

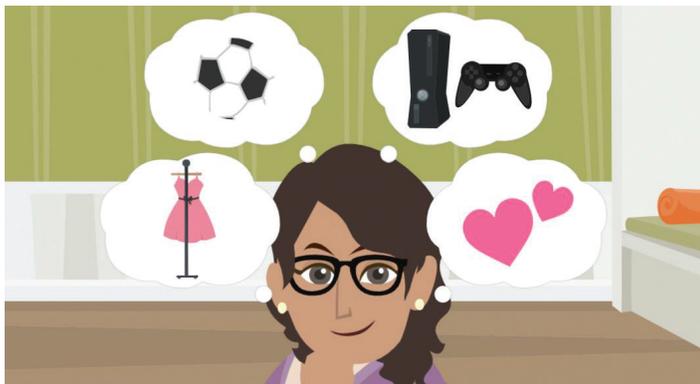


INDIANA PUBLIC RETIREMENT SYSTEM

# DESTINATION: *RETIREMENT*

SPRING 2020

## PROM DRESSES & SOCCER SHOES: A GUIDE TO PARENTING WITHIN YOUR BUDGET



**S**pring brings all things new, fresh, and exciting, and when you have kids it also brings all things expensive. This season marks a time when many needs and wants collide, sometimes even impacting your ability to save for retirement. This can be for everything from spring soccer registration to summer camp selections or, if your kids are a little older, the BIG one – prom.

As a parent, you naturally want what's best for your children: the best education, activities, and options available to you. Whether your child needs springtime clothes because their t-shirts have now become crop-tops or the endless "Mom, can I's" have begun, this season of life can be tough. When love for your children is paramount, it can be hard to say no to things, even when saying "yes" has the chance of causing you financial hardship or strain.

You may have sacrificed income in your decision to work in service to the public. That choice may not allow you to afford extravagant expenditures every month. These realities make budgeting for day-to-day life, as well as special expenses, one of the most important things you can do.

### WRANGLING YOUR BUDGET

If you don't currently maintain a household budget, now is the time to create one. INPRS offers a budgeting workshop where you can dig into creating one that works for your family. You can also use our budgeting worksheet available at [bit.ly/INPRsbudgetingworksheet](http://bit.ly/INPRsbudgetingworksheet) to get started. No matter how you arrive at a budget, it's critical to understand how much money you're bringing in, how much you're spending, and how much you can save for both long and short-term goals.

### STRATEGIES FOR SAVING FOR YOUR KIDS' ACTIVITIES

Each family typically carries with it traditions for what extracurricular activities are a priority. Some families may like multi-generational summer camping, others may love spending time on sports and attending training camps to improve their skillsets. Still others may choose to invest in travel-based experiences such as service trips or immersive family vacations.

No matter what the activities are that excite your family, they all come at a cost. What's the best way to plan for, save, and manage expectations and expenses?

- **Have a conversation with your family on what activities, trips, camps, and other experiences you're interested in this year.** Get the input from everyone- no matter how small. Your three-year-old could surprise you and share that they'd like to spend time with grandma and grandpa.
- **Review your budget for existing savings buckets and examine how much is currently available to spend on fun.**
- **Go line-by-line on your non-essential bills, such as satellite television, subscription services, dining out, and shopping.** You don't need to cut all the fun out of life. But, have a thoughtful discussion on how much value you're getting from each of these luxury categories.

– continued on p. 2

For all PERF, TRF and Legislators' plan members.

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# DESTINATION: RETIREMENT

## IMPORTANT UPDATES FROM INPRS

1. We've made workplace modifications to protect the health and safety of our members and employees. As we navigate these changes, the best first stop for account service is on your online account, available at [www.myINPRSretirement.org](http://www.myINPRSretirement.org). For more information about these changes, visit [www.in.gov/inprs/inprscovid19.htm](http://www.in.gov/inprs/inprscovid19.htm).

2. There's a lot of movement in the stock market right now and the Indiana Public Retirement System (INPRS) wants you to understand what that means for you, your retirement, and your INPRS account. For more information, visit [www.in.gov/inprs/3270.htm](http://www.in.gov/inprs/3270.htm).

