

# Outlook

FOCUSING ON RETIREMENT ISSUES FOR MASSPORT EMPLOYEES PAST AND PRESENT

Our 25th issue!

Published by the Massachusetts  
Port Authority Employees'  
Retirement System (MPAERS)

Vol. 7, No. 1  
Summer 2006

## Massport Women Focus on Money

The retirement office recently hosted a financial seminar at Logan Office Center that was designed specifically for women. The topics included credit and debt management, saving, and investing while pointing out statistics and behaviors that tend to affect the way women manage their money. The speaker also discussed identity theft which is a growing problem in our country and prompted a lively discussion among participants.

The seminar was presented by Angela Rizzolo from the Department of Labor Women's Bureau. Angela and her boss, Jackie Cooke, graciously offered to come to Logan to educate our employees. We appreciate their time and effort!

If you would be interested in attending a future "Women & Money" seminar or wish to suggest another topic, please contact Lisa Allen Brown at (617)568-3903 or [lbrown@massport.com](mailto:lbrown@massport.com).

## Women & Money – What's All the Fuss About?

While everyone needs to plan for retirement, women are particularly vulnerable to financial insecurity in their retirement years.

Here are some reasons why:

Women tend to live longer than men. Women make up 58% of the population age 65 and older and 70% of the population age 85 and older. (Source: Fool.com, "Wake-up Call for Women")

Women tend to have lower salaries and higher job turnover rates (American women still make an average of 76 cents for every dollar that a man makes in a similar job).

According to the National Center for Women and Retirement, 80-90% of women will be solely responsible for their finances at some point in their lives.

According to the U.S. General Accounting Office, 80% of widows now in poverty were not poor before their husbands died. The average age of widows in America is 55.

The average woman spends 15% of her career out of the workforce caring for her children and elderly parents. For every year out of the

workforce, a woman has to work five years to recover the lost income, pension coverage, and career promotion.

(Source: Fool.com, 1/13/2006)

Nursing home care in the United States averages \$200 per day. These costs are estimated to be as much as \$700 per day by 2025.

(Source: Fool.com, "Women and

Retirement Wake-Up Call! Invasion of the Grannybabies" by Anne Letterese 6/12/00).

The median income of women ages 65-74 in the United States is \$12,134 compared to a median income of \$23,161 for men in that age bracket.

(Source: US Census Bureau, Income in the United States, 2004)

## Online Resources

**Women's Institute for a Secure Retirement**  
[www.wiser.heinz.org](http://www.wiser.heinz.org)

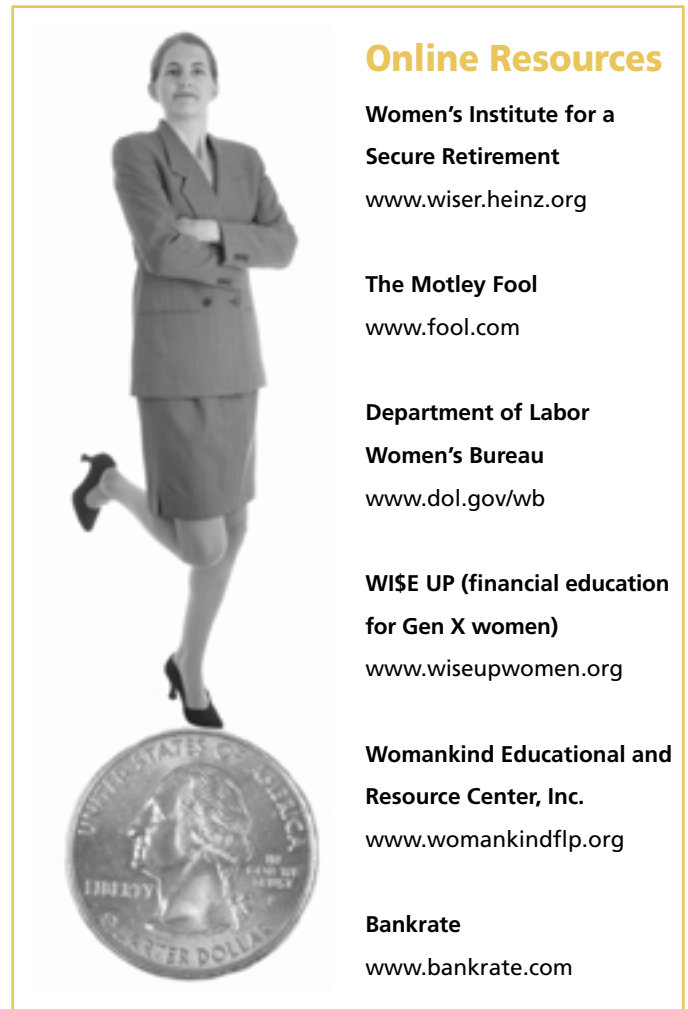
**The Motley Fool**  
[www.fool.com](http://www.fool.com)

