

DESTINATION:

Retirement

Will your life after work be golden?



You've lived in your home for 40 years. Your children have moved away. Will you need that much space when you retire? You may consider downsizing to a less expensive home to create equity for your retirement income.

If you're married, do you have enough life insurance that will provide for your spouse if you should pass away first? An adequate life insurance policy can help to assure your spouse has a secure retirement.

While finances are important in planning for retirement, have

you thought about what will replace your daily routine? Planned activities, individual or with partners or groups, are also important in retirement.

Maintaining a healthy lifestyle is also vital to enjoying retirement. Watching your diet, incorporating exercise

and spending time with loved ones are factors in prolonging fitness, health and happiness.

There are many things to consider as you approach retirement. Do you have a checklist? You may consider meeting with a financial advisor to discuss your retirement plans based on your goals.

Will you outlive your retirement savings?

Life expectancy may be a good starting point for financial planning for individuals, but simply using average life expectancy without considering other factors could lead to significant shortfalls for many individuals.

Not only is longevity a major threat to retirement income security, but individuals also tend to underestimate longevity. Average life expectancy for a 65-year-old male is 17 years (82 years of

age) and for a female it is 20 years (85 years of age). Employee Benefit Research Institute (EBRI) studies predict an enormous shortfall between the amount of money required for the elderly to afford basic expenses during retirement and the income and benefits they are expected to have.

A report by VanDerhei and Copeland (2003) show that the elderly face an income shortfall of at least \$400 billion between 2020 and 2030 just in their ability to cover basic living

expenses and any expense associated with an episode of care in a nursing home or with a home health care provider.

Health care costs may be the most difficult retirement expense to predict. Reports used in EBRI research (Fronstin, Salisbury, and VanDerhei 2008) have found that a single man age 65 in 2008 with access to employment-based health benefits in retirement could expect to need \$331,000 to cover health care expenses

in retirement while a single woman age 65 in 2008 would need \$390,000 depending upon how long that person lives, how fast insurance premiums increase and how much health care services the person will need in retirement.

Go online to <http://www.choosetosave.org/calculators/index.cfm?fa=retireeCalc> to review this article in its entirety.*

**Source: Employee Benefit Research Institute*

The PERF member counseling staff has relocated to the basement level of One North Capitol, Suite 001, in Indianapolis.

Please note that correspondence to PERF should be addressed to One North Capitol, Suite 001, Indianapolis, IN 46204. Please review your documents carefully before mailing to ensure you are sending to the correct address.

- If your document states to return to 143 W. Market St., mail to One North Capitol.
- Correspondence with a P.O. Box should be returned to the P.O. Box.



Q&A – Ask a Consultant

Q. What are the legal requirements for eligibility in the 1977 Fund?

A. To become a member of the 1977 Fund, a police officer or firefighter must:

- Be less than 36 years of age
- Pass any local board threshold aptitude, agility, or physical and mental standards
- Pass the required statewide baseline physical, medical test and mental examinations

All statewide baseline physical applications are initiated by the employer. Upon completion of the required medical exams, the examination form and medical test results must be forwarded to PERF.

The PERF Medical Authority must approve or deny the application for membership in the 1977 Fund with respect to required physical and mental standards. Based on the medical authority's evaluation, PERF will notify the respective police or fire department via mail of its decision to approve or deny an applicant.

Q. When should a membership record be submitted to the 1977 Fund?

A. A membership record must be submitted to the 1977 Fund within 30 days after an applicant has been approved by PERF and hired by the respective police or fire department.

What are the beneficiary options for my plan?

Beneficiary options vary across all non-PERF retirement funds. A brief summary of each is listed below. More information is available in our online handbooks at www.perf.in.gov.

Survivor pension benefits are defined as a portion of the pension the member was receiving at death, or what the member would have received at retirement. Survivor pension calculation and eligibility will vary between retirement plans.

1977 Fund

Survivor pension benefits are set by statute, and they include the spouse and dependent children or dependent parents, each receiving their own independent survivor benefits. If there is no spouse, dependent children, or dependent parents, the member may designate a beneficiary to receive a distribution of his or her account in the event of death. In this case, PERF must have a properly completed Application for Designation of Beneficiary form on file, signed by the member.*

Judges' Retirement System

Judges may designate either a spouse or dependent children to receive their survivor pension benefits.

Prosecuting Attorneys' Retirement Fund

Survivor pension benefits are set by statute and are payable to the member's spouse. If there is no spouse, the benefit will go to the dependent children.

Excise, Gaming, and Conservation Plan

Beneficiaries must be designated by the member and may include only one of the following: spouse, unmarried children under age 18, or parents. In this case, PERF must have a properly completed Application for Change of Beneficiary form on file, signed by the member.*

Contact PERF with questions at (888) 526-1687 or via e-mail at questions@perf.in.gov.

*Access beneficiary forms by going to <http://www.in.gov/perf/2324.htm>.



Tommie Wilson
Retirement Services
Consultant

Tommie covers the Indianapolis region of the state. If you live in that area and would like a face-to-face counseling session with her, please call (888) 526-1687 to schedule an appointment.



One North Capitol, Suite 001
Indianapolis, IN 46204

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Dates to Remember

Here are some dates for submitting retirement applications to PERF. You can find more Dates to Remember online at www.perf.in.gov.

If your retirement date is:	Apply by:
Sept. 1, 2011	June 1, 2011
Oct. 1, 2011	July 1, 2011
Nov. 1, 2011	Aug. 1, 2011
Dec. 1, 2011	Sept. 1, 2011
Jan. 1, 2012	Oct. 1, 2011
Feb. 1, 2012	Nov. 1, 2011



We advance the achievement of retirement security for current and future retirees and beneficiaries through our delivery of operational and investment excellence, exemplary customer service and trusted stakeholder communication.

Executive Director
Steve Russo

Governor
Mitch Daniels

Every attempt has been made to verify that the information in this newsletter is correct and up-to-date. Published content does not constitute legal advice. If a conflict arises between information in this publication and the law, the applicable law shall apply.

The Indiana Public Employees' Retirement Fund is a trust and an independent body, corporate and politic. The fund is not a department or agency of the state of Indiana, but is an independent instrumentality exercising essential government functions. (Indiana Code 5-10.2-2-1, 5-10.3-2-1(b))