



REFLECTIONS

A monthly source of information for beneficiaries of the Adventist Retirement Plans.

Budgeting in Retirement

Much has been written about how to plan for retirement such as setting aside funds throughout the working career, paying off the house mortgage, and having a reliable car. But once in retirement, how does one live on a fixed income in a challenging economic environment? As Sally Poplin said, “some couples go over their budgets very carefully every month; others just go over them.” Whether you enjoy putting the puzzle pieces of a budget together and tracking carefully each month or if you’d rather be golfing, figuring out how to live on a budget in retirement will make that golf game more rewarding.

Retiree Spending Trends

More retirees seem to be returning to at least part-time work, partially to compensate for the effect of recent market turmoil on their investment accounts. However, research shows that retiree spending often decreases from early retirement to later retirement. Even though healthcare costs increase, discretionary expenses such as travel or going out to eat decline even more. What hasn’t changed is the critical importance of making provision in the retiree budget for healthcare and long-term care. Unexpected healthcare crises have the potential to derail a budget quickly.

Budgeting Tips

- Prayerfully identify financial priorities, taking care to include provision for everyday living, emergencies, and dreams/vacations/travel.
- List retirement income sources (cash inflow) such as pension, social security income, investment earnings, part-time work, or rental income.
- Track actual expenses for a while to see where the money is going (cash outflow).
- Look online or request from your financial advisor or tax preparer budget tools or worksheets to track expenses.
- Compare actual expenses with financial priorities to determine if spending is in alignment with the identified financial priorities.
- Compare actual cash inflow to cash outflow to determine if spending is within income.
- Work with a financial advisor to plan timing and amounts of withdrawals from retirement Investment accounts.

Finally, Draft a budget based on the information gleaned so far. If developing a shared budget with a spouse, discuss priorities and goals together to ensure ‘buy in’, agree both will follow the budget, and designate who will do the actual tracking/recording of expenses. Research cost-savings options from others who live on a fixed income, including buying at discount, in bulk, using coupons, or where to get the best senior discounts. Review insurance policies; are they adequate for

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emergencies such as unexpected healthcare requirements? Is new insurance needed? Spend time planning dreams/vacations/travel with spouse, children, or friends, and include those in the budget. Finally, recognize that the budget is a living thing which will require review and modification over time.

REPORTING the DEATH of a RETIREE or SPOUSE

In the sad event of a death, it is very important to contact the Retirement Office immediately, as future benefits will be affected.

- Main Retirement Phone Number: 301-680-6249
- Retirement Fax: 301-680-6190
- Retirement email: NADRetirement@nad.adventist.org
- Mailing Address: Adventist Retirement Plans, 12501 Old Columbia Pike, Silver Spring, MD 20904

Usually this contact will be made by a relative or estate personal representative. When calling, be prepared to provide us with contact information for the one informing us of the death. In order to properly complete our documentation, we need a copy of the certificate of death. We do not need a certified copy. In fact this can be faxed to us. We recognize that this document will not be available for several days after death.

The family may be eligible for a modest death benefit if the deceased retiree had worked for the church. If there is a surviving spouse, the death benefit will be issued to the spouse. If there is no living spouse, the benefit will be issued to the estate or relative managing final expenses.

A living spouse may also be eligible for a survivor benefit, if that spouse had been married to the retiree for at least one year at retirement and the retiree selected Joint & Survivor. Our staff will be able to estimate the survivor benefit and provide that information to the family.

*** PLEASE FILE THIS WITH YOUR IMPORTANT PAPERS!**

Pre Retirement Seminars

Each year it is my privilege to spend time in several parts of the country meeting with active employees who are approaching retirement.

Tomorrow I leave for the first Pre-Retirement Seminar of the year, in Atlanta. I will present seminars in eight locations in the Southern Union. I'm also scheduled for five seminars in the Columbia Union, and then seven in the Pacific Union in October. Last year I was in Mid-America Union and North Pacific Union.

As our retirees know, the transition from active employment into retirement can be stressful since decisions have to be made regarding healthcare options, selection of Joint & Survivor vs. Single Life, tax deferral of lump sum payments, where to live and how to budget for reduced income in retirement. The seminar enables workers in their late 50's and early 60's to preview some of these issues and develop a plan for making these important decisions.

I find this particular assignment to be most satisfying. As I help people deal with difficult decisions, and study their service records, I am repeatedly reminded of the value of our retirees and the commitment they've made to God and His work in this troubled world.

Plan Audit

As I write this, the auditors are diligently at work reviewing our financial transactions for the year 2013.

