



# Your Money Your Future

Retirement planning strategies and personal finance tips  
from the Texas Hospital Association Retirement Plan

Spring 2016

## Quarterly Update

### 2016 Update – First Quarter

#### Capital Markets Update

Negative investor sentiment and economic uncertainty drove sharp declines in equity and commodity markets during the first two months of 2016. However, this trend reversed dramatically in March due to renewed optimism leading to marginal gains for equities. Despite a sharp uptick in volatility, the US equity market finished the quarter in positive territory, as strong March gains erased heavy losses incurred during January's market sell-off. The S&P 500 Index posted a gain of 1.3% for the quarter. Developed international markets had a strong rebound as well, but remained negative for the quarter. The non-U.S. equity market for companies in developed countries, as measured by the MSCI EAFE Index, was down -3% for the quarter. Performance from emerging markets diverged positively for the quarter following a year of significantly better returns from developed markets. The MSCI Emerging Markets Index was up 5.7%. Fixed income sectors were a haven for investors as the Barclays US Aggregate Bond Index posted a positive return of 3.0%, the strongest single quarterly return since the third quarter of 2011. The Federal Reserve Bank's target lending rate among banks now stands at 0.25%-0.50%, and the prime lending rate for top bank customers climbed to 3.50%.

#### Capital Market Indices

Period: 2016

S&P 500 Index	Russell 2000 Index	Russell Midcap Index	MSCI EAFE Index	Barclays U.S. Aggregate Bond Index	U.S. Treasury Bills
1.3%	-1.5%	-2.2%	-3.0%	3%	0.05%

#### Master Trust Update

For the first quarter, the Master Trust gained 0.9%. Total assets were in excess of \$702 million and diversified in a portfolio of approximately 71% stocks and 29% bonds.

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## Choose the Right Way to Save (and Grow) Your Money

Outside of winning the lottery (the chances of which the official Powerball website puts at about 1 in 175 million), the best way to ensure future financial stability is to think seriously about where you put it.

According to Andy Tilp, a certified financial planner at Trillium Valley Financial Planning in Sherwood, Oregon, this is not the time to "live in fear and hide your money

ments so the bank can increase its profits.

Certificates of deposit and money market accounts are higher-risk than basic savings, but still won't deliver the big payouts of a long-term investment in the stock market. Tilp says that these investments are best for more immediate savings that you plan to use three to five years in the future.

When investing money for long-term goals—for example, if you want to be finan-



under the mattress." There are many options for where and how to save money for the future, including a basic savings account, which is relatively low-risk, but offers only small returns on your investment.

Tilp says putting the money in a savings account is parking your money in a safe place that is guaranteed not to lose money (as long as it is an FDIC-insured bank or NCUA-insured credit union). But it also gives permission to the saving institution to use your money to make loans and other invest-

cially independent by the time you retire—stocks, bonds and mutual funds offer the potential to earn your money higher rates of return.

By giving your money the opportunity to grow over time, you also take on the risks that there will be some dips and losses along the way. "Be a frugal investor and look for inexpensive ways to invest," Tilp says. "Diversify. Be patient and resolute."

For more tips on how to save and grow your money, visit

[www.smartaboutmoney.org](http://www.smartaboutmoney.org). 

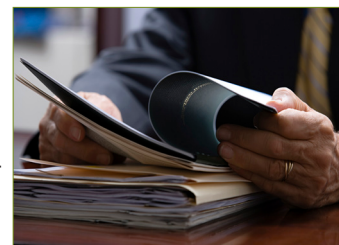
# How Long Should You Keep Tax Records and Other Documents?

Another tax season has come and gone, but while it's still fresh in your mind, it's the perfect time to cut down your paper piles and computer files and get organized. You've already delved into your financial records, so you might as well take the time to organize them.

## How to Organize Your Records

- **Keep for less than a year.** Hang onto ATM, bank-deposit, and credit-card receipts until you reconcile them with your monthly statements.
- **Keep for a year or more.** Save your stash of loan documents until the loan is paid off. If you have investments in stocks, bonds, mutual funds or anything else, keep the investment purchase confirmations until you sell the investment so you can establish your cost basis and holding period.
- **Keep for seven years.** If you fail to report more than 25 percent of your gross income on your tax returns, the government has six years to collect the tax or start legal proceedings. So when it comes to determining how long to keep tax records, stick to seven years just in case.
- **Keep forever.** Essential records such as birth and death certi-

cates, marriage licenses, divorce decrees, Social Security cards and military discharge papers should be kept indefinitely. Also hold on to defined-benefit plan documents, estate-planning documents, life-insurance policies and an inventory of your bank safe-deposit box.



