

# NPEA OPTIONS

Newsletter of the National Preretirement Education Association

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WINTER 2004

ISSUE 1

## FROM THE



Rebecca Frasher

## PRESIDENT'S DESK

### Destin Wrap-Up

Another conference has come and gone. It was great to see so many of you in Destin, Florida. We had a good turnout, especially in a year with such economic ups and downs. It was the perfect setting for us to look at how we can help our members and retirees actually plan for those events that occur in the later part of their lives.

Bonnie Kantor with Humpty Dumpty reminded us not to settle for the same old story. You know, "he could have been pushed!" She told us to look to the new health model of aging and not to expect the same retirement or golden years our parents or their parents had.

Interestingly enough, some of you may have seen the 9-foot tall seahorse floating next to the refreshment center opening night. (Actually some of you have pictures with it.) In doing some



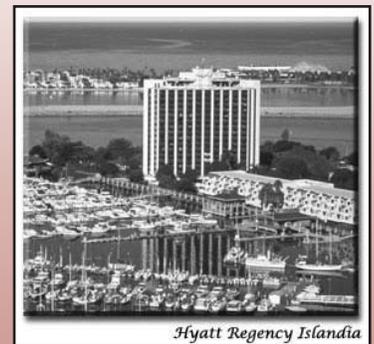
research on seahorses, I found that unlike humans they have remained the same over the centuries. "Adult seahorses are presumed to have few predators due to excellent camouflage, a sedentary lifestyle, and unappetizing bony plates and spines." Now, although that may resemble my great grandparents, it does not resemble my parents in retirement, nor will it resemble me. Retirees today are fast becoming a majority population—no camouflage here. Retirees today are active in sports, work and volunteerism—not sedentary anymore. Retirees today can choose to be vibrant, healthy adults well into their late 80s—not bony but beefy! The point is that we make those choices by our lifestyle and we can do something today to shape what our future will look like.

Michael Suprunowitz, Esq., educated and entertained us with his witty notions on life and estate planning. His presentation reminded us how valuable estate planning is to all of us and the importance of addressing these issues in our sessions. Sometimes when pressed for time in a seminar we look for places to cut. Don't cut estate planning; your members could pay for it long term.

One of the most popular breakout sessions was senior sensitivity training conducted by Sue Maxwell. We found out firsthand what it's like to cope with physical impairments, such as poor eyesight or loss of feeling in your fingers. This reality revealed to each of us the importance of making sure we are sensitive to these issues, whether we are counseling someone in person, on the phone or in a group setting. (See the article on page 5 for more information about the aging-sensitivity program.)

continued on page 2

### Preview of the 24th Annual 2004 NPEA Conference



Hyatt Regency Islandia

#### Location:

Hyatt Regency Islandia Hotel  
San Diego, California

#### Date:

October 16-20, 2004

#### Hotel Web site:

[www.hyattregencyislandia.com](http://www.hyattregencyislandia.com)

#### Registration:

on-line at [www.npea.com](http://www.npea.com)  
in early summer

## What's Inside

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- ◆ National Retirement Planning Week - 2003

## NPEA BOARD OF DIRECTORS

**Ms. Rebecca Frasher**, President  
State Teachers' Retirement System of Ohio  
275 East Broad Street  
Columbus, OH 43215-3771  
(614) 227-4095

**Ms. Barbara J. C. Baird**, President-Elect  
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(312) 814-5853

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Boston, MA 02114-2006  
(617) 727-3661

**Ms. Aimee Rives**, Board Member  
Kentucky Retirement System  
Perimeter Park West  
1260 Louisville Road  
Frankfort, Kentucky 40601  
(502) 564-4646

## Meet Aimee Rives...

**A**imee Rives coordinates member and employer education for the Kentucky Retirement Systems. The Kentucky Retirement Systems is responsible for the investment of funds and administration of benefits for over 250,000 state and local government employees in the Commonwealth of Kentucky. These employees include state employees, state police officers, and city and county employees, as well as non-teaching staff of local school boards and regional universities.



Aimee first joined KRS in December 1992 as a retirement counselor. She then moved to Massachusetts in January 2000 and joined the Massachusetts Teachers' Retirement Board, serving as the Educational Services Coordinator from February 2000 through May 2002. Aimee returned to Kentucky in January 2003 and resumed her former position with Kentucky Retirement Systems. Aimee has 10 years' combined experience developing member education programs for both KRS and the MTRB and has been a member of the NPEA since 1996. She feels very fortunate to have had an opportunity to work at two retirement systems for different categories of public employees. Her experience has provided her with a unique perspective in understanding the diversity between different system designs and the operation of those systems.