## PROM DRESSES & SOCCER SHOES: A GUIDE TO PARENTING WITHIN YOUR BUDGET, CONTINUED

- If you find that you're throwing away groceries because you're dining out so much, you may want to consider purchasing fewer groceries or dine out less and make meals from the food you have.
- Subscription services are the newest way your budget can dwindle. These are often auto-paid and can be relatively inexpensive, but if you've got satellite radio, data storage, and three streaming services coming out of your account, you can easily be spending \$50 each month on things you may not be using to their fullest value. List out the services you use, their purpose, and the cost. Next, discuss with the family how much you use or enjoy them and determine if it's something you want to keep. Don't forget to review any Amazon auto-delivery sequences and health and beauty auto-deliveries. There's no sense in having six months of shampoo in your backstock. Any savings you achieve from this exercise can be redirected toward something fun -- like summer camp!
- Identify which expenses you can negotiate. Cable providers are notorious for slowly increasing your monthly bill without your noticing, that is until your \$80 monthly bill has swollen to \$150! Taking the time to call your providers every few months to see if there's a way to reduce your cost can be a great use of time. Ask to speak to the retention department. Share with them your concerns about the expense and that you're considering shopping around. Most times, this works best when you're not under a contract, but it's always good to ask. Depending on how long you've been a customer, you may be eligible for "credits" which companies can offer you in an attempt to retain your business. Sometimes this is a flat amount off of your bill for the next six to 12 months, or it could be free premium channels for a fixed period or even both.
- Streamline your budget by signing up for budget billing. Utility bills typically vary with the season – gas is usually higher in the winter, while electric is often most expensive in the summer. Regardless of how you power your home, a simple way to reduce utility bill surprises is to contact your provider to get on budget billing. If you have a good payment history and at least 13 months of expenses, you usually qualify for your provider to estimate the average monthly cost of your utility service. This way, you'll pay a flat amount for

about a year. After a year, your provider will determine if you're paying the right amount, too much, or too little. During this true-up month, you may receive an account credit for any overpayment and you'll also be notified of your next year's budget bill amount.

### SAYING NO, EVEN WHEN YOU FEEL YOUR KIDS ARE DESERVING

Saying no is never fun, especially when you want to say yes to your kids' smiling, sweet faces. But, sometimes, the money just isn't there. And, sometimes, you know that spending money on what they want is not the best thing for the entire family.

- **Review the activities and expenses that are up for consideration with the entire family.** No matter their ages, exposing your children to financial discussions can have a positive impact. They'll gain an understanding of personal finance, family decisions, and the thought process behind why certain things happen, while others don't. Take time to elaborate, evaluate, and explain the positive attributes of the options you're considering as well as the potential drawbacks. Keeping a pro-con list can help you organize the thoughts the family has as you go through each item.
- **Ask your kids to prioritize and explain which options are most interesting or valuable to them.** Giving them an opportunity to weigh in helps them to feel and be heard and may even inspire you to think of creative alternatives to their wants. For example, what if your daughter wants to participate in a summer-long science camp complete with room and board? If that's out of your budget, you may look into local university-sponsored camps that are often conducted during the day.
- **Manage difficult conversations with grace.** Sometimes, there won't be money in the budget for anything extra, and that can invoke feelings of disappointment, sadness, and frustration for both the adults and kids. Elaborating beyond "we just can't afford it" is important to help your children understand where you're coming from, why the decision is being made, and what alternative plans you may have in store for them. For example, if you can't swing summer camp because you need to plan for a major expense like replacing your air conditioning unit, share that with your kids. The conversation could go like this, "I know you're disappointed about not being able to do summer camp this year. While I'd love for you

to go, we need to make sure to take care of our home and, this year, that means we need to replace our air conditioner. I know it's not the most fun thing to spend money on, but we'll stay comfortable when it's hot outside and it's not something we have to do every year. I've got some fun ideas for us to do instead of summer camp like visiting a really cool farm, spending some time with your grandparents, and even checking out the beach at the lake."

**Look ahead and plan for next year.** This year's summer plans may not be the same as next year's. Your children will age out of and into new, and often more expensive, options. Many youth camps begin at age five and sleepover camps may have age ranges they target based on the curriculum. Typically, prom is reserved for junior and senior year students and their dates and can often be isolated to when your students are toward the end of their high school years. However, be prepared for your students to be invited to dances at any stage in high school. Depending on what's popular that year or traditional for your child's school, you could be looking at a simple affair or extravagant expectations. Here are a few ideas to help you and your student manage expenses:

- **Attire:** Clothing can be rented or purchased from traditional stores, but another great option is to shop vintage or second-hand. There's nothing more embarrassing as a teenager than coming to one of the biggest events of your high school career in the dress that everyone else is wearing. Today, more emphasis is placed on unique looks inspired by high-end fashion. Prom season is an excellent time to encourage creativity and some hands-on modifications. A trip to a good vintage store followed by a stop at the local craft shop could even make your child Insta-famous with how incredible their creations could be. Recently, Instagram was flooded with many young ladies who modified semi-formal sheath-style dresses with tulle,

lace, and sparkles into show-stopping looks that were beyond what they could've found in-store.

- **Transportation:** Were limousines the absolute must-have when you were going to prom? Or maybe it was a tricked-out ride with the loudest engine? No matter what it was for you, your kids' idea of what's cool may be different. Listen to their feedback and talk to them about what's reasonable. Borrowing the family's nicest ride, carpooling with friends in their mom's shiny SUV, or even having mom and dad chauffeur may be great options to discuss.
- **Hair/makeup/accessories:** Trends are always changing and, luckily, we're currently in the era of the tutorial. Your student may be confident enough to handle their prom look or have a trusted friend master the look of their dreams. Encourage them to use their talents to perfect their look for prom. When accessories come up, encourage them to share with their friends and even craft their corsages and boutonnières. Again, tutorials can be your friend, and today's faux flowers are so good- the options are nearly limitless.
- **Dining:** Some schools may sponsor their prom meals, but don't forget that hosting at a student's house is an option, too. If you've got the space and the patience to host, an expertly-crafted lasagna dinner can be just the meal to help kick off your student's perfect prom night.

