

OUTLOOK

Vol. 9, No. 3
Winter 2008/09

Focusing on Retirement Issues for Massport Employees Past and Present

Wednesday, January 14, 2009

Don't Miss This Year's Financial Fair at the Logan Office Center

“The purpose is to help you understand how your Massport pension fits in with the other pieces of your overall financial picture.”

The Massport Employees' Retirement System is once again hosting an Employee Financial Fair on Wednesday, January 14, 2009* from 11:00 a.m. – 2:00 p.m. The fair is being held at the Logan Office Center and will be a great opportunity for Massport employees to get information on various personal finance topics.

Tables will be set up on the 2nd and 3rd floors for employees to stop by, pick up materials, and ask questions. If you'd like, you can also attend an educational session in the Environmental conference room.

Active employees are invited to this event which is geared towards helping you maintain a sense of financial well-being throughout your working

and retired life. The purpose of the event is also to help you understand how one component of your post-retirement income – your Massport pension – fits in with the other pieces of your overall financial picture.

So if you are a Massport employee, stop by the Logan Office Center on January 14th to get information, ask questions and enter to win a prize! Light refreshments will be served.

Things To Do at the Financial Fair

- Enroll in deferred comp
- Sign up for a home buying class
- Open a vacation account at the credit union
- Learn how to get out of debt and improve your credit rating

- Find out about long-term financial planning
- Pick up materials and get your finance questions answered
- Win some great prizes!!

Educational Sessions

Environmental Conference Room, 2nd Floor

Get there early for a good seat!

- 11:00 a.m. – 11:45 a.m. Asset Allocation
- 12:00 p.m. – 12:45 p.m. Retirement 101
- 1:00 p.m. – 1:45 p.m. What You Need to Know About Social Security

**In case of snow, please call (617) 568-3951 for event status.*

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See page four for a comprehensive list of organizations participating in the Financial Fair!

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

Deferred Compensation Plan Update

Deferred Comp Limit Increases for 2009

The 457 deferred compensation plan limits have increased for calendar year 2009 as follows:

Annual Limits:

The 2009 maximum contribution is \$16,500 per year unless you qualify for one of the special provisions listed below.

Age 50+ Catch-up:

If you are or become age 50+ during calendar year 2009, you may contribute an additional \$5,500 under the "Age 50+ Catch-up" program which has a total annual limit of \$22,000 (\$16,500 plus an additional \$5,500).

Special Catch-up:

If you contributed less than the maximum to the 457 plan at any point in the past, you may be eligible for a "Special Catch-up" during three consecutive years prior to retirement. Under this "Special Catch-up" in 2009 you can contribute a maximum of \$33,000 (\$16,500 plus an additional \$16,500). For help determining your Special Catch-Up contribution eligibility,

please contact Matt O'Brien at (857) 636-8660.

Updating Deferral Amounts

If you want to update your weekly deferral amount, please call the SMART Plan Service Center at (877) 457-1900 (Option 1) or access your account on-line at www.mass-smart.com. Click on the *Account Access* link to log in to your account and then click on the *Change Contribution Amount* link under the Manage Investments menu on the left side of the page.

Don't Forget To Factor in the Match

For those eligible for the 2009 Massport employer match of up to \$3,000, please keep in mind that the employer match plus your annual contributions cannot exceed the 457 plan limits referenced above.

For more information about the deferred compensation plan, contact SMART Plan Representative Matt O'Brien at (857) 636-8660 or matthew.obrien@gwrs.com.

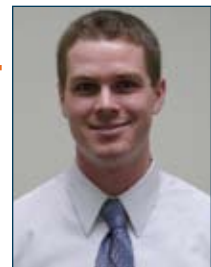


"If you contributed less than the maximum to the 457 plan at any point in the past, you may be eligible for a Special Catch-up"

New SMART Plan Representative

Please join us in welcoming Matt O'Brien as Massport's new deferred compensation SMART Plan Representative! Matt's affiliation with the Commonwealth's SMART Plan began more than two years ago when he began working for ING Financial Advisors. Today Matt continues this relationship with the Commonwealth's current provider, Great-West Retirement Services. Matt is a graduate of Assumption College and is currently pursuing his CFP at Boston University.