*Please join us in welcoming Aimee to the Board!*

## President's Message (continued from front)

### Board News

The early retirement of our newest board member, Kathy George, came as a surprise to us all. Because it happened so quickly, we didn't have time to call for candidates before the conference. In spite of that, several members expressed an interest in serving on the board. We interviewed all of them and after much deliberation we nominated Aimee Rives from the Kentucky Retirement System to replace Kathy. Her appointment was moved by Dave Desmond and seconded by David Stuckey. We welcome Aimee to the board and look forward to working with her. In other action, Susie Dahl was reelected to a two-year term. Susie currently is serving as the treasurer of NPEA.

We were so impressed with the ideas and enthusiasm of some of the candidates we interviewed that we decided to get them more involved in the administrative side of NPEA. They'll head up committees to share in the many tasks to help us better achieve our goals. We'll have more information available after our next Board Meeting.

We are also increasing the membership fee this year to \$500 to offset the cost of a membership drive and to develop our Internet site further.

### 2004 Conference

We are in the planning stages for the San Diego conference, to be held October 16-20, 2004 at the Hyatt Islandia. Anticipating early departures on Wednesday, we plan to begin the conference on Sunday afternoon to allow for more session time. We're also developing "technology" as a theme. If you have any ideas for speakers you would like to hear or a topic you would like presented, please let us know. Again, you will be able to register on-line for the conference. We hit a few snags last year, but the process should be smoother this year. So mark your calendars and watch the web site for updates. **Hope to see you there!**

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**Cindy T. Weatherwax**, Desktop Publisher  
New York State Teachers' Retirement System  
10 Corporate Woods Drive  
Albany, NY 12211-2395  
(518) 447-2941  
cweather@nystrs.state.ny.us



Check the  
Website  
for more  
information  
about the 2004  
Membership Invoices

# Retirement Planning Software Study

by Eric T. Sondergeld

As people continue living longer and as fewer employers offer retiree benefits, workers are being forced to assume a growing share of the funding for their retirements. There exist a variety of tools to help people save toward retirement, invest their IRA savings or employer-sponsored retirement benefits, and manage their financial affairs after retirement.

A recent study indicates that today's retirement planning software tools are very helpful before retirement, but are less useful for post-retirement planning. The study was jointly sponsored by LIMRA International and the Society of Actuaries, in collaboration with the International Foundation for Retirement Education (InFRE). The goal was to find out how retirement software programs address the retirement phase and, more specifically, how they treat post-retirement risk.

Much retirement planning education for employees focuses on saving adequately, and investing appropriately, so they can accumulate a sufficient nest egg to supplement Social Security and any pension income. Managing one's finances after retirement, however, presents challenges that are often not

addressed. There are a number of risks associated with making sure people don't outlive their money. These risks include, but are not limited to, longevity (and related mortality), inflation, investment, and health related risks. The study examined not only the capabilities of existing software, but also their treatment of these post-retirement risks.

## The Study

Nineteen retirement planning software programs were selected for analysis. These included six programs available for consumer use and 13 for professional use. The study did not include retirement savings calculators or online advice engines, neither of which perform analysis as comprehensive as retirement planning software. Six case studies were run through each program to determine its capabilities, how it treated specific situations and how it treated retirement risks.

There was great variability in both the input and resulting output from these programs. For example, some programs treated home equity as a liquid asset while others provided no treatment at all.

What we found is many retirement risks are either not addressed or not appropriately incorporated into all programs. Programmers should be

encouraged to develop methods for demonstrating these risks and the impact of various techniques to mitigate them. Some suggestions:

- Software programs can be improved by considering multiple risks simultaneously and the potential interactions between the various risks.
- Existing programs should be improved to facilitate an understanding of the tradeoffs of various risk transfer approaches.

