



OUTLOOK

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Focusing on Retirement Issues for Massport Employees Past and Present

Don't Lose Out on This Tax Savings!

“Contributions to FSAs are not considered taxable income . . . so you'll pay less in taxes.”

Let's face it. The cost of health care is going up. And so are our health care expenses, especially those not covered by health or dental insurance. Are you aware that Massport offers current employees a benefit program to help reduce these expenses? If you answered no to this question, please read on. It could save you money!

Flexible Spending Accounts (FSA's)

Each year Massport gives current employees the opportunity to sign up for Flexible Spending Accounts. These are accounts set up in your name, funded by your pay and allow you to pay certain expenses on a pre-tax basis. Massport offers two types of Flexible Spending Accounts. A Health Care Spending Account (HCSA) funds out-of-pocket health care expenses. The Dependent Care Assistance Program

(DCAP) reimburses for work related child or elder-care expenses. These programs ultimately save you money because contributions to these accounts are not considered taxable income. This means the amount of income your taxes are based on will be lower, which means your tax liability will be as well. In other words, you'll pay less in taxes. Please see example on page 5.

How Do FSA's Work?

During open enrollment you designate how much of your pay you wish to contribute to a health and/or dependent care account during the next tax year. Massport will then deduct this amount from your pay in equal installments each pay period throughout the year. For example, if you elect to set aside \$520 a year for health care expenses, \$10.00 a week will be deducted from your pay.

You can use your health care account for eligible health care expenses (please see chart on page 5) incurred during that year by either using your HCSA debit card at time of purchase or by submitting a reimbursement request to the HCSA carrier after the fact. You can use your dependent care account to pay for eligible dependent care expenses (please see chart on page 5) incurred during the year. There is no debit card option for dependent care accounts so reimbursement requests must be submitted to the carrier. In any event accessing your money is relatively easy.

How Do I Sign Up?

The Flexible Spending Account open enrollment period is now through November 13, 2009.

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It is now easier to find us online! Simply go to <http://retirement.massport.com> and you will be taken directly to the retirement section of Massport's web site.

For Your Benefit

Retirement Drop-in Program

Retirement Staff is On the Road Again!

the retirement staff will be holding a retirement “drop-in” at a different Massport location each month. We realize it’s not always easy for you to come to us so we will be coming to you! This is a great opportunity to stop by and pick up forms and have your retirement questions answered without leaving your work site.

A SMART Plan representative will also be on hand to answer any questions you have related to deferred comp.

To schedule a retirement drop-in at your work site, contact Matt Wight at (617) 568-3951 or mwight@massport.com.



Save the Date!

Employee Financial Fair

The Massport Retirement System will once again host an Employee Financial Fair on Wednesday, January 13, 2010 at the Logan Office Center from 11 a.m – 2 p.m.

There will be representatives from several companies and agencies distributing information about various aspects of personal finance. Please be sure to stop by!

Retirement Departmental Meeting Presentations

When can I retire? How long before I'm vested? What does "vested" mean?

Get answers to these and many other burning questions you might have about retirement. Director of Retirement Irene Moran and her staff are here to provide these answers. However, we know it's not easy for everyone to come

see us – so now we'll come to you!

We can tailor a presentation to the needs of your unit and will make every effort to accommodate both large and small groups. Our goal is to provide information that is relevant to you, whether you are a new hire in your twenties

or a career employee counting down the days to retirement. Why bother speculating with coworkers, when you can get straight answers from us?

Please contact Laura Barbosa at x3903 or lbarbosa@massport.com to take advantage of this service.

Buyback Interest Rate Increase

The interest rate used to calculate prior service buybacks increased to 4.0% on March 25, 2009. Any prior service buybacks started after this date will be calculated using this new interest rate.

Please note that anyone who was in the process of purchasing

prior creditable service through payroll deduction prior to March 25, 2009 will not be subject to this higher rate.

If you have prior creditable service eligible for buyback (either as a temporary employee or a past state employee who withdrew retirement funds) and you want that service

to count towards your retirement, you should contact Laura Barbosa at (617) 568-3903 or lbarbosa@massport.com to request an updated buyback calculation.