## How to Store Your Files

- **Use a fireproof safe or password-protected electronic file for the following:** Bank and investment statements, estate-planning documents, pension information, insurance policies, pay stubs, tax documents and your safe-deposit box inventory list.
- **Invest in a safe-deposit box for papers that can't be easily replaced:** Original birth and death certificates, Social Security cards, passports, life-insurance documents, marriage and divorce decrees, military discharge information, vehicle titles, an inventory of your home's contents and loan documents. [S](#)

## Quarterly Update

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Master Trust Performance	4Q15	YTD	3 YEAR	5 YEAR	10 YEAR
Master Trust Fund	0.9%	-1.7%	7.7%	7.8%	5.6%

### Participant-Directed Program Update

The mutual funds in the PDRP were not immune to volatility during the quarter with most equity exposure struggling to gain a positive footing. Passive managed funds generally did better than the active funds. However, the Lazard Emerging Markets fund performed best, posting a gain of 8.7% for the quarter. The fixed income class was led by PIMCO's Real Return Fund, gaining 4.1% for the period. Target-date funds all had positive quarterly returns with BlackRock's LP Idx Retirement K fund with a top gain of 2.2%. The Prudential Guaranteed Income stable value fund posted an annual gain of 2.5%. Total assets exceeded \$210 million.

The THA Retirement Plan will hold its next quarterly meeting on May 20, 2016 in Austin at the THA Headquarters Building. For more information, please contact Fred Hamilton at fhamilton@tha.org, 512/465-1082. Go to [www.healthshare-tha.com](http://www.healthshare-tha.com) for additional information about the THA Retirement Plan. [S](#)

PDRP Funds Performances	1Q16	1 Year
<b>Tier I Funds</b> (Target-date funds)		
BlackRock LifePath Index Retirement K	2.2%	-0.1%
BlackRock LifePath Index 2020 K	2.1%	-0.5%
BlackRock LifePath Index 2025 K	1.9%	-0.9%
BlackRock LifePath Index 2030 K	1.7%	-1.3%
BlackRock LifePath Index 2035 K	1.6%	-1.6%
BlackRock LifePath Index 2040 K	1.4%	-1.9%
BlackRock LifePath Index 2045 K	1.3%	-2.1%
BlackRock LifePath Index 2050 K	1.3%	-2.2%
BlackRock LifePath Index 2055 K	1.3%	-2.0%
<b>Tier II Funds</b> (Passively managed funds)		
Vanguard Institutional Stock Index Adm	1.3%	1.7%
Vanguard Mid-Cap Stock Index Signal Adm	1.1%	-4.3%
Vanguard Small-Cap Stock Index Institutional	1.0%	-7.1%
Vanguard Total International Stock Index Adm	-0.1%	-8.1%
Vanguard Total Bond Market Index Adm	3.1%	1.8%
<b>Tier III Funds</b> (Actively managed funds)		
Columbia Acorn	-2.7%	-7.8%
Goldman Sachs Mid-Cap Value Institutional	-0.5%	-11.3%
Dodge & Cox International Stock	-3.7%	-18.1%
Lazard Emerging Markets Institutional	8.7%	-11.5%
Oakmark Equity and Income	0.7%	-4.7%
Schwab Retirement Advantage Money Market	0.0%	0.0%
Prudential Guaranteed Income	0.6%	2.5%
PIMCO Total Return Institutional	1.8%	0.3%
PIMCO Real Return Institutional	4.1%	-0.3%



## Save the Date

The Texas Hospital Association and its family of companies are offering a number of in-person educational opportunities in 2016. From the new Telemedicine Workshop to the always-popular Texas Health Law Conference, the calendar features something for everyone. Check out what's coming up and mark your calendars now.

