



Retirement comes at you fast

You may not have thought about it, but you're in a race against time to get ready for retirement. That's the idea behind National Save for Retirement Week, October 18 – 24. The good news is, retirement plan participation puts you in the driver's seat.

As in any race, how well you do depends on knowing when to accelerate, how to get around obstacles and what to do as you near the finish line.

National Save for Retirement Week is a great time to gauge how you're doing, and you have a whole pit crew — plan representatives — ready to help. To find ways to prepare for your income needs in retirement, contact a plan representative at (800) 949-4457.

Information from plan representative is for education purposes only and not intended as investment advice.

Half full or half empty?

A public pension may only provide about 50% of your current income.



Source: NCPERS Research Series: *The Top Ten Advantages of Maintaining Defined Benefit Pensions*. May 2007

Inflation: A concern for your retirement investments?

Inflation: A concern for your retirement investments? In recent months, there's been increasing discussion within the financial media and blogosphere about the potential for the return of inflation to the economy.

Why inflation may be a concern: Inflation tends to raise the costs of raw materials and wages for certain industries. Other industries can perform well in inflationary times. Over the long term, however, stock funds often hold their value well in the face of inflation because corporations can adjust for inflation by raising prices.

On the other hand, according to the Bureau of Labor Statistics, the U.S. unemployment rate on June 30 was approaching 10 percent, a national condition that tends to weigh against inflationary trends.⁽¹⁾ In fact, current inflation excluding food and energy is running at 2 percent.⁽²⁾

What it means for you: Retirement-plan participants tend to be investors who are in it for the long term, which means you'll probably see a variety of economic conditions — conditions that affect specific classes of investments differently. You may want to consider asset allocation and

diversification, a method that attempts to spread your investment risks around. By spreading risk, you can help stave off the possibility that any single economic condition will severely impact your portfolio over the long term.

However, it's important to note the use of diversification and asset allocation in an investment strategy does not assure a profit nor protect against loss in a declining market.

We can help: At NRSFlorida.com, you can find educational resources that can help you understand how various market conditions can affect your investment strategy. You can also call (800) 949-4457 to discuss with a plan representative your ideas for managing your retirement portfolio.

(1) "Regional and State Employment and Unemployment Summary", Bureau of Labor Statistics, July 17, 2009.

(2) "Inflation Fears? Not in This Job Market", Scott Patterson, The Wall Street Journal, July 3, 2009. NRQ-0165AO



DROP your eligible retirement assets into your 457 account

There are many advantages to rolling your DROP funds into your 457 account:

- **Simplicity** — you're managing just one account.
- **Continued low costs** — because your money is still with the Florida Deferred Compensation Plan.
- **Flexible payout options** — so you can access your retirement money when you need it most. Withdrawals from rolled over amounts from a DROP plan prior to age 59½ may be subject to a 10% penalty. Withdrawals are taxed as ordinary income.

Why you should continue making retirement investing a priority

These days, you may be feeling uneasy and insecure about finances. Your budget. The economy. Rather than reacting emotionally to current conditions, consider three reasons to stick with your employer sponsored retirement plan(s):

1. Your retirement account has tax benefits. Contributions are pre-tax. Your take-home pay is reduced by less than what you contribute. If you pay 25% in income taxes, then a contribution of \$100 results in just \$75 less in take-home pay. You will pay ordinary income taxes on contributions and any market gains when and as you withdraw them.

Please consider each fund's investment objectives, risks, and charges and expenses carefully before investing. The fund prospectuses contain this and other important information, and are available for download from NRSFlorida.com or by calling (800) 949-4457. Read carefully before investing.

2. Recessions end. Over the past 75 years, every down cycle has been followed by an up cycle. While no one can definitively say when, most financial experts agree the market will recover. Meanwhile, consider that many investors think of a market downturn as an opportunity to "buy low." Waiting to invest until the market improves could mean you pay more for less.

Investing involves risk, including possible loss of principal.

3. How you invest is key. Many investors think short term, especially in times like these. In most cases, however, retirement investing is a long-term process. There are strategies that can help you deal with and possibly minimize the effects of market volatility on your retirement assets.

Even (and perhaps especially) if you've been participating in this plan for a long time, it may be time to revisit the basics: How you invest for retirement starts with understanding your comfort level with market risk and knowing how long until you plan to begin using your account assets for retirement income. Your plan representative can help you identify the questions you need to answer for yourself, and then help you as you decide how to use the plan's resources to meet your long-term objectives. [NRQ-0167AO]

Investing strategies such as asset allocation and diversification cannot guarantee returns nor insulate against losses.

CONTACT US

Direct Access

**1-800-949-4457,
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Monday through Friday,
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**To reach your local
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option 4, then:**

Option 1-Tallahassee Area
Option 2-NW FL Panhandle
Option 3-Central Florida
Option 4-South Florida
Option 5-Tampa/St. Petersburg/Clearwater
Option 6-NE FL/Jacksonville Area

NRSFlorida.com

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