Before You Retire...A Checklist

if you are retiring soon, here are some things to keep in mind:

✓ Retirement Counseling

You need to schedule a retirement counseling session with the retirement office any time between one and two months prior to your planned retirement date, depending on what your needs are. Generally, the earlier the better so that you may have ample time to consider your options and consult a financial planner. If married, your spouse should attend this session as well. Call Laura Barbosa at (617) 568-3903 to schedule an appointment with Director of Retirement Irene Moran.

✓ Social Security

Three months prior to your 65th birthday you should contact the Social Security Administration to determine your eligibility for benefits including Medicare. When you are retired, you must enroll in Medicare Parts A & B (if eligible) to supplement

your Massport health coverage. Your spouse must also enroll in Medicare and should apply three months prior to his/her 65th birthday.

✓ Service Buybacks

If you have any prior service or military service that you may be able to “buy back,” contact the Retirement office as soon as possible. Buying back service can increase your retirement benefit and can be done through payroll deduction or in a lump sum payment prior to your retirement date.

✓ Benefits After Retirement

You should consider what your health and life insurance needs will be post-retirement and determine if any changes will be necessary. For example, if you are planning to relocate you may want to switch to a health plan providing out-of-state coverage. Life insurance benefits terminate at retirement (except for your \$5,000 policy), but you have the option to continue

and pay the premiums yourself. Contact the Benefits office for more information about benefits after retirement.

✓ Birth & Marriage Certificates

When submitting your paperwork for retirement you must include your original birth certificate. If you are married and plan to choose Option C for a retirement benefit, you must also submit originals of your spouse’s birth certificate as well as your marriage certificate.

✓ Taxes

If you have any excess sick time you’ll be receiving at retirement you may want to consider deferring a portion of this to your deferred compensation account.

✓ Deferred Compensation

If you participate in the deferred compensation plan, you should schedule an appointment with our SMART Plan representative, Matt

O’Brien, prior to retirement to discuss your options and complete any necessary paperwork. Matt can be reached at (857) 636-8660 or matthew.obrien@gwrs.com.

✓ Other Considerations

In addition to your base salary, the compensation you receive from selling back unused vacation time gets included in the three-year salary average for purposes of calculating your retirement benefit. For most people close to retirement it makes more sense to do a vacation buyback prior to retirement rather than receiving a payout after retirement. Contact the Human Resources department for information about processing a vacation buyback.

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.

Recipes in Reverse

The next time you're drawing a blank on what to cook for dinner and the thought of yet another evening of takeout is totally uninspiring, go to **www.supercook.com**.

There you can search for recipes based on what's in your pantry right now. Type in the ingredients you have on hand, and you'll get a list of all kinds of recipes you can make without leaving the comfort of your home. This is a great way to stretch your food budget, discover new meal ideas, and maybe even find a use for some of those leftovers you've got sitting in your fridge!



Coupons for Online Shopping

The holiday season is quickly approaching. Online shopping is a great way to avoid the crowds, parking hassles, and long checkout lines at the mall. But before you hit that submit order button, you'll want to stop by **www.retailmenot.com**. This website collects coupon and promotional codes for use at more than 40,000 online stores. A single click on a coupon will open the store's website and copy the coupon code so you can paste it into the promotional code field when you complete your



order (simply hit the Ctrl and V keys on your keyboard to paste it). Deals abound for free ground shipping or 10% to 25% off your purchase. You can also search by zip code for printable coupons to use in stores and restaurants in your own town.

** 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.*

Retirees' Corner

Attention Snowbirds!

If you are moving South for the winter be sure to notify the Massport retirement office of your address change because retirement checks do not get forwarded!

For your security, we require you send us written notice of your address change. Please call the retirement office at (617) 568-3951 to request an address change form or send a note to the Massport Retirement System, One Harborside Drive, Suite 200S, East Boston, MA 02128-2909. You may also send an email to mwright@massport.com.



Legislative Update



Report of Special Commission Studying MA Contributory Retirement Systems

The special commission appointed by the legislature to study the Massachusetts Contributory Retirement Systems has issued their report. As you may be aware, Chapter 21 of the Acts of 2009, the so-called “pension reform” legislation, created this special commission to

study the Massachusetts public pension structure and submit a report with recommendations to the legislature by September 1, 2009. The commission’s report consists of 32 individual proposals for consideration by the Legislature and the Governor. The commission

members chose not to vote on these proposals and as such they do not represent a list of recommendations fully supported by the entire commission.