### June

**23-24** Behavioral Health Conference (Austin)

### July

**28-30** Texas Healthcare Trustees Healthcare Governance Conference (San Antonio)

### September

**30** Health Care Strategic Communications Summit (Austin)

### October

**9-11** Texas Health Law Conference (Austin)

**12-13** Texas Hospital Insurance Exchange Hot Topics Workshop (Fredericksburg)

**20** Telemedicine Workshop (Austin)

For a complete listing of all upcoming education programs, go to [www.tha.org/educal](http://www.tha.org/educal). 

## Five Low-Cost Home Modifications to Avoid Falls

Falls are the leading cause of injuries among older adults, sending more than 2 million people to the emergency department each year. Falls often result in brain injuries, hip fractures, immobility and even early death. And many of the fall hazards are right in our own homes.

"Anything that might trip a person is going to increase the risk of a fall. People with a balance disorder often are unable to recover when they trip because they lack the agility and coordination to do so," says Steven Rauch, M.D., a hearing and balance expert at Harvard-affiliated Massachusetts Eye and Ear Infirmary.

But most falls are preventable. In fact, a study published in 2014 in *The Lancet* showed that inexpensive fixes at home are associated with 26 percent fewer injuries from falls each year. The following modifications made a difference for study participants.

**1. Handrails** - Install these along indoor

and outdoor staircases, hallways and anywhere you feel you need a little extra support.

**2. Grab bars** - Install these near showers, bathtubs and toilets. Avoid grab bars that stick on to shower tiles with suction, which are less reliable than metal grab bars attached to wall studs.

**3. Improved lighting** - Broken or weak lighting can lead to falls if you can't see where you're going. Make sure you have adequate lighting in hallways, stairways and outdoor walkways.

**4. Nonslip mats and treads** - These help improve traction on bathroom floors, outside decks and outside steps, don't forget to place a nonslip mat in your shower or bathtub.

**5. Step and floor repair** - Call a handyman to repair stairs or floorboards or call a carpet store to come and tighten wall-to-wall carpeting. 

## Healthy, Wealthy and Wise

### What's New in Nutritional Guidelines?

Every five years, the United States Department of Agriculture releases its Dietary Guidelines for Americans—advice to encourage healthier eating patterns based on the latest nutritional science.

"While there is a lot of nutritional information out there, the guidelines are the foundation for many government food programs, and many people can benefit from their recommendations," says Katherine McManus, director of the Department of Nutrition at Harvard-affiliated Brigham and Women's Hospital.

Here are four areas from the latest release that stand out, according to McManus.

**1. Vary your food choices.** The reason is that variety exposes you to an assortment of micronutrients—a broad array of minerals like calcium, zinc, magnesium, iron, and selenium and the key vitamins. Micronutrients work both alone and together to help protect against heart disease, increase bone health and keep many of your body's systems running smoothly.

**1. Take a fresh look at fat.** Previous guidelines suggested adults limit their daily intake of fat to no more than 30 percent of total calories. That concept now has changed to focus more on the types of fat you consume. Healthy fat protects against heart disease. Research also suggests it may improve cognitive function.

**1. Go sour on added sugar.** Perhaps the biggest message from the guidelines is to curb excess sugar. It recommends that everyone, including older adults, cap their daily sugar intake at 10 percent of their total calories. Most added sugar comes from sugar-sweetened beverages—like soft drinks, flavored coffee and tea, and energy and sports drinks—and from feel-good foods like candy, cookies and cakes.

**1. Cut sodium, but not potassium.** Although many people should continue to monitor their salt (sodium) intake to protect against high blood pressure, potassium is needed for the healthy function of cells, and low amounts in some people can cause muscle weakness and irregular heartbeat.

For more information, go to [www.health.harvard.edu](http://www.health.harvard.edu). 



# New Guide Helps Americans Mitigate the Financial Consequences of Disaster

More than 45 serious natural disasters struck the United States in 2014, ranging from severe storms and flooding to tornadoes, earthquakes, mudslides and wildfires, reports the Federal Emergency Management Agency. Two-thirds of those events occurred from May to December. A disaster can hit anytime, anywhere, which is why it is important to make sure you and your family have a preparedness plan in place.

To help people mitigate potential damages and lessen the financial blow of a disaster, the National Endowment for Financial Education® has partnered with the American Red Cross and the American Institute of Certified Public Accountants to produce a new guide *Disasters and Financial Planning: A Guide for Preparedness and Recovery*.

