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Union Plus Retirement eNews

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1) COPING WITH CRISIS: WHAT SHOULD YOU DO?

While efforts to resolve the credit crisis continue, there are important steps working people and retirees can take to protect their own financial security:

- **Don't sink deeper into a financial hole.** Swamped with bills? Need a budget? For a free budgeting session, spending analysis, and advice to get your finances on a firmer footing, take advantage of the [Union Plus Credit Counseling program](#). There's an online help request form, or call 1-877-833-1745 toll free.
- **Pay down debt.** At www.uniondebthelp.org, you'll find tips on digging out of debt, answers to credit questions, and repayment calculators.
- **Refinance to a fixed-rate mortgage, if you can.** If you're overwhelmed and in danger of missing mortgage payments, call the [Union Plus Save My Home hotline](#) now at 1-866-490-5361.
- **Keep saving and investing for the long term.** The best method: set

up automatic transfers from your paycheck to a retirement plan account. This way, you won't be tempted to spend the money.

For more suggestions, see [10 ways to cope with financial upheaval](#) on the Union Plus website. We'll watch the situation and update the tips as needed.

2) STUDY SHOWS PENSIONS ARE A BETTER DEAL THAN 401(K)S

If you're covered by a pension secured by a union contract, here's another reason to be thankful: [the National Institute on Retirement Security](#) says it will produce more bang for the buck than a retirement savings plan like a 401(k).

Because pension plans cover large numbers of workers, usually pay lower fees due to their size, and don't have to shift assets to meet a target retirement date, it's cheaper for them to deliver a given amount of income — 46% cheaper than a 401(k), according to the NIRS's model.

By any measure, though, it's smart to take advantage of whatever retirement benefits your employer and union offer. Once you're ready to retire, you'll be glad you did.

3) WALL STREET'S FALL SALE

If you're the kind of long-term investor who likes a bargain, headlines about a market downturn might make your eyes light up. Healthy companies' stock and bonds are often dragged down with those of the bad apples, giving smart mutual fund managers the opportunity for a harvest of good values.

The simplest strategy is to invest the same amount in good mutual funds every pay period through a retirement plan. This approach, known as dollar cost averaging, is an efficient, low-risk way to build an investment portfolio, although it can't guarantee a profit when you sell.

Keep in mind that if you're within a few years of retirement, investing heavily in the stock market may not leave much time to recover from a loss. As with any long-term portfolio, you'll want to reduce your risk by diversifying across a well-chosen variety of investment types.

If you'd like to set up an investment plan to take advantage of Wall Street's fall sale, check out [Become an Informed Investor](#) on the Union Plus Retirement website.

4) SOCIAL SECURITY INTRODUCES A NEW RETIREMENT ESTIMATOR

If you're eligible for Social Security benefits, do you know how much you'll get? To help workers determine their future income more accurately, Social Security has just introduced a new online [Retirement Estimator](#).

All you have to enter (besides personal identifying data) is the amount of your Social Security wages for 2007. It's secure and confidential — and in a minute, you'll have an estimate of the monthly benefit if you start payments at age 62, at your full retirement age, or at age 70.

If you also qualify for a government pension, your Social Security benefit may be modified, so the estimator won't work for you. See [Information for Government Employees](#).

5) NEW: A DEBIT CARD TO ACCESS SOCIAL SECURITY BENEFITS

No bank account? No problem! Several million Social Security recipients can now make purchases and get cash with a Direct Express card instead. Each month's new benefit payment is automatically available through the card, along with any unspent balance from before, and amounts spent or withdrawn are electronically deducted.

The Social Security Direct Express card is accepted by any merchant, bank, or ATM where Debit MasterCard is welcome. It's

currently being rolled out throughout the U.S. For more information, visit [Direct Express](#) or download a [pamphlet](#) in PDF format.

6) MEDICARE 2009: COVERAGE EXPANDS, RX PREMIUMS JUMP

Medicare will provide broader coverage for preventive services next year, thanks to the new Medicare Improvements for Patients and Providers Act (MIPPA), which Congress ratified in July over a presidential veto. Other changes worth noting:

- 1 Mental health services and medications will be funded at the same rate as other medical care.
- 2 Low-income people will qualify more easily for help with health care costs.
- 3 Medicare Part D prescription drug premiums will increase to \$21-\$31 a month for basic coverage, depending on type of plan.

If you're budgeting for next year, the [Medicare.gov](#) website has information about Medicare premiums and coinsurance rates for 2009.

<http://www.medicare.gov>

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