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 awhile 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

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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!

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‘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 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.

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.

During 2011 I conducted pre-retirement seminars and visited various locations throughout the country including Southern Union, Atlantic Union College and Academy in South Lancaster, Massachusetts and the Adventist Media Center in California where the seminar was made available via the internet for viewing by other denominational entities.

During 2012 pre-retirement seminars are planned for the Southwestern Union, the Columbia Union, the Hawaii Conference and also in the General Conference building.

As our retirees know, the transition from active employment into retirement can be a stressful time since decisions have to be made regarding healthcare options, selection of Joint and 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 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.
Continued from the October issue... 

There are always some retirees for whom we have no address which primarily occurs when retirees move but forget to notify the office. If you know any of the following retirees please have them contact us by email or phone so that we can update their address:

Nazarenus, Oliver
Neil, Richard
Nelson, Marie
Ordonez, Adelina
Ortuno, Hilda
Owen, Norma
Park, Young Gi
Patenaude, Mildred
Perez, Magali
Ramirez, Rhode
Reyes, Carmen
Richardson, Vivian
Rosa, Jose I
Rosell, Elsa
Royer, Bonnie
Ruppert, Sylvia
Scalzo, Lilah
Schampek, Ana
Scheidt, Shirley
Schlamen, Linda
Schoen, Valentin
Seaunier, Rosalie
Shoemaker, Anna
Sinclair, Howard
Siy, Gloria
Small, Frances
Small, Juanita
Smith, Josephine
Solis, Daniel
Stanley, Bill
Stevens, Joyce
Stortlemyer, Joseph
Thomas, Barbara
Thomas, Celestena
Uhran, Robert
Velazquez, Fidel
Vyhmeister, Lina
Walsh, Sara
Webber, Marie
Weldon, Ruth
Westermeyer, Marianne
White, Joel
Wiedman, Adrienne
Wilbanks, Arlene
Wilke, Ethel
Wilson, Fred Eugene
Wood, Verna
Woodyard, Avis
Wright, Veola

Adventist Retirement Plans

Del Johnson
Administrator
Lyn Wick
Associate Administrator
Maurine Wahlen
Associate 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

Medco Health: 1-800-841-5396
Verify pharmacy participation with
Medco Health

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, change of address, verification of benefits for loans, housing, Medicaid

Retirement Reception: 301-680-6249
General Retirement Office Information
Reporting a death, disability reviews
Plan Audit

As I write this, the auditors are diligently at work reviewing our financial transactions for the year 2011.

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.

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