No matter what stage your kids are in, navigating expenses can spark stress on a family, especially when the wants of your heart collide with the realities of your budget. Managing your expenses year-round, planning ahead, and having honest conversations with the whole family may help all of you accomplish the most as a team and with lower stress.

## WE WANT TO GET TO KNOW YOU!

### Follow us on our social media channels

Search for Indiana Public Retirement System on:



## WANT TO LEARN HOW YOUR PLAN WORKS? CHECK OUT OUR PLAN HANDBOOKS!

- <http://bit.ly/handbooks4perf>
- <http://bit.ly/handbook4trf>
- <http://bit.ly/handbook1rs>

## INPRS 2019 CAFR

INPRS's most recent Comprehensive Annual Financial Report (CAFR) is now available. Inside you'll see our most recent membership data, investment returns, and more.

Check it out at [www.in.gov/inprs/files/2019\\_INPRSCAFRBook.pdf](http://www.in.gov/inprs/files/2019_INPRSCAFRBook.pdf).

# DO YOU KNOW



## the value of your defined benefit

**Y**our INPRS defined benefit gives you a great foundation for your retirement income. More often than not, you'd have to accumulate a large amount of savings in order to purchase an annuity with a similar lifetime benefit. Once you've reached five or more years of service with INPRS, we'll be able to provide you with the approximate amount of money that you'd need to purchase an annuity with the same monthly benefit you're currently working toward earning. Today, INPRS provides you the value of your pension once a year on your PERF or TRF annual member statement, which you receive the month after your birth month. To learn more about the benefit of your pension, watch our video at [bit.ly/bdvalue](http://bit.ly/bdvalue).

## Did you get your AMS after your birthday?

In Feb. 2019, INPRS began issuing annual member statements (AMS's) to all PERF and TRF Hybrid members, during the month after their birth month. These statements are a snapshot of each members' account status as of the last day of the month of their birth month and display the members' years of service, show a confirmation of the members' vested status, investment performance, employment history, and beneficiary status. The statement also displays what contact and birthdate information INPRS has on file for members. All of this information is important in helping the organization keep track of retirement eligibility; and it's used to contact members when they reach important milestones. Each statement also includes plan-specific information about vesting and retirement eligibility as a quick at-a-glance reference of key plan requirements.

After a year of existence, our members have shared that they are very satisfied with the statements, with 93% stating that they are either very satisfied or satisfied with their AMS's.

All statements will continue to be sent to members the month after their birth month via mail and are also available on [www.myINPRSretirement.org](http://www.myINPRSretirement.org).

## YOUR NAME MAY NOT BE MILLIE MORGAN BUT YOU COULD BE ONE!

If you've dedicated at least 20 years of your career to public service and you're approaching or are already 70 years old or older, you may be eligible to receive your monthly pension benefit now, while you continue to work in your covered position.

This unique retirement option, called the Millie Morgan retirement, allows members of the PERF and TRF Hybrid plans to receive their monthly pension benefit while they continue to work in their covered positions.

While the contributions to INPRS from your employer would stop once you begin receiving your monthly pension benefit, there are some key things to consider:

- The monthly benefit you receive now can help you take care of some pre-retirement goals, such as paying off your mortgage, saving for healthcare expenses, or taking a once-in-a-lifetime trip.
- You have options with your defined contribution (DC) account. You can continue to contribute the 3% required amount from your existing paycheck or, you can access the balance and use it to purchase an annuity for lifetime income, roll the balance into another institution, or use the money in any way you choose.
- Your monthly benefit from INPRS is for life and is guaranteed. The retirement option you select now will be what you receive for the rest of your life.

If the Millie Morgan retirement option sounds interesting to you, register to attend a retirement benefit workshop with us at [bit.ly/RBWcalendar](http://bit.ly/RBWcalendar) to get more details and an estimate of your pension benefits.

Phone: (844) GO-INPRS | Web: [www.inprs.in.gov](http://www.inprs.in.gov) | Email: [questions@inprs.in.gov](mailto:questions@inprs.in.gov)

Every attempt has been made to verify that the information in this newsletter is correct and up-to-date. Published content does not constitute legal advice. If a conflict arises between information in this publication and the law, the applicable law shall apply.

*The Indiana Public Retirement System (INPRS) is a trust and an independent body, corporate and politic. INPRS is not a department or agency of the state of Indiana, but is an independent instrumentality exercising essential government functions. (Indiana Code 5-10.5-2-3)*