



Keep your Member Services contact information up to date to receive the latest news, announcements or deadlines by email, text or call.



4 tech tools to maximize your retirement

In the modern world we are inundated with smartphones, smartwatches, tablets, etc. The overload of information available at our fingertips is overwhelming.

Investopedia put together a list of the best free apps for retirement planning available to Apple and Android users – as well as web resources for those that haven't jumped into the smart device world yet.

1. **Mint** – *iOS, Android, online*
Ok – so this app *technically* isn't for retirement, but it gives a picture of overall financial wellness. Features include automated budgets based on your spending habits, bill reminders, tracking, goals – even a free credit score. And it automatically syncs with mint.com.
2. **Retirement Planner** – *Android*
Compare retirement plans to find your best fit, track projected retirement savings, including employer contributions – even see how much you're saving by not spending. And for those that like a little fun, there's a retirement countdown.
3. **Financial Engines Social Security Planner** – *online*
Financial Engines has a handy interactive Social Security planner on their home page. Enter basic information, and in four short steps you have an idea of the best time to begin claiming Social Security to maximize your benefits.
4. **Vanguard Retirement Calculators** – *online*
Go to retirementplans.vanguard.com; click on "Tools" at the top of the page. Here you'll access multiple useful calculators that show you information about retirement income, how long your nest egg will last, rollovers, college savings and more. Simply plug in information and see immediate results regarding your savings.

Your benefit statement

Enclosed with this inactive SERS-O-GRAM is your current benefit statement. This statement contains detailed information about your SERS benefits as of March 31, 2016. If you have questions about your statement, you can contact us at any of the numbers listed on your statement.

While every effort has been made to ensure the accuracy of benefits shown, errors can occur. *In all cases, benefits paid will be in accordance with the law governing SERS (Chapter 40, ILCS 5/14).*

Experienced a life change recently?

Did you get married – or maybe divorced? Have a new baby? It might be time to update your beneficiaries on file.

You can find your current elections in the Beneficiary Information section of your statement; and don't forget other places that might need updating also – like your SERS benefits, group life insurance and deferred compensation plans.

Waiting for Social Security can pay off

Are you banking on Social Security benefits to make up a big portion of your retirement funds? Holding a few extra years to claim Social Security benefits could increase your payout significantly.

Recent studies from the Center for Retirement Research at Boston College have shown more retirees making the connection, with a 20% drop in the amount of 62-year-old men claiming their benefit between 1996 and 2013. Women trended the same way, with a 23% drop in the same age and date range.

The key is to find out what year you are eligible for your *full* benefit, waiting until full retirement age (according to the Social Security Administration) to collect, rather than collecting when you first become eligible at 62. For those born 1960 and later, that age is 67. The longer timeframe you are stretching that pool of money over means a smaller check.

The moral of the story? Waiting a meager five years can increase your benefit check by 30% each month.

Check out our Member Services website
memberservices.srs.illinois.gov



Make the most of your retirement with a Roth IRA

Roth IRAs are individual retirement plans funded with after-tax dollars, making your earnings tax-free upon withdrawal – after a 5-year period, beginning with the first taxable year of your contribution – when:

- age 59½ or after, unless you become disabled;
- it's made to a beneficiary of your estate after your death; or
- it's used for buying or rebuilding your first home, as long as it meets the IRS exception requirements.

They've grown into a useful and widely popular tool because of the many benefits they provide.

For instance, some of the benefits include:

- You can withdrawal your contributions at any time with no tax or penalty – but if you withdrawal the earnings you've gained early you will be penalized.
- You can convert money from a tax-deferred vehicle – such as a traditional IRA – to a Roth (take into consideration that you'll have to pay taxes on the amount you're converting).
- You have 15 months to contribute for the current tax year.
- If you're age of 50 and over, you can contribute an additional \$1,000 per year – and you are never required to take a minimum distribution for a Roth.

Talk to your plan administrator or tax advisor to see if this is a good retirement tool for you.

Fiduciary-duty rule seeks customers' best interest in retirement investments

After a year of discussion regarding a proposed regulation to make financial advisers and brokers handle their clients' accounts as a fiduciary – or in non-legal terms – an ethical and legal loyalty to the customers' interest above their own, The Labor Department made it official April 6.

This only effects tax-deferred retirement accounts – at least for now, and is expected to take effect next spring. Basically it means financial service representatives are legally-bound to recommend the best possible products to the client, rather than one that technically falls within guidelines, but isn't their best option.

"Many consumers assume the individuals and firms investing their money are operating under the same sort of ethical and legal standards as a family doctor – someone who is obliged to provide the very best advice," said Tara Seigal Bernard, reporter for the New York Times.

Bernard also points out the reality that representatives are currently only regulated on how "suitable" a product is for the client, which could mean recommending a higher-cost annuity product with a higher commission for the seller, rather than a more-affordable product with the same specs.

The financial service industry has given mixed reviews on the issue, citing a fear that many smaller institutions will not survive, being forced to merge with larger corporations, as well as praising the move by forcing companies to make customers' best interests more than just a marketing slogan.

There's still the potential for the regulation to face challenges in court long before ever implemented, but this could change the face of retirement investing for future generations.

Fiduciary net position

	FY 2015	FY 2014
Assets		
Cash	\$ 170,646,589	\$ 200,752,173
Receivables	128,747,086	101,401,701
Investments (fair value)	14,967,254,053	14,286,499,013
Securites lending collateral (state treasurer)	64,779,000	84,013,000
Capital assets, net	5,272,553	4,122,801
Total assets	\$ 15,336,699,281	\$ 14,676,788,688
Total liabilities	\$ 77,832,709	\$ 95,222,447
Net position	\$ 15,258,866,572	\$ 14,581,566,241

Changes in fiduciary net position

	FY 2015	FY 2014
Revenues		
Contributions		
Member	\$ 266,139,156	\$ 269,232,241
Employer	1,804,319,356	1,699,447,826
Total contributions	2,070,458,512	1,968,680,067
Investment income, net	681,377,052	2,169,346,258
Total revenues	\$ 2,751,835,564	\$ 4,138,026,325
Expenses		
Benefits	\$ 2,034,858,435	\$ 1,917,062,639
Refunds	23,128,975	23,082,814
Administrative	16,547,823	16,615,105
Total expenses	\$ 2,074,535,233	\$ 1,956,760,558
Net increase/(decrease)	677,300,331	2,181,265,767
Net position – restricted for pension benefits (beginning of year)	14,581,566,241	12,400,300,474
Net position – restricted for pension benefits (end of year)	\$ 15,258,866,572	\$ 14,581,566,241



Rob Fanti



Tad Hawk



Stephen Mittons

New SERS Board of Trustee members

Congratulations to Rob Fanti on his second term appointment and Jeremy "Tad" Hawk and Stephen Mittons on their recent appointments as trustees.