**Department of Labor Women's Bureau**  
[www.dol.gov/wb](http://www.dol.gov/wb)

**WISE UP (financial education for Gen X women)**  
[www.wiseupwomen.org](http://www.wiseupwomen.org)

**Womankind Educational and Resource Center, Inc.**  
[www.womankindflp.org](http://www.womankindflp.org)

**Bankrate**  
[www.bankrate.com](http://www.bankrate.com)



# For Your Benefit

## Deferred Compensation Can Help in a Hardship

*If you are experiencing a financial hardship, you may be eligible for an emergency withdrawal but you must meet strict regulations that are set forth by the Internal Revenue Service.*

If you participate in the 457 deferred compensation plan managed by ING, you probably know that you can't withdraw any of the money until you separate from service at Massport.

However, if you are experiencing a financial hardship, you may be eligible for an emergency withdrawal. To withdraw money for a financial hardship you must meet strict regulations that are set forth by the Internal Revenue Service. According to ING's web site, you may be eligible to receive an unforeseeable emergency withdrawal for the following reasons:

- ▼ loss of your property caused by fire, flood, theft or other catastrophic loss beyond your control;
- ▼ a hardship need arising as a result of a sudden and unexpected illness of you or your dependents;
- ▼ funeral expenses of a dependent; or,
- ▼ unreimbursed medical expenses of you or your dependents.

If you are applying for a hardship withdrawal you must have documentation to prove that your hardship was caused by one of the reasons listed above. Unfortunately, there are many things that do not qualify for emergency withdrawals

including: buying a house, car repairs, wedding expenses, tuition, and costs related to divorce or bankruptcy.

Any payments that you receive from the plan will be subject to taxes, so keep that in mind when determining the amount of your withdrawal request. Also note that unlike 401(k) plans, hardship withdrawals from the 457 plan are not considered to be loans; therefore, you should not expect to pay the money back.

To get more information about applying for an unforeseeable emergency withdrawal from your deferred compensation account, call ING customer service toll-free at (877) 457-1900.

## Retirees Share Their Stories in Latest Annual Report

The Massport Employees' Retirement System recently mailed its 2005 Comprehensive Annual Financial Report (CAFR) to all members.

This year's theme is "Destination: Retirement" and hopefully it will get you thinking (and perhaps daydreaming) about where and how you want to spend your retirement years. Flip through the document for a glimpse into the lives of several Massport retirees and their destinations of choice!

The report contains a large amount of financial data including information about the system's

investments, funding schedule, benefits, and expenses. There is also a *Frequently Asked Questions* section in the back of the report which covers a wide variety of topics.

Once again, we have submitted the annual report to the Government Finance Officers Association for its Certificate of Achievement in Financial Reporting program. We have attained this certification for the past six years and hope that the 2005 report will meet the same standard of excellence.



## Finance Tips to Benefit Everyone

Here are some of the helpful tips shared at Massport's recent Women & Money seminar. Of course, you don't have to be a woman to benefit from this useful information!

### Know What's On Your Credit Report

Check your credit reports annually for accuracy. It is important to get a report from all three reporting agencies since the information can vary. You are entitled to a free report from each credit reporting company once per year. If you have trouble remembering to do it annually, try ordering them around your birthday every year.

To order your free credit reports online, go to [www.annualcreditreport.com](http://www.annualcreditreport.com) to access all three reports.

To order your free credit reports by phone, call toll-free:  
– Trans Union: (800) 680-7289  
– Experian: (800) 301-7195  
– Equifax: (800) 685-5000



To stop random inquiries into your credit history and reduce the number of credit card offers you receive in the mail, call toll-free (888) 567-8688.

