REFERENCE LIST
October 2016

Employee Benefits on the Agenda in 2016 Election Campaigns

October 2016- Employee Benefit Research Institute

The political campaigns for the White House being waged by Hillary Clinton and Donald Trump — as well as state battles for congressional seats — are heating up as Election Day approaches. Proposals from the Democratic and Republican nominees have significant implications for benefit programs and workplace policies, including health care, paid leave, child care and tax reform. The party platforms released at the nominating conventions reflect both the proposals issued by the candidates and the likely priorities each party would pursue in 2017 if it wins the White House and control of the legislative agenda.

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How to Calculate the Value of Your Benefits

October 2016- Employee Benefit Research Institute

Are you overlooking the real value of your benefits when you think about your compensation? According to the Bureau of Labor Statistics, benefits accounted for 31.4 percent of employer paid compensation for U.S. workers in June 2016, with salary making up the other 68.6 percent. It's "open enrollment" season, the time of year when employees make decisions about their health insurance and other employee benefits for the upcoming year. While you're weighing your options, it's a good time to practice some benefits appreciation. One way to do this is to estimate how much the benefits you choose are worth to you.

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An Overview of the Pension/OPEB Landscape

October 2016- Center for Retirement Research at Boston College

It is impossible to discuss municipal finance without considering the cost of pensions and other post-retirement employee benefits (OPEB), largest of which is retiree health insurance. These costs have received enormous press coverage, usually incorporating sweeping generalities about the burden of employee post-retirement benefits for the nation as a whole. Much is made of the bankruptcies in Vallejo, California (2008), Prichard, Alabama (2010), Central Falls, Rhode Island (2011), Stockton, California (2015), and Detroit, Michigan (2015). At the state level, the pension situation in Illinois, New Jersey, and Connecticut is often described as typical. No one mentions Delaware, Florida, Georgia, Tennessee, and North Carolina – states that have done a good job of providing reasonable benefits, paying their required contributions, and accumulating assets. The point is that the picture at the state and local level is extremely heterogeneous, so it is crucial to look at the numbers state by state and locality by locality.

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Annuities Have Real Value

October 2016- Center for Retirement Research at Boston College

The value that annuities can provide to retirees may not be obvious, but it is real. Annuities are also becoming increasingly valuable as fewer people have that traditional source of reliable retirement income: an employer pension. Insurance company annuities, like pensions, pay out a monthly income no matter how long you live. These payments come from three sources: 1) the initial amount invested to purchase the policy; 2) the interest earned on the amount that's invested before it is paid out; and 3) "mortality credits."

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Employee Contributions to Public Pension Plans

October 2016- Employee Benefit Research Institute

Unlike in the private sector, nearly all employees of state and local government are required to share in the cost of their retirement benefit. Employee contributions typically are set as a percentage of salary by statute or by the retirement board. Although investment earnings and employer contributions account for a larger portion of total public pension fund revenues, by providing a consistent and predictable stream of revenue to public pension funds, contributions from employees fill a vital role in financing pension benefits.i In the wake of the 2008-09 market decline, employee contribution rates in many states have increased. This issue brief examines employee contribution plan designs, policies and recent trends.

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Pension Risk Transfer

October 2016- American Academy of Actuaries Issue

The transferring of risk from defined benefit pension plans (often called "de-risking") has become a focus of pension plan providers, participants, and policymakers over the past few years. The Pension Committee of the American Academy of Actuaries believes that discussion of risk transfer from the perspectives of different constituents affected by these transactions will help to educate plan sponsors, regulators, fiduciaries, and policymakers and provide greater clarity regarding this top.

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Participants Investing Too Conservatively to Prepare for Retirement

October 2016- Plansponsor

Many Americans may be investing too conservatively to meet their retirement goals, according to the 2016 Wells Fargo Retirement Study. The annual study is put together by Harris Poll and includes the responses of more than 1,000 workers and 250 current retirees. Talking through the results with PLANSPONSOR, Joe Ready, executive vice president and director of Wells Fargo Institutional Retirement and Trust, said he is always a bit puzzled by the subset of investors who choose to get involved in the markets, but who go with very low-return potential investments to protect themselves from anticipated downside risk.

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Does Public Pension Funding Affect Were People More?

October 2016- Center for Retirement Research at Boston College

In prior briefs, the Center has focused on the impact of pensions on state and local finances, including their influence on total budgets, borrowing costs, and the fiscal health of troubled jurisdictions. Overall, this research found that pensions play only a modest role. However, one other way that pensions may impact public finances is through where individuals choose to live. Past research has found that individuals are more likely to move to places with the best "bundle" of amenities and opportunities.1 Influential factors may include house prices and jobs, as well as government finances, such as taxes and debt. More recently, unfunded pension liabilities have raised concerns about jurisdictions' ability to manage their finances, as an increasing portion of today's taxes must be used to cover past shortfalls and future taxes may end up being higher as well. This brief explores the role that unfunded pension liabilities play in migration from state to state.

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Your Social Security: 35 Years of Work

October 2016- Center for Retirement Research at Boston College

This blog is for a part-time Macy's saleswoman and immigrant whom I met in a hospital waiting room – she'd never heard of Social Security. It is also for a 22-year-old contingent worker I know who lacks steady employment and isn't regularly accruing credit toward the Social Security pension he will probably need when he retires. And it is for a 62-year-old eager to claim his benefit right away, possibly short-changing his retirement. A substantial share of retirees would fall into poverty were it not for the Social Security program passed during the Great Depression. It's especially important for two groups of people to understand *how* Social Security calculates their pension benefits: young adults making employment decisions that will impact those decades from now and older people figuring out when to retire.

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Parents Pass (Bad) Money Habits to Kids

October 2016- Center for Retirement Research at Boston College

When people are asked why they are stressed, money – or the lack of it – is often at the top of the list. Ask psychologists why this is so, and many would point to a deeper explanation: our parents. How and whether our parents talked about money, as well as the emotional tenor of these conversations – or silences – are critical to how we manage money as adults. Sonya Britt, a certified financial planner and associate professor at Kansas State University, explained how these family dynamics play out in a research summary written for financial planners, under a contract with the federal Consumer Financial Protection Bureau.

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Social Security Benefits for Retirement and Taxable Wage to Increase for 2017

October 2016- Xerox Corporation's FYI

The Social Security Administration has announced key 2017 Social Security numbers, including a cost-of-living adjustment of 0.3% and taxable wage base of $127,200. By law, Social Security benefits increase automatically each year if the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) increases from the third quarter of the last year to the corresponding period of the current year. The index actually dipped from 2014 to 2015, so the measure for the current period in 2016 is compared to the 2014 index to determine the increase for 2017. Accordingly, the 2017 Social Security cost-of-living percentage increase will be 0.3%, and will first apply to December 2016 benefits payable in January 2017.

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6 Things People Who Need to Save for Retirement Need to Know About Saving for Retirement

October 2016- Napa Net Informing and Connecting Plan Advisors

When it comes to retirement, Americans seem to be a pretty insecure bunch. But then maybe it's because they don't know all the things they need to know. This, of course, is National Retirement Security Week, a week devoted to making employees more aware of how critical it is to save now for their financial future, promoting the benefits of getting started saving for retirement today, and encouraging employees to take full advantage of their employer-sponsored plans by increasing their contributions.

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