The audit process reviews the seven retirement plans we manage, each an independent general ledger, including accounting procedures and internal controls, and ensures compliance with denominational policies. Auditors verify receivables from various denominational entities, healthcare charges "incurred but not reported" and account balances of employees participating in our defined contribution retirement plan. They also review our interim reports and governing body minutes.

The audit is managed by a CPA firm in Lansing, Michigan, Maner Costerisan. Some of the actual review is done under contract by General Conference Auditing Services auditors under the direction of Maner Costerisan.

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We always find the audit to be a time to review our procedures, and to make improvements when such are indicated.

Addresses of Retirees

From time to time, individuals contact our office and request contact information for a retiree. "I worked with Brother Jones in Africa, many years ago, and would like to see how he is doing!" We have determined that we would not share phone numbers or email addresses without the permission of the retiree. However occasionally we've shared home addresses.

We have decided that, given the day and age in which we live, and the privacy issues which continue to rise, we should NOT provide retiree addresses to individuals who contact us asking for such information. This is for two reasons:

1. We cannot guarantee why they are wanting to contact you, and thus to protect the retiree we don't believe we should provide this service.
2. We have thirty employees, each one working as hard as he/she can to process new applications, deal with questions and all of the functions required of a plan. We simply don't have the human resources to serve as a social media data base.

Occasionally a conference will request a list of retirees living in their territory. We ask some carefully worded questions. We do not want our mailing lists to be used for solicitation or sales purposes. However in some cases we've released the mailing list within a conference territory to a church entity along with the mandate that this is a one-time mailing and for a purpose which does not violate our rules.

Thanks for your understanding.

SHARP Corner – April 2014

SHARP and the Affordable Care Act (ACA)

Over the past several months I have placed in the Reflections newsletter items that the SHARP plan has been required to implement due to the change of the Plan status based upon IRS guidelines. The Plans legal counsel has advised that at this time the SHARP plan can no longer be considered a "retiree only" healthcare plan. This has caused SHARP to now need to comply with HIPAA portability and Affordable Care Act (ACA) rules.

There are three changes for the Plan in 2014 that you should be aware of. They are the inclusion of the ACA specified preventive care list now to be paid at 100%, the

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PAYROLL BULLETIN BOARD

Checks/EFT Released

This Month: **April 25**

Next Month: **May 27**

Adventist Retirement Plans

Del Johnson
Administrator

Lyn Wick
Associate Administrator

Ray Jimenez
Associate Administrator

Lisa Turpen
Associate Administrator

Beth Roberts
Assistant Administrator

Adventist Risk Management: 1-800-447-5002
Healthcare Claims Queries

SHARP: 301-680-5036

Email: SHARP@nad.adventist.org
Healthcare Eligibility Queries

Submit all claims to:
Adventist Risk Management—SHARP
PO Box 1928
Grapevine, TX 76099-1928

Express Scripts: 1-800-841-5396
Verify pharmacy benefit and
pharmacy participation

Payroll: 1-888-838-8955
Bulletin Board of Payroll Information

NAD Retirement Department

Fax: 301-680-6190

Email: NADRetirement@nad.adventist.org
12501 Old Columbia Pike
Silver Spring, MD 20904-6600

Barbara Yowell: 301-680-6244
Lost checks, direct deposits,
1099R, tax withholding,
verification of benefits for loans,
housing, Medicaid

Shirley Jones: 301-680-6249
General Retirement Office Information
Reporting a death, change of address,
disability reviews

General Conference of SDA
NAD Retirement Plans
12501 Old Columbia Pike
Silver Spring, MD 20904-6600

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enrollment of children up to their 26th birthday and the enrollment of a spouse married after retirement.

Medicare was impacted by the Affordable Care Act as well in that they are required by established timelines to bring mental health services up to the same payment level as routine medical care, the broadening of the preventive care services list, the closing of the Medicare D coverage gap over the next four years and a requirement for an open bidding process by providers of durable medical equipment. These all work for the good of a retiree.

In addition to these changes the Adventist Retirement Board voted to make a change in our prescription drug plan from a non-Medicare D plan to a Medicare D plan through Express Scripts. The board review for this plan change has been a multi-year process. This change was not due to the ACA. The Board voted to make this change based upon plan savings and meeting the due diligence regarding the funding of the SHARP plan.

Summary of Benefits and Coverage 2014

The 2014 SHARP policy and the Summary of Benefits and Coverage can be found online at www.adventistretirement.org.

To request a hard copy of the policy or summary call the SHARP office at 301-680-5036 or the main Retirement Office number. This has been a busy spring for our office but the SHARP team is always available to assist you.

Lisa Turpen RN
Associate Administrator
SHARP Manager

SHARP Workshop
May 1, 2014 1-3 PM
Arizona Conference Office