### How Much Is Too Much Debt?

It's a good idea to calculate your debt-to-income ratio. Here's how to do it:

**Step 1.** List all loans & monthly payments except for mortgage and rent payments. For example:

|               |              |
|---------------|--------------|
| -Car loan     | \$300        |
| -Student loan | \$150        |
| -Credit Card  | \$75         |
| <b>Total</b>  | <b>\$525</b> |

**Step 2.** Divide total monthly payments by net pay (your

after-tax take-home pay)  
 $\$525 \text{ divided by } \$2,500 = 21\%$   
debt-to-income ratio

Less than 15% debt-to-income ratio is ideal. More than 20% could lead to big problems. If you are concerned, consider seeking assistance through Consumer Credit Counseling Organizations. Call (800) 388-2227 for an office near you.

### A Hidden Danger

When you receive credit card offers and related promotions in the mail, the barcodes often contain personal information. Be sure to shred these documents before placing them in your trash in order to protect yourself from identity theft!

## Retirees Receive Annual Pay Increase

Massport retirees have once again been awarded a pension increase adjustment of 3% on a base of \$12,000. This represents an increase of up to \$30 a month and is the maximum amount the board is permitted to grant under The Massachusetts General Laws, Chapter 32.

The increase became effective as of July 1, 2006 and is reflected in July payments.

Please note that individuals who retired on or after July 1, 2005 will not be eligible for a pension increase until July of next year.

## Working Longer and Saving More – Key to Comfortable Retirement

According to the web site BenefitNews.com, a study at the Center for Retirement Research at Boston College has determined that less than 55% of U.S. households will be able to maintain the same standard of living once they reach retirement.

That means that almost half of us are at risk by not

having enough savings to provide adequate income in retirement. However, for many people there is still time. According to the news brief titled *Workers Not Meeting Retirement Targets*, a B.C. researcher states, "The situation is not hopeless. If people choose to work longer, even just two years,

and save 3% more, they can substantially improve the outlook for their retirement security." While working longer and saving more might not seem like an attractive solution, it could provide you with a sense of security in retirement and pay off in spades in the long run.

# Web Watch

For those of you who have access to the Internet, there is a wealth of information to be found there. In this section we highlight web sites that we have found helpful, informative, interesting or just plain fun.

## Learning Through TV and the Web

The public television show *Money Track*, which airs locally on WGBH Channel 44, has a web site that includes clips from the show and helpful information on credit and debt, investing, saving for college, retirement planning and more. At **www.moneytrack.org** you can view a video gallery with links to recent topics such as “Becoming an Educated Investor” and “Raising Money Savvy Kids” and a special feature called “Scam Alert” warning consumers about con artists and fraudulent practices.



## Whatever You Wanna Do

If you have the desire to learn something – just about anything – go to **www.SoYouWanna.com**. This unique web site serves as an all-purpose guide to everything from decorating your apartment to socially responsible investing. *So You Wanna...* patent something? . . . Set up a living budget? . . . Enjoy sushi? . . . Organize your closet? No problem! Check out this site for a great deal of practical advice and a few laughs along the way.



## Increase Your Purchase Power

If you like the idea of philanthropy and shopping wrapped into one, check out **www.iGive.com**. By registering and shopping at iGive.com’s online mall, you can make purchases at well-known stores including Gap.com, JCPenney.com, LandsEnd.com, Barnes&Noble.com, and many more. A percentage of everything you buy is donated to the cause you select from their database. If you’d like, you can suggest your own charitable cause – iGive even lets you to track how much money has been sent there.



\* Legal note: The Retirement System is not responsible for the content of these web sites or for the accuracy and completeness of the information contained in them.

## Transitions

### Condolences

We regret to inform you that the following retirees have passed away:

- ☛ Mario Tocco
- ☛ Joseph Whalen

### Congratulations

The following people retired recently and we wish them all the best for a successful future:

- ★ Georgeane Coleman
- ★ Anthony DeSimone
- ★ Stan Phillips
- ★ Richard Roche

# Retiree Profile

## From Airplanes to Cruise Ships: The Adventures of Jack Armour

Working at an airport often becomes a part of who you are, and it can be hard to leave that excitement behind. Just ask former Deputy Director of Aviation Operations Jack Armour who retired in 1997 but continued to make airports a part of his life.



► Jack and Vivian Armour take in the sights in Florence, Italy.