"Disasters obviously take an emotional toll, but the sudden shock to your financial system can be severe," says Ted Beck, president and CEO of NEFE. "The most overlooked aspect of recovery in the chaotic aftermath of an unforeseen event is

safeguarding one's finances and conducting damage control to shorten the duration of financial disruption."

Disasters and Financial Planning is a comprehensive, interactive guide developed to help people take proactive steps to minimize the potential impact of disasters on their lives and financial well-being. The guide is divided into six sections—with easy-to-follow checklists—covering topics such as making a disaster plan and protecting your property, income and records.

"It is important to plan not only for potential financial dangers in the midst of an event—such as the need to quickly access important financial documents and emergency cash in the event that ATMs and banks are inaccessible—but to mitigate the potential longer-term effects of unforeseen expenses through proper insurance and property protections," adds Beck.

For more information and download the guide, **visit [www.nefe.org](http://www.nefe.org)**. 

## Don't Get Stranded When it Floods




Many parts of Texas have experienced historic levels of rain and flooding over the past month, and this unexpected weather left many motorists across the region stranded in flooded vehicles. AAA Texas offers tips for immediate next steps to address a flooded personal vehicle during or immediately after a wet weather event.

1. Never attempt to drive on a road that's covered with water. Turn around and find another route.
2. Always think of personal safety first. Leaving a vehicle to get to safer, higher ground to prevent injury or loss of life should always be the first priority.
3. Don't try to start the car when your vehicle takes on water or if you are retrieving your vehicle after a flood event. Flood waters are corrosive and contain debris that could enhance any damage the car has already received as a result of taking on water. In some cases vehicles may be

salvageable by drying out, but starting a car in flood waters can send water into systems that may not be affected by standing water.

4. Contact your insurance provider to report a claim and get advice on your coverage, repair and rental needs.
5. When waters recede get your car towed by a trusted provider to a trusted mechanic or dealership to have your vehicle evaluated for damage and possible repair. Make arrangements to retrieve your car as soon as possible to limit damage both to the interior and exterior. As weather warms up, and if the car is determined to be salvageable, the interior may be subject to mold and mildew if it sits too long.
6. When safe to do so, take photos of your vehicle for documentation and to aid in the recovery and claims process with your insurance provider.
7. Flooding events create demand for rental cars. Be sure to work with your insurance provider to report your claim and reserve your rental as soon as possible.

For more tips on staying safe when the weather gets rough, visit **[www.aaa.com](http://www.aaa.com)**. 

### Worthy Website



#### The Simple Dollar

The Simple Dollar (**[www.thesimpledollar.com](http://www.thesimpledollar.com)**)

The Simple Dollar is a place where anyone can go to acquire financial information on finding the best products and services, saving money, making smart investments and controlling personal finances. Think of the The Simple Dollar as a personal finance platform that can be used to make better financial decisions. Each piece of content it publishes goes through deep analysis and a rigorous process to ensure it is providing the most valuable and useful content to its visitors. It is ranked as a top-ten personal finance blog on *Kiplinger*, has a top-20 ranking on Technorati for all business/finance blogs and is listed as a top website to help manage your finances by the *Chicago Tribune*. The Simple Dollar has been featured in some of the world's largest publications, such as *Inc.*, *Forbes*, *The Guardian* and *MSN Money*. 

#### THA Retirement Plan

The THA Retirement Plan, sponsored by the Texas Hospital Association, provides retirement benefits for health care employees in Texas. The plan is governed by a board of successor trustees, which makes investment decisions on behalf of the plan's participants, and is administered by HealthSHARE, a wholly owned subsidiary of THA.

**[www.tha.org/tharp](http://www.tha.org/tharp)**

#### Your Money Your Future

*Your Money Your Future* is published quarterly by HealthSHARE for participants in the THA Retirement Plan. Because each person's financial and retirement circumstances are different, you should consult with a financial planning professional before implementing any ideas found in this newsletter.

For specific information on your participation in the THA Retirement Plan, contact your human resources department.

**Editor:** Debbie Ritenour

**Art Director:** Jeremy Gordon

For more information about the THA Retirement Plan, contact:

**Fred Hamilton**

1108 Lavaca, Suite 700, Austin, Texas 78701-2180

Telephone: 512/465-1082 • Facsimile: 512/323-6572

Email: [fhamilton@tha.org](mailto:fhamilton@tha.org)