Matt schedules office hours at the Logan Office Center twice a month. Specific dates and times are posted on Massport's email public folders. To make an appointment please call Matt at (857) 636-8660 or send an email to matthew.obrien@gwrs.com



Credit Check

Did you know that Massachusetts residents are entitled to receive a free copy of their credit report once a year? You can obtain one free copy from each agency online at www.annualcreditreport.com. Free credit reports ordered online are viewable immediately once your identity is verified. For those of you that do not have internet access, you may request your annual report by phone by calling (877) 322-8228.

To request your credit report by mail download, print and complete the request form at <https://www.annualcreditreport.com/cra/requestformfinal.pdf>. Mail the completed form to:

Annual Credit Report Request Service
P.O. Box 105281
Atlanta, GA 30348-5281



Tax Corner



We're Deductible!

Did you know that contributions you've made to the Massport Employees' Retirement System are deductible on Massachusetts state tax returns? Line 11a on the state's Form 1 allows you to deduct up to \$2,000 for contributions to Social Security, Medicare or Massachusetts retirement systems. You can find your total contribution on your pay stub dated December 26, 2008. Don't miss out!

Save your stub

As a reminder, the last paycheck of the year contains your total salary and retirement deductions for 2008. Put it aside with your other important documents and it may save you some headaches around tax time!

Retirees' Corner

Do You Qualify for Heating Assistance?

This year, more Massachusetts residents may qualify for the Low Income Home Energy Assistance Program (LIHEAP). The Massachusetts Department of Housing and Community Development, which administers the program, has increased the maximum income eligibility from 200% of the federal poverty level to 60% of estimated Massachusetts median income, shown in the table to the right. Families that are facing a temporary financial difficulty and fall between 60% and 80% of estimated Massachusetts median income may qualify for a heating assistance grant from the Massachusetts Good Neighbor Energy Fund, administered by the Salvation

Army. To learn more about LIHEAP, call the Cold Relief Heatline at 1(800)632-8175. For the Good Neighbor Energy Fund, call 1(800)334-3047.

| | 200% of Federal Poverty | 60% of Est. MA Median Income | 80% of Est. MA Median Income |
|---|-------------------------|------------------------------|------------------------------|
| 1 | \$20,800 | \$27,876 | \$37,168 |
| 2 | \$28,000 | \$36,454 | \$48,605 |
| 3 | \$35,200 | \$45,031 | \$60,041 |
| 4 | \$42,400 | \$53,608 | \$71,478 |
| 5 | \$49,600 | \$62,186 | \$82,194 |
| 6 | \$56,800 | \$70,763 | \$94,350 |