### Frequent Flier

Jack left Logan behind when retiring, but had a desire to keep working and became a consultant on various airport projects around the world. As part of his aviation consulting, Jack ended up working at Incheon Airport which is just outside of Seoul, South Korea. “They built an airport in the middle of the bay,” recalls Jack. “It was extremely interesting.”

As a former Chairman of the American Association of Airport Executives (AAAE), Jack still attends their conferences, including special meetings for past Chairmen. While he has loved aviation for so many years, Jack is finally ready to phase out his airport consulting work to focus on personal interests and do a lot more traveling with his wife of 54 years, Vivian.

### Two If By Sea

“Cruising is at the top of our list,” says Jack. “We love it because you put your luggage in the room and forget about it and your hotel moves where you want to go. We cruised to Tahiti which is one of those things I kind of dreamed about from reading [James] Michener’s books.”

“We also took a trip to Europe which included stops in Rome, Florence, Monte Carlo, Barcelona, Lisbon, and the Azores where my wife’s family was born,” notes Jack. He and his wife are already looking forward to more traveling and just booked a cruise for 2008. “We will fly from Los Angeles to Sydney, Australia,” he says, “and then float back hitting a ton of islands along the way including Fiji and Tahiti.”

### This Desert Life

While they enjoy their adventures by boat, their home is on dry land in Peoria,

Arizona, just outside of Phoenix. Jack and Vivian love the western part of the country and looked at properties in Colorado and Nevada before settling on a house in Arizona that sits on a golf course. “I don’t enjoy golf,” laughs Jack, “but we knew we wanted to live on a golf course. Our house is on the 17th fairway and it opens up in the back giving us a beautiful view of the mountains.”

In Peoria, Jack serves as President of the Lion’s Club and has become more active in his church and local Knights of Columbus. “I was just elected as Deputy Grand Knight of the Council,” he says. Vivian also keeps busy. She used to teach music and currently sings with a ladies auxiliary group called the Westbrook Village Voices. They even had a recent television appearance!

Jack has fond memories of his time at Massport and appreciates the opportunities that it afforded him. Acknowledging the importance of his Massport retirement benefits, Jack says, “Massport has been good to me. You don’t appreciate it until you have it.”

By land, sea, or sky, Jack and Vivian are certainly making the most of their retirement and may soon have enough material to publish their own travel guide!

# Book Corner

The retirement library at Logan Office Center houses a wide variety of books on personal finance topics including retirement planning, saving, budgeting, investing, estate planning, homebuying, and basic money management themes. Here are some examples:

## How To Enjoy Your Retirement

by Tricia Wagner and Barbara Day

If you are looking ahead toward retirement, you might spend a lot of time studying financial statements and retirement charts to determine how much money you will have in your “golden years.” Here’s a book to help figure out how to have fun once you get there. In “How to Enjoy Your Retirement: Activities from A to Z,” readers can get ideas and information on everything from aquariums to zucchini bread. There is also a chapter called “Let Your Imagination Soar” which has a long checklist of ideas and activities to pursue in retirement. If you have any concern about being bored in retirement, be sure to flip through this book for some inspiration.



## The Complete Idiot's Guide to Personal Finance in Your 20's & 30's

by Sarah Young Fisher and Susan Shelly

It's not rocket science, but managing your finances is no simple task and not something you learn in school. Of course, we learn by doing

(sometimes doing the wrong thing repeatedly before figuring out the right thing!). Save yourself some time and energy and check out “The

Complete Idiot's Guide to Personal Finance in Your 20's & 30's.” Written in language you can understand, this book covers most of the basics and is especially helpful for topics that are relevant to the under 40 set, i.e. learning to budget and save, insurance issues, financial aspects of cohabitation and/or marriage, and steps to home ownership. You'll be a pro in no time and maybe even teach your parents a thing or two.



## Calendar

### JULY

- 26 Retirement Board Meeting  
Logan Office Center  
Board Room, 9:00 a.m.

Retirement checks mailed

### AUGUST

- 28 Retirement checks mailed
- 30 Retirement Board Meeting  
Logan Office Center  
Board Room, 9:00 a.m.

### SEPTEMBER

- 4 Labor Day: Massport offices closed
- 11 Patriot Day: Massport offices open
- 22 Rosh Hashanah begins at sundown
- 23 First of Ramadan  
Autumn begins
- 26 Retirement checks mailed
- 27 Retirement Board Meeting  
Logan Office Center  
Board Room, 9:00 a.m.

## Retirement Board & Staff

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