## How to Help

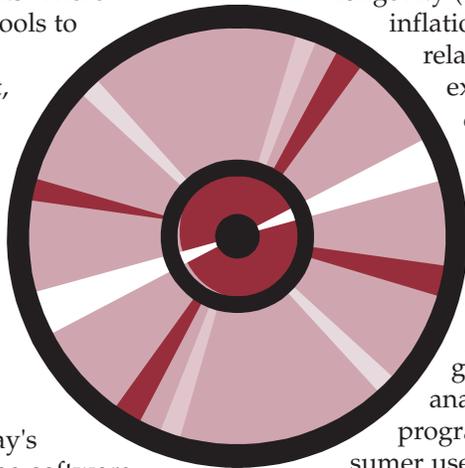
Retirement counselors who utilize software for individual plan participants can help by:

- Identifying issues important to participants and understanding how the software program treats these issues.
- Running multiple scenarios paying attention to the best and worst cases, not just the average. (Or in situations where software is made available to plan participants, encourage them to run multiple scenarios.)
- Encouraging users to update their scenarios periodically.

The full Retirement Planning Software study, is available on the InFRE website at

<http://www.infre.org/Store/forms/00598-6-RetirementPlanningSoftware.pdf>.

Eric T. Sondergeld is corporate vice president of LIMRA International, Windsor, Conn. He can be reached at [esondergeld@limra.com](mailto:esondergeld@limra.com).



"State of the Systems"



"View from Conference Room"



"Roundtable" Session

# ASEC Invites NPEA Members to Join the *Save For Your Future*<sup>TM</sup> Campaign

**D**uring the 2003 NPEA annual conference in Florida, Don Blandin, president of the American Savings Education Council (ASEC), invited NPEA members to participate in the national *Save For Your Future*<sup>TM</sup> (SFYF) financial education campaign. NPEA members would be able to utilize the campaign materials and tools, as well as participate in local and community SFYF events taking place throughout the country. Following is an overview of the campaign.

Additional information can be found at [www.saveforyourfuture.org](http://www.saveforyourfuture.org)

Concerned that Americans are not saving enough for retirement and other important needs, the Social Security Administration (SSA) and ASEC launched the national *Save For Your Future*<sup>TM</sup> campaign on May 1, 2003. The *Save For Your Future*<sup>TM</sup> education campaign is committed to informing Americans about the need to plan and to save for retirement and other life stages. State Farm® is currently the national campaign sponsor.

In short, even those who have future benefits from a pension fund will need to supplement their income to live a comfortable retirement. "Planning and saving for retirement is an individual responsibility," said James B. Lockhart, Deputy Commissioner of the SSA.

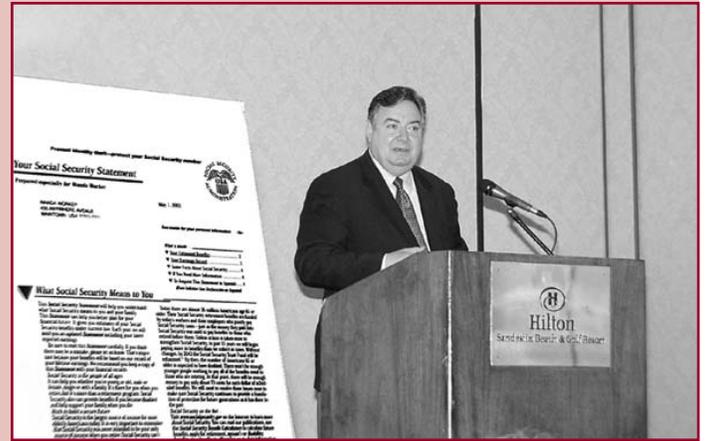
"Unfortunately, many Americans mistakenly believe that Social Security alone will guarantee their financial future. The reality is, Social Security was never intended to be the sole source of income in our retirement years. Social Security was and is meant to be part of a three-legged stool, along with pensions and personal savings. Only half of today's retirees have a private pension. And too few Americans save as much as they should. The *Save For Your Future*<sup>TM</sup> campaign emphasizes the

importance of saving. It also guides people to easy-to-use tools that can help them craft and implement a financial plan."

"More than 137 million American workers receive a valuable financial planning tool in the mail every year," said Don Blandin, president of ASEC. "The personalized Social Security Statement that is mailed to workers age 25 and older each year provides an estimate of what they could receive from Social Security when they retire. With that information in hand, people can begin to create their financial plans. The Social Security Statement generally arrives about three months before a worker's birthday. The *Save For Your Future*<sup>TM</sup> campaign suggests that people use the three-month period between the time they receive their statement and their birthday as an annual financial review and planning period. The unfortunate reality is that if people don't plan and don't save, they may find that they cannot retire comfortably -- or perhaps that they cannot retire at all," Blandin added.