Book Corner



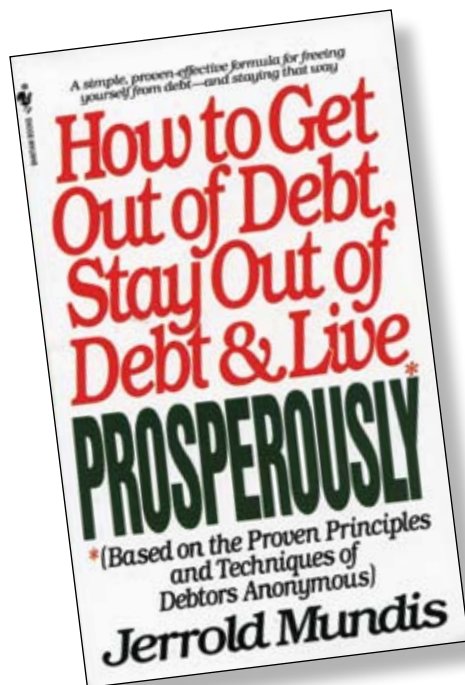
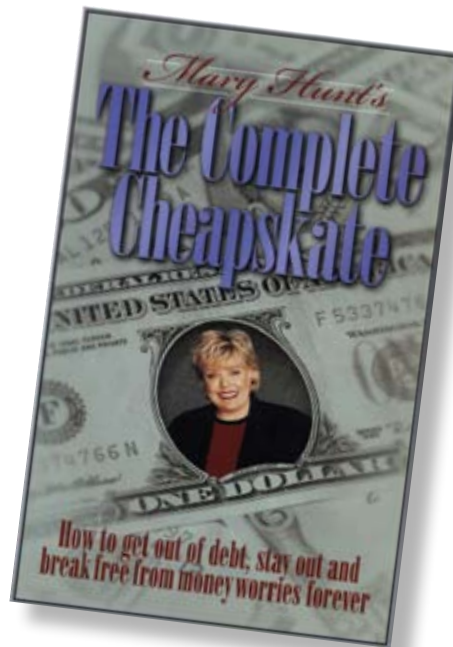
The retirement library at the Logan Office Center houses a wide variety of books on personal finance topics including retirement planning, saving, budgeting, investing, estate planning, homebuying, and basic money management themes. Stop by and check them out.

For millions of Americans, debt can feel like a prison, where hopes of financial security are held captive. Here are two authors that have been through the worst, and have shared their personal experiences to help you break free.

■ The Complete Cheapskate

By: Mary Hunt

The Complete Cheapskate is a wake-up call to financial responsibility. In it you will learn how to face the reality of your debt, how to prudently apportion your income, and how to execute a rapid debt repayment plan. Ex-credit card addict and current career cheapskate Mary Hunt shares her financial life story, and also spills the beans on hundreds of dollar-stretching tips in Chapter 10, "Cheap Shots," the highlight of the book.



■ How to Get Out of Debt, Stay Out of Debt & Live Prosperously

By: Jerrold Mundis

Jerrold Mundis, a member of Debtors Anonymous, knows all the warning signs and habits of a person that has problems with debt. His book, *How to Get Out of Debt*, will teach you to accept your problem and overcome it through a shift in your money consciousness. Mundis takes a practical, no-excuses, no "Big Fix" approach, and assures that your life begins now, and not after you've paid your creditors.

Transitions

Condolences

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

- ☞ Bill Ahern
- ☞ Normand Beaudoin

Congratulations

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

- ★ Keith Allhouse
- ★ Rick Bernard
- ★ George Santry

The Financial Fair will include representatives from the following organizations:

Massport Employees' Retirement System

Massport Human Resources & Payroll Departments

Centers for Financial Education/ Consumer Credit Counseling

City of Boston Home Center

The Financial Planning Association (FPA)

Great-West Retirement Services

Health Resources (EAP)

Massachusetts Affordable Housing Alliance

Massachusetts Educational Financing Authority

Metropolitan Credit Union

NE Pension Assistance Project

NE Teamsters Federal Credit Union

Salem Five Bank

Social Security Administration

USAlliance Federal Credit Union

U.S. Department of Labor– Women's Bureau

Jim Costello—30 Years as MPAERS Chair

On December 17, 2008, Chairman James P. Costello was reappointed by the other members of the Massachusetts Port Authority Employees' Retirement System Board (MPAERS) as both the Chairman and fifth member of the MPAERS Board. Jim has served 30 years and is entering his 11th term as MPAERS Board Chairman. We've asked Jim to share his thoughts with us as he hits this significant milestone.

For those of you who don't know Jim, professionally for the past 29 years he has been the Senior Staff Labor Representative for the Commonwealth's Joint Labor-Management Committee. Also, prior to his appointment to the MPAERS in 1979, Jim was the labor representative on the Massport Board. Jim has been very active in retirement professional organizations throughout his tenure and has served as both an officer and executive board member of the Massachusetts Association of Contributory Retirement Systems (MACRS). A former Savin Hill resident, he currently lives in Hingham with his wife Larnie and son Jimmy. He

also has three daughters and two granddaughters.

