

SIMPLY PUT

Third Quarter 2013

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A Changing Picture

Even if you've already designated a beneficiary, it never hurts to review your designations periodically. Chances are you've experienced a life event that could affect your beneficiary choices. (All data courtesy of the U.S. Census Bureau)

Did you get married?



Over 2 million Americans tied the knot in 2009.

Did you have kids?



Over 4 million babies were born in the U.S. in 2009.

Did you get a divorce?



Forty-one percent of first marriages end in divorce and 75% of those who divorce will remarry again.

Protect Your Legacy

Where will your money go when you are gone?



Great news, you're planning for the long haul by saving money with the deferred compensation plan. You've done your homework and picked a contribution amount that fits your monthly budget, you've picked an asset allocation that matches your risk tolerance, and maybe you've even set up the auto-increase feature to automatically increase your contributions throughout your career. Your work is done, right? Think again. One of the most overlooked steps in setting up a retirement savings account is designating a beneficiary. Unfortunately, this can be a costly oversight.

Beneficiary Tip

If you are married and have named someone other than your spouse as a beneficiary, you must submit a notarized spousal consent form. You may contact the Plan at any time to verify that that your spousal consent form is on file.

While no one likes to think about end-of-life events, failing to designate a beneficiary could ultimately lead to a probate court deciding who receives your assets in the untimely event of your death. Not only will this cost extra money and heartache for your loved ones, but the court's decision might not be in their best interest.

How to Designate a Beneficiary

Log on to Account Access at www.modeferredcomp.org and navigate to the **Personal Information** page under the **Manage My Account** tab. Click on the **Beneficiaries** link and follow the directions. When designating your beneficiaries online, please be sure to complete a designation for both your 401(a) and 457 account sources, if applicable. Alternatively, you can call us at 800-392-0925 to designate a beneficiary over the phone. The process takes minutes and could save your loved ones time and money in the future.

If you already have a beneficiary on file, we encourage you to review your beneficiaries on an annual basis to ensure they are current. Marriage, children, divorce, and other life changes could impact your designation situation (see "A Changing Picture" in the left sidebar). Also keep in mind that you can designate contingent beneficiaries for circumstances when a primary beneficiary precedes you in death.



CALENDAR

The New York Stock Exchange is closed:

Thursday, November 28, 2013

Wednesday, December 25, 2013

Wednesday, January 1, 2014

Dan Wagner Retires from Plan Service



On August 30, 2013, education specialist Dan Wagner retired after almost 40 years in the insurance and financial services industry, including more than 14 years with the deferred compensation plan. We'd like to thank Dan for his service to the plan and wish him an enjoyable retirement. His retirement plans include fishing and spending more time with his wife and family.

For questions about training or consultation services in Dan's territory, please contact plan manager Tasha Reinkemeyer at TReinkemeyer@icmarc.org.



Start Small, Finish Big

National Save for Retirement Week: October 20-26, 2013

During this year's National Save for Retirement Week celebration, which runs from October 20-26, we encourage you to consider the acorn. Acorns are the small, unassuming nuts that fall from oak trees in the fall. Each acorn contains a tiny seed that – if cared for properly – sprouts into a tree and grows large over time.

Much like the acorn, your retirement savings might start off small and unassuming. However, with the right amount of nourishment and **plenty of patience**, your savings could grow to something truly impressive in retirement. How do you get there? Think small. There are a number of small steps you can take that will help your savings grow over a long period of time.



\$15

Increase your contribution

Increasing your semimonthly contribution by only \$15 could add over \$24,000 to your savings over 25 years*. Don't think a tiny change can't make a huge impact.



5% vs. \$75

Switch to Percentage-Based Contributions

Let's say you earn \$1,500 each semimonthly paycheck (that's \$36,000 annually) and contribute a flat-dollar amount of \$75 to the deferred compensation plan each pay period. If you simply changed your contribution to 5% of pay, you would still be contributing \$75 each paycheck; the difference is that when your salary increases, so too will your contributions to the savings plan. Just by making a simple adjustment in the way your money is contributed, you can make a lasting impression on your account balance.

0.2%

Utilize Auto-Increase

Auto increase is a simple tool that lets you increase your contribution percentage in one-tenth of one percent increments on an anniversary date each year. It's yet another gradual way to increase the amount you contribute to the plan as your career evolves. Better yet, you can set your auto increase schedule once and let the system do the rest of the work for you.

For instance, if you made \$36,000 annually and increased a starting 5% contribution by 0.2% (two-tenths of one percent) each year, you would have over \$200,000 after 25 years**. Compare that to the \$145,213 you could have if you kept your contribution at 5% for your entire career**. A two-tenths of one percent contribution increase would only add about \$18 to your monthly deferral between year one and year two, but it's yet another small change that could mean big savings down the road.

* Assumes a starting account balance of \$5,000 and a semimonthly contribution of \$25, plus a 7% annual rate of return on your contributions.

** Both examples assume a starting annual salary of \$36,000, a 2% annual salary increase and an annual rate of return of 7%.

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VPM000-001-201309



Education On-Demand

It's crucial that you not only understand, but also take advantage of your employee benefits package. Unfortunately, workplace demands and remote office locations can sometimes make it difficult to attend important orientation and training events. That's why we've recently added the **Education On-Demand** page to the Plan website. This online resource provides short, easy-to-navigate webinars that are perfect for small group orientations or individuals wanting to learn more about their deferred compensation plan benefit.

Most importantly, these educational materials are available 24/7 from your desktop or mobile device — giving you the freedom to learn at your pace on your schedule. Access the **Education On-Demand** page at www.moderredcomp.org under the **Educational Resources** tab, and be sure to check back often as our On-Demand library expands.



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