The report can be found at: http://www.mass.gov/Ctre/docs/retirement/Report_PensionCommission_9-01-09.pdf.

FSA— continued from page 1

Please refer to the Human Resources annual enrollment guide for details or call Loren Riley, Benefits Administrator in Human Resources, at x3920.

Please note: The IRS has strict rules and guidelines regarding the use of Flexible Spending Account (FSA) contributions. Please be sure to consider them carefully when determining your annual contribution amount(s).

Flexible Spending Accounts

Open Enrollment Period for 2010 is Now – November 13, 2009

Health Care Savings Account (HCSA)

Minimum contribution of \$500 to a maximum contribution of \$2,500

Examples of eligible health care expenses:

- Physician office visit and prescription drug co-pays
- Orthodontia and dental expenses not covered by your dental plan
- Eye wear and exams not covered by your vision plan
- Over-the-counter drugs such as pain relievers and eye drops

Dependent Care Assistance Program (DCAP)

Contribute up to \$5,000 per year

Examples of eligible dependent care expenses:

- Child care, after school programs or day camp for your dependent child under age 13
- Adult dependent day care expenses

Transitions

Condolences

We offer our sincere condolences to the family and friends of **Anthony Struppa** of Massport at Black Falcon. Tony passed away on July 17, 2009.

We also regret to inform you that the following retiree has passed away:

☞ Louise Knox-Cali

Congratulations

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

- ★ Pat Bowman
- ★ Mike Cristiano
- ★ Charlie Green
- ★ Don Jeffrey
- ★ Larry Powers
- ★ Mike Smith
- ★ Bob Whittaker

Annual Savings Example*	With FSA Account	Without FSA Account
Annual salary	\$35,000	\$35,000
HCSA pre-tax contribution	\$ 1,500	0
Taxable income	\$33,500	\$35,000
Federal and State taxes	(\$ 7,107)	(\$ 7,597)
After-tax dollars spent on eligible expenses	0	(\$ 1,500)
Spendable income	\$26,393	\$25,903
Tax savings with an FSA	\$ 490	

* Sample tax savings for a single taxpayer with no dependents. Actual savings will vary based on your individual tax situation. Please consult a tax professional for more information.

Source: Group Insurance Commission

Book Corner

The retirement library at the 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. Stop by and check them out.



We have a new addition to our retirement library. It's the **Consumer Reports Money Adviser** newsletter. This monthly publication is distributed by Consumers Union, a nonprofit group that also publishes Consumer Reports. It's chock full of advice on investing, insurance, retirement, real estate and tax strategies. Monthly money tips provide advice on how to avoid the latest scams and misleading ways companies get you to buy things. Come check it out!



Retirement Board & Staff

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Managing Editors

Laura S. Barbosa
Irene E. Moran

Design

Colvin/Williams Design

Contributors

Bonnie Matthews
Matthew Wight

Retirement Board

James P. Costello
Chairman

David W. Davis
Elected Member
(nikidave@aol.com)

Michael A. Grieco
Appointed Member

Philip H. Mallett
Elected Member
(pmallett@comcast.net)

John P. Prancevicius
Treasurer-Custodian
(ex officio)

Retirement Office Staff

Irene E. Moran
Director of Retirement
(imoran@massport.com)

Laura S. Barbosa
Retirement Communication
Specialist, Acting
(lbarbosa@massport.com)

Nancy Bournival
Financial Analyst
(nbournival@massport.com)

Calendar

October

27
Retirement checks mailed

28
Retirement Board Meeting
Logan Office Center,
Board Room, 9:00 a.m.

31
Happy Halloween!

November

1
Daylight Savings Time ends

11
Veterans Day: Massport
offices closed

19
Retirement Board Meeting
Logan Office Center,
Board Room, 12:00 p.m.

24
Retirement checks mailed

26
Thanksgiving Day: Massport
offices closed

December

7
Pearl Harbor Remembrance
Day

11
Hanukkah begins at sundown

16
Retirement Board Meeting
Logan Office Center,
Board Room, 9:00 a.m.

18
Deferred Comp 4th quarter
match appears in paycheck

21
First day of winter

25
Christmas Day: Massport
offices closed

26
Kwanzaa begins

28
Retirement checks mailed

View past issues of *Outlook* at
<http://retirement.massport.com>