Twenty-nine percent of American workers say they or their spouse have not saved for retirement, according to the 2003 Retirement Confidence Survey sponsored by the Employee Benefit Research Institute, ASEC, and Mathew Greenwald & Associates. Sixty-one percent of workers and more than half (53 percent) of all worker households have not calculated how much money they will need to save by the time they retire, according to the same survey.

When it comes to saving, knowledge can be a powerful motivator. Research reveals that 40 percent of workers who calculated what they need to save for retirement realized that their current savings plan would



not allow them to reach their goal and adjusted their plan accordingly.

The *Save For Your Future*<sup>TM</sup> campaign recommends that every American take four simple steps when they receive their Social Security Statement each year:

- 1 Calculate how much money you need for retirement and other personal and family needs.
- 2 Plan how to accumulate money and other assets to help you meet your needs.
- 3 Act to implement your plan and save the money you (and your family) need.
- 4 Reassess your financial needs and the progress of your plan every year during the three-month period between the time you receive your Social Security Statement and your birthday. If your needs have changed or your plan is not working, readjust one or both of them.

An informative new booklet entitled, "*How To Save For Your Future -- a guide for financial security*," is being distributed as part of the campaign. This SFYF booklet, along with ASEC's **Ballpark Estimate** pre-retirement planning worksheet and other free publications regarding pensions are available from the U.S. Department of Labor by calling toll-free at 1-866-444-3272.

If you are interested in getting involved with the *Save For Your Future*<sup>TM</sup> campaign, please contact Don Blandin via e-mail at: [Blandin@asec.org](mailto:Blandin@asec.org)

# Seeing it Through Senior Eyes

**S** With the graying of America, many savvy companies and organizations across the United States are taking a second look at the senior boom. Seniors are now the number one consumers of goods and products, and major corporations had better understand how seniors view the world. In fact, the aging of Americans will affect every facet of our society.



Many of these organizations are beginning to educate their staff about the senior population and to see the world through the seniors' eyes. For example, utility companies printed their bills in 12-point type for the ease of reading. Menus, books, playing cards and directions appear in larger print so as to accommodate the aging eye. Levi Strauss designed jeans to better fit the senior physique. And today, stockbrokers are investing in training materials to better understand one of their major consumers of stocks and bonds. The marketing motto of these companies is "truly to know thy customer well."

Though much has been accomplished in the past decades to improve the attitudes toward the older adult, ageism still prevails. Growing older still conjures the picture of the wrinkled, senile person who lives in a nursing home. Even to the boomers and the seniors themselves, the myths of aging are more imagined than real. Does failure to respond to a question or comment exhibit rudeness, or, more likely, a hearing impairment? Do furrowed eyebrows mean anger or distrust, or more likely, simple squinting to read small print?

Experience is still the best teacher. It is the one way to learn first hand the changes in the normal sensory and physical capabilities that can happen as one grows older. However, it is quite another matter to feel those conditions firsthand.

Developed by Lee Memorial Health System's Older Adult Services in Fort Myers, Florida the SECURE Project provides hands-on sensitivity training that instills genuine understanding about the older adult, thereby dispelling many of the myths of aging. SECURE, one of the leading programs in the United States, simulates sight, touch and sound in the senior's world. For more information e-mail [sue.maxwell@leememorial.org](mailto:sue.maxwell@leememorial.org).

Following are tips for communicating with seniors and a test to determine if your office environment is "senior friendly".

## TIPS FOR FACILITATION COMMUNICATION WITH THE OLDER ADULT

1. Call them by name.... Mr./Mrs. \_\_\_\_\_.
2. Introduce yourself and your purpose.
3. Face the person, (have adequate lighting on your face if possible), touch their arm to get their attention.
4. Use gestures in addition to words to communicate.
5. Repeat instructions using different words.
6. If female, lower the pitch of your voice.
7. Speak slowly, distinctly.
8. Give instructions in short phrases (one unit commands, short questions) e.g. "Turn on your right side." (After this is completed) "Put left arm behind back," Etc. (You may, for a person with Alzheimer's, have to say "Put your left foot on the stool" - touch the foot for which one - then say "other foot," as opposed to "Step up on the stool.")
9. Handouts should be in large print.
10. Allow time for eyes to adjust to lighting from dark to light, and vice versa.
11. Have contrast tape around steps to facilitate depth perception.

Eliminate background noises when speaking to person, e.g. others talking in a corner, busy traffic areas in the hall, etc.