What are your thoughts as you complete your 30th year as MPAERS Board Chair?

I'm looking forward to continuing to work with the board members, both appointed and elected. We have a significant challenge on our hands in terms of this new economic climate which seems to change daily. We must focus on maintaining the goals and objectives we've had for the past 30 years.

What do you consider to be MPAERS' most noteworthy accomplishments over the course of the past 30 years?

I'd say the consistency of the working relationship as a Board through the years; everyone working together in and directly for the well-being of members and survivors. Also, the cooperation we've received from the Authority and its members through the years has been extraordinary. They have supported us in every endeavor we've undertaken.

How has the retirement system changed over the years?

I think our lines of communication with members are better than

ever. Member service initiatives which include Outlook, comprehensive benefit statements, the Financial Fair, informational meetings, seminars, facility offices hours and our annual report have allowed us to have a more dynamic and effective relationship with employees. Previously most members didn't really know what the retirement system, board and benefit structure was all about. Now there's a much stronger relationship with the employee. Hopefully we're getting the message across that retirement should be planned over the course of a career and not in the last six months of employment.

What advice would you give our members in these turbulent times?

I'd advise members to start saving for retirement at the beginning of their careers; to have a plan and stick with that plan. I'd also suggest they not rely on their Massport pension as their sole source of retirement income. The 457, deferred compensation plan is a great way to supplement



Jim Costello

“ I'd advise members to start saving for retirement at the beginning of their careers and not rely on their Massport pension as their sole source of retirement income. The 457, deferred compensation plan is a great way to supplement retirement savings. ”

— continued on page 6

COSTELLO— continued from page 5

retirement savings and the Massport employer match makes it even more attractive. The way I see it they both go hand-in-hand.

I understand that your own retirement from public service is on the horizon. In your opinion, what have you done right in terms of retirement planning and what do you wish you'd done differently?

On the plus side, I've treated my deferred compensation more like a retirement savings account and less like an investment vehicle. I started to actively contribute to the 457 plan later on in my career and had a relatively short

time horizon to save for retirement. I set a 15 year savings goal for myself and was able to achieve it in 16 years. My investment philosophy is fairly conservative and I was never more than 40% in equities. On the negative side, I should have invested more earlier on.

What else would you like to share with us?

I'd like to extend my sincere thanks to board members past and present George O'Brien, Leslie Kirwan, Tony Trimarchi, Joe Whalen, Charlotte O'Connell, Dave Davis, Mike Grieco, Phil Mallett, John Prankevicius and Brian McMorro as well as retirement directors Bill

Palladino, Kathy Conlin and Irene Moran. Being part of such a high quality, well run organization has been a pleasure and an enriching experience in my life. And of course I'd be remiss in not mentioning current retirement staff Laura Barbosa, Nancy Bournival, Matt Wight, and their predecessors who on a day-to-day basis provide a high level of customer service excellence on behalf of our members.

And Jim, on behalf of board and staff both past and present, we congratulate you on your 30 years of service and sincerely hope you'll continue to be a part of this organization for many years to come!

Retirement Board & Staff

Outlook is published quarterly by the Massachusetts Port Authority Employees' Retirement System (MPAERS) One Harborside Drive, Suite 200S, Boston, MA 02128, (617) 568-3951.

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Calendar

January

14
Employee Financial Fair,
Logan Office Center, 11
a.m. – 2 p.m.

19
Martin Luther King, Jr. Day:
Massport offices closed

27
Retirement checks mailed

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

February

14
Happy Valentine's Day!

16
President's Day: Massport
offices closed

24
Retirement checks mailed

25
Ash Wednesday

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

March

8
Daylight Savings Time
begins—set clocks ahead 1
hour

17
Happy St. Patrick's Day!
Evacuation Day in Boston:
Massport offices **open**

20
Spring begins

25
Retirement Board Meeting:
Logan Office Center
Board Room, 9:00 a.m.

26
Retirement checks mailed

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