



The Deferred Word Newsletter Winter Edition 2014

Nevada Public Employees Deferred Compensation Program (NDC)

COMMITTEE MEMBERS

Scott K. Sisco
Chairman
NDOC

Dr. Carlos Romo
Vice Chair
Retired

Karen Oliver
GCB

Brian L. Davie
LCB

Steve Woodbury
GOED

Rob Boehmer
Program Coordinator

Micah Salerno
Administrative Asst.

Shane Chesney
Sr. Deputy Attorney General

(775) 684-3397

<http://defcomp.nv.gov/>



THANK YOU!!!

We extend our thanks to everyone who participated in the Financial Education Days in October 2013. The meetings were a huge success with NDC, ING, MassMutual, PERS, Secretary of State, and Upromise College Savings providing education and information and over 600 people participating in person and online.

Special thanks to the Nevada Legislature for hosting our meetings in Carson City and Las Vegas as well as broadcasting them over the internet and to Reno Sparks Convention and Visitors Authority for hosting the Reno meeting in their boardroom.

We plan to hold these informative meetings again in October 2014!

Welcome New NDC Program Coordinator

Rob Boehmer comes to NDC as the new Program Coordinator with over 15 years of professional experience in the Estate Planning/Retirement Planning business, primarily working and managing 457b Deferred Compensation and 403b Tax Sheltered Programs throughout multiple western states.

Rob is a Nevada Native, graduating from Carson High School in 1989. He holds a Bachelor of Science Degree from University of Southern California, as well as two Associate degrees from local Junior Colleges.

Mr. Boehmer volunteers on his off-time as a Hunter Education Instructor for NDOW, serves as President of the NV Operation Game Thief Citizens Board, and is active in his Church and with Boy Scouts of America. He is a life-long resident of Carson City with his wife Kristi and four children.

Committee Member Update

Mr. Scott Sisco and Dr. Carlos Romo recently received their reappointment for service on the NDC Committee. Their appointments by Governor Sandoval are for service through September 2017.

News from Last Quarterly Meeting

The NDC Plan continues to grow — total assets as of September 30, 2013 were \$638.7 million — an increase of 3.2%.

Our NAC changes were completed and updated in preparation for release of the Request for Proposal in 2014 for recordkeeping services for the Plan.

A contract was awarded to CliftonLarsonAllen to provide financial auditing services to the Plan.

Upcoming Meeting Dates

- ⇒ February 19, 2014 - Quarterly Meeting
- ⇒ May 22, 2014 - Quarterly Meeting

Start the New Year off Right!

- ◆ Review and update your beneficiary information.
- ◆ Contact your recordkeeper to schedule an annual review of your plan and your contributions.
- ◆ Review your current asset allocation and rebalance your investment options if necessary.

Recordkeeper contact information is found on page 5 of the newsletter.

Congratulations

NDC Program Coordinator Reba Coombs announced her retirement in November 2013. We appreciate her hard work and dedication to our Program and wish her all the best in her retirement.



THE RIGHT MIX: UNDERSTANDING DIVERSIFICATION

There's no such thing as risk-free investing. Investing is about choosing the risks you feel most comfortable taking. In essence, your approach as an investor should be no different than making other important life decisions: use common sense and don't put all your eggs in one basket. And most importantly, ask yourself – do you have the right mix?

Diversification

Diversification is an essential part of a successful investment strategy. When you diversify your portfolio, your investment dollars are spread over a variety of investment classes, so the “good” performance of some of your investments may help offset the “not-so-good” performance of others when the stock market starts its unpredictable shifts and investment values plummet. Of course, this approach doesn't guarantee better performance or protect against loss in a declining market.

An investment portfolio consists of any of three main asset classes: stocks, bonds and cash/cash equivalents. The key to a diversified portfolio is to identify investments in segments of each asset category that may perform differently under different market conditions.

“asset allocation,” which takes diversification a step further by spreading investments among and within different asset categories. Many investors use asset allocation to diversify their investments; however, a diversified portfolio doesn't necessarily need to be divided among different asset classes.

Diversification and Asset Allocation can be helpful, although they can't assure or guarantee better performance, and can't protect against loss in declining markets. However, they are well-recognized risk management concepts. Other factors an investor can consider include taking into account their personal financial situation, investment objectives, tolerance for risk, and how long the investor has before the money is needed.

