Relocating in retirement?
Three things to consider before making a move.

Whether you’ve lived in New York your entire life or just for the decades while you built your career, as you approach retirement you may be thinking of moving elsewhere to enjoy a different pace of life and experience new surroundings. Some NYSNA Pension Plan retirees may be lured away by promises of a lower cost of living, lower taxes, and warmer weather. But for those thinking about spending their pension benefit checks in an area associated more with beaches and palm trees (where their dollars may go further), several aspects of your dream locale should be investigated before loading up the moving van. Things to consider are:

1. **THE COST OF CARE**
   Although some RNs who immigrated to the U.S. choose to move back “home” in retirement, most retired Americans who relocate stay within the United States. Surprisingly, Arizona and Florida, once the traditional retirement destinations for many retirees, are now competing with some western states as the best places to retire in the U.S., according to Bankrate.com’s annual list of the best places to retire. The top five on the 2016 list: Wyoming, South Dakota, Colorado, Utah, and Virginia. Investigate:

   - Does the lower cost of living also mean fewer services? Are airports and hospitals close by? Is the area elder-friendly?
   - Are there stimulating activities? Consider your hobbies and other pastimes you enjoy or want to pursue in retirement. Investigate if these are available in the new area you’re considering for your permanent residence.

2. **TAKE TAXES INTO ACCOUNT**
   Many states and foreign countries boast low or no income taxes when recruiting retirees as new residents. Retirement income of all types gets a pass in seven states: Alaska, Florida, Nevada, South Dakota, Texas, Washington, and Wyoming. Some states, such as Alabama, don’t tax military benefits or certain pension plans. Thirty-seven states don’t tax Social Security benefits. But you need to consider how the government is making up for the lost income tax revenue. Investigate:


3. **HOW’S THE QUALITY OF HEALTHCARE?**
   New Yorkers certainly are lucky where healthcare is concerned. Top-of-the-line providers and facilities abound, which definitely is a plus as we age and require more medical procedures and services (it’s just a fact of life!). How can you tell if your future home has good and accessible medical care? Investigate:

   - Contact the community’s local chamber of commerce for a list of hospitals or visit www.medicare.gov/hospitalcompare/search.html. Review each facility’s Website for its specialties, bed count, and number of doctors. If your primary coverage isn’t Medicare, call your insurer to find out whether you have an out-of-network option that covers you in the new location or if your provider network covers the city you’re considering.

   Once you’ve checked out all the above, it’s a good idea, experts say, to rent a place in the new locale for six months or so to get a true feel for the area, environment, and amenities. And once you make the leap and head to (hopefully) sunnier skies, even if you’ve done your homework, don’t be surprised if you get a little homesick or have second-thoughts about your choice. Experts report this is not unusual and it’s usually short-lived.

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**REPLACING YOUR EARNINGS**

You've worked hard to build up savings and investments to help ensure a secure retirement. When you retire, your employer may be eligible for a pension benefit. To be eligible, participants must:

- Be totally and permanently disabled before the normal retirement date while they're working in covered employment.
- Be at least 50 years old.
- Have completed at least 15 years of credited service.
- Be continuously receiving Social Security disability benefits.

As mentioned above, the Social Security Administration offers disability benefits to people who are unable to work for a year or more due to a medical condition. To learn more, go to www.ssa.gov or call (800) 772-1233.

You may also want to contact your employer’s human resources department to inquire if you’re covered by any long-term disability plan through the facility. If so, you’ll want to find out how long you have to be out to receive benefits, how long the benefits will continue, and the options available to you.

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**SAVING FOR RETIREMENT WITH THE 3-LEGGED STOOL APPROACH**

Imagine a three-legged stool where each leg distributes equal support to keep the stool standing. By removing one leg, that equilibrium is lost and the stool collapses. NYSNA Pension Plan participants should ensure their retirement plan is set up just like a three-legged stool. Just as the stool needs three legs for stability, your formal retirement plan should include three sources of income, consisting of:

- **NYSNA Pension Plan**
- **Social Security**
- **Supplemental Savings**

**Social Security**

The federal government administers the Social Security program, which is funded by Social Security taxes paid by your employer.

**Personal Savings and Investments**

Do you pay Social Security taxes to fund future benefits and contribute to your own personal savings and investments? You may also be eligible for a personal review for potential additional years that'll you'll be enjoying in retirement.

**WORKING DURING RETIREMENT**

You may return to work full time or part time and be paid an income equal to your preretirement income. If you elect to retire early, your benefit won't be reduced to cover the additional years that'll you'll be enjoying in retirement.

**CREDITS**

Be aware that you may choose to receive your benefit as early as age 62 or delay your retirement up to age 70. Your benefit will be calculated based on the earnings and credits you have up to age 62. If you work during retirement, you may choose to delay your benefit to age 70, and it will be increased by 8 percent. Your benefit will then be based on your earnings and credits up to age 70. Your benefit will be increased by 8 percent for each year of delay, up to age 70. If you don't delay your retirement, your benefit will be based on your earnings and credits up to age 62.

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**I'M READY TO RETIRE! NOW WHAT?**

When you decide to retire, the Pension Plan will contact you to determine your eligibility