Can I Retire Yet?

www.mydrwealth.com/can-i-retire-yet

Should I Pay Off My Mortgage or Invest?

www.mydrwealth.com/pay-off-mortgage-or-invest

These guides explore common financial decisions people face when planning for retirement.

Start With a Conversation

Every retirement situation is different.

Years of service, pension benefits, retirement savings, and personal goals all influence the best strategy.

If you would like help evaluating how your retirement accounts fit alongside your CalPERS pension, a conversation can help clarify the next steps.



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Schedule a conversation at:

www.mydrwealth.com/start-here

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