Diversifying through Asset Allocation

Historically, market conditions that cause one asset category to do well often cause another category to have average or poor returns. Consider the following scenario: You win some; you lose some. An investor has a portfolio that is equally invested in bonds and cash/cash equivalents. As interest rates rise, the value of the bonds in the portfolio drops accordingly, and the portfolio “loses” money. The investor's loss, however, might be offset by an increase in value on the cash/cash equivalents, as these two types of investments react differently to the same external forces – the change in interest rates. This example is based on the principle of

No one expects individual investors to predict fluctuating interest rates or study the operations of each company and predict stock prices. Some investors seek full-time professional management – by investing in mutual funds or investment options in your employer-sponsored retirement plan. It's important to make your selections carefully and based on your individual needs and goals. Contact your NDC financial professional for more information about how you can help plan for your financial future.

You should consider the investment objectives, risks, and charges and expenses of the investment options offered through a retirement plan, carefully before investing. The fund prospectuses and an information booklet containing this and other information can be obtained by contacting your local representative. Please read the information carefully before investing.

Insurance products, annuities and funding agreements issued by ING Life Insurance and Annuity Company (“ILIAC”) One Orange Way, Windsor, CT 06095, which is solely responsible for meeting its obligations. Plan administrative services provided by ILIAC or ING Institutional Plan Services, LLC. All companies are members of the ING family of companies in the U.S. **Securities distributed by ING Financial Advisers, LLC (member SIPC) or other broker-dealers with which it has a selling agreement.** CN1024-13359-1115

RetireSMARTSM MOVES



The Move: Determine your retirement readiness

Are you on track to have enough savings to last throughout your retirement?

Not everyone's timing, retirement objectives and priorities are the same, so plan for your life after work to ensure it meets your expectations. How much you need depends on the lifestyle you want, sources of income you will receive and how long you will be retired.

How much do you need?

What does retirement look like for you? Will you have a mortgage? Kids in college? Want to travel? Relax? Work part-time? Determine how much you will need to cover your expenses in retirement and provide you with adequate replacement income. The average retiree needs between 75 and 90% of their final income – each year in retirement – to maintain their standard of living. Experts suggest that you plan to live to age 90.1 In the example here, assuming your pay is \$40,000 and you will be retired for 25 years, you would need retirement savings of approximately \$750,000.

Example

Final pay at retirement	\$40,000
$\$40,000 \times 75\% =$	\$30,000 per year in retirement
Number of years retired	25 years
Retirement savings target ($\$30,000 \times 25 \text{ years}$) =	\$750,000

What retirement income will you have?

Whether you are getting closer to retirement or still have many years left, it's smart to think about what you can expect for income. If you consider the typical sources of retirement income, it's clear that Social Security and any pension you may have may not be enough. The rest will have to come from your own savings or even from working in retirement.

Will you have a gap?

The difference between your predicted retirement income and your future needs is your retirement savings gap – what you need to comfortably retire and what you are currently on track to have at retirement. You may find after you run your numbers that you have a gap. If that is the case, there are things that you can do to improve your prospects of achieving retirement readiness.

How can I close the gap?

You can take steps to increase the amount you are saving, work longer, spend less money and invest assets in a more efficient manner so you get a better return, or some combination of these steps.

- **Start saving early.** Time is your friend when it comes to saving. Compounding can really make a difference over time.
- **Boost your savings.** Increase your workplace retirement plan and any IRA contributions as much as possible. Even 1% to 2% more could make a big difference over time. Also, if you are 50 or older, you can make an additional contribution of \$5,500 in 2014.

- **Work longer.** Many people assume they can retire at age 62 or 65, but depending on your level of savings, you may need to adjust your thinking and work longer, say, to age 67 or so.
- **Review and reallocate.** If retirement is several years away, you can consider a more aggressive investment strategy that is typically more risky, but may lead to greater returns. As you get closer to retirement age, you may want to start shifting a portion of your money into more conservative investment options.
- **Think ahead.** If you are over 50, you may want to think ahead about your withdrawal rate. Once you do retire, consider a prudent withdrawal rate of between 3 and 4% of your savings each year to be sure your money will last.³ Consider other guaranteed sources of income – such as annuities or other vehicles – to supplement social security, any pensions, and your savings to help cover essential expenses.



Action Plan: Get on track for retirement success

- Use MassMutual's retirement planning tools
- Call **1-800-875-9218** with questions

Use MassMutual's retirement planning tools

While a quick calculation can get you started, it's a good idea to use retirement planning tools that can help you take a more in-depth look at your personal situation and other factors.

Online

Log on to our website at **www.massmutual.com/serve** to access helpful retirement planning tools and calculators – and to manage your account – anytime, from virtually anywhere.

By phone

1-800-875-9218

With our voice-activated system, you control the call to get the information you need, at any time, simply by speaking.²

In person

Contact your local retirement education specialist for a 1 on 1 meeting.

Remember, it's always a good idea to consult a financial advisor about your individual situation.

¹ Mortality Data, Society of Actuaries.

² Please provide your Social Security number when prompted.