## OFFICE SELF-ASSESSMENT

(Please take a few minutes for your staff to fill out the questionnaire. Circle the appropriate answer.)

### IS YOUR OFFICE SENIOR-FRIENDLY AND SENIOR-READY?

1. Do you have college degrees displayed in your office?  
**Yes No**
2. Do you have awards displayed in the office?  
**Yes No**
3. Do you have family photos displayed in the office?  
**Yes No**
4. Does your receptionist/front office staff take time to acknowledge and greet clients?  
**Yes No**
6. Is your office well kept and your desk organized?  
**Yes No**
7. Does your office offer space for confidential conversations?  
**Yes No**
8. Does your office have appropriate lighting for the senior eyes?  
**Yes No**
9. Do you and your staff dress appropriately when with clients?  
**Yes No**
10. Is your furniture firm and high so that seniors can easily get up?  
**Yes No**
11. Do you offer tea or coffee? (soft drinks, water included)  
**Yes No**
12. Is the background noise/music at a minimum?  
**Yes No**
13. Can clients with visual problems read external/internal signs?  
**Yes No**
14. Do your brochures and client literature minimize glare and is it 12-point font?  
**Yes No**
15. Are the doorknobs easy for seniors to turn?  
**Yes No**

(If you answered Yes to 12 or more questions, your office "might be" senior friendly and senior-ready. **Congratulations!!!!**)

# National Retirement Planning Week 2003

Once again, NPEA joined in sponsoring the National Retirement Planning Coalition's National Retirement Planning Week. The following is the official announcement of this year's campaign.

Washington, D.C., November 17, 2003 - Building upon its ongoing effort to help Americans achieve retirement readiness, The National Retirement Planning Coalition (NRPC) today kicked-off National Retirement Planning Week 2003, signaling the beginning of its second annual campaign to heighten public awareness of the need for comprehensive retirement planning.

Ben Stein, noted author, economist, former Presidential speechwriter, and actor/comedian has been appointed this year's honorary chairperson and principal spokesperson. Stein steps into the position previously held by Senator Bob Dole, who served as honorary chairperson for the 2002-03 year.

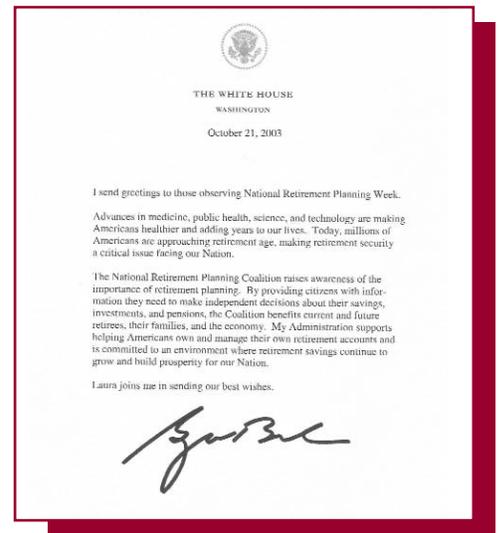
"Retirement readiness, or the lack thereof, is one of the biggest issues facing our nation as a whole, as well as each of us individually. Ensuring adequate retirement income before you retire must become a dramatically higher priority for most Americans," said Ben Stein, honorary chairperson of the NRPC. "Our objective is to equip Americans with the tools and resources necessary to build a comprehensive plan, and give them the confidence to sleep at night knowing that their retirement income is secure."

For the second year, President George W. Bush offered his support and appreciation for the NRPC's efforts, commending the Coalition for its commitment to "increasing awareness of the importance of careful retirement planning," and helping to "ensure long-term financial well-being of countless citizens." In a letter to the Coalition, President Bush commented, "by providing citizens with information they need to make independent decisions about their savings, investments and pensions, the Coalition benefits current and future retirees, their families and the economy."



## About The NRPC

The National Retirement Planning Coalition brings together leading financial industry and advocacy organizations for the purpose of educating consumers and financial industry professionals on the issues surrounding retirement planning. NRPC members include the Actuarial Foundation, the American Savings Education Council (ASEC), the International Foundation for Retirement Education (InFRE), the National Alliance for Caregiving (NAC), the National Association for Variable Annuities (NAVA), the National Preretirement Education Association (NPEA), and the Retirement Solutions Foundation.



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10 Corporate Woods Drive  
Albany, NY 12211-2395