³ *Make your money last in retirement*; 5 keys, MSN Money, Liz Pulliam Weston

The information contained herein is not intended or written as specific legal or tax advice and may not be relied on for purposes of avoiding any federal tax penalties. Neither MassMutual nor any of its employees or representatives are authorized to give legal or tax advice. You must rely on the advice of your own independent tax counsel.

© 2013 Massachusetts Mutual Life Insurance Company, Springfield, MA 01111-0001. All rights reserved. www.massmutual.com. MassMutual Financial Group is a marketing name for Massachusetts Mutual Life Insurance Company (MassMutual) [of which Retirement Services is a division] and its affiliated companies and sales representatives.

C:32359-01

ARE YOU SAVING ENOUGH?

Contributing the maximum each year can help improve your chances of retirement readiness.

Year	Regular Contribution Limits	50+ Catch-Up* Contribution Limits	3-Year Catch-Up** Contribution Limits
2014	100% of compensation up to: \$17,500	For participants age 50 or older, 100% of compensation up to \$23,000	The total of the regular limit + missed contributions up to \$35,000

* The special catch-up under Internal Revenue Code (IRC) Section 414(v) for individuals at least 50 years old or turning age 50 in 2014.

The special catch-up election for employees participating in an eligible 457 deferred compensation who have elected the special catch-up available in the three years prior to the year of normal retirement age. **You must provide a copy of the investment recordkeeper calculation sheet to ensure eligibility.

Your MassMutual Team

Toll Free 1-800-875-9218



Northern Nevada

9850 Double R Blvd., Suite 201
Reno, NV 89521
1-855-553-2177
Fax: (775) 827-5482

Anita Westfield, RES Support- ext. 1
Sharon Brannon, Retirement Ed. Specialist
Steve Watson, Consultant

Southern Nevada

750 East Warm Springs Road, Suite 330
Las Vegas, NV 89119
(702) 387-8100
Fax (702) 650-9817

Robert Trenerry, Director, Relationship Manager
(702) 387-8103
Janet Corral, Retirement Ed. Specialist
(702) 387-8104
Anthony Cardone, Retirement Ed. Specialist
(702) 387-8105
Tracey Pulsipher, Admin. Support

MassMutual is proud to announce that Tom Verducci will be replacing Jake Honea as one of the Northern Nevada Retirement Education Specialists beginning February 18th, 2014. Tom may be reached at 855-553-2177

ING is pleased to announce that Carrie Onorato has rejoined the Nevada ING team as our Southern Nevada Field Representative. Carrie replaces Eric Wyer who has left to pursue other opportunities. Carrie, can be reached at 702-990-3720 or by e-mail at carrie.onorato@ingfp.com. Her cell phone number is 702-601-0710.

Your ING Team

Toll Free 1-800-584-6001



Carson City

844 West Nye Lane, Suite 101
Carson City, NV 89703
(775) 886-2400
Fax: (775) 882-9758
Toll Free: (866) 464-6832

Steve Platt, APRC, Regional Director
(775) 886-2402

Eric Honea, Representative
(775) 886-2403

Dianna Hennessey, Marketing Consultant
(775) 886-2401

Las Vegas

3960 Howard Hughes Parkway, 5th Floor
Las Vegas, NV 89169
(702) 990-3720
Fax: (702) 990-3721
By Appointment

Eric Wyer, Representative
(702) 990-3720

Important Links

If you are interested in saving for retirement and have not enrolled in the Nevada Deferred Compensation Program, now is the time! Go to one or both of these links and join now:

MassMutual EZ Enrollment Form

<http://defcomp.nv.gov/uploadedFiles/defcompnvgov/content/Enroll/HartfordEZForm.pdf>

ING EZ Enrollment Form

<http://defcomp.nv.gov/uploadedFiles/defcompnvgov/content/Enroll/INGEZForm.pdf>

If you already have a Deferred Compensation account and wish to increase (or decrease) your payroll deductions, please complete this form and fax it to the NDC office and we'll take it from there.

Payroll Contribution Form

[http://defcomp.nv.gov/uploadedFiles/defcompnvgov/content/Forms/Nevada_Payroll_Change_Form\(1\).pdf](http://defcomp.nv.gov/uploadedFiles/defcompnvgov/content/Forms/Nevada_Payroll_Change_Form(1).pdf)

Would you like to have someone come to you to explain the benefits of Deferred Compensation?

Let us know – email or call us at deferredcomp@defcomp.nv.gov or (775) 684-3397

and WE will come to YOU!



Nevada Deferred Compensation Program
Nevada State Library & Archives Building
100 N. Stewart Street, Suite 210
Carson City, NV 89701-4213

PRSRRT STD
US POSTAGE
PAID
Carson City, NV 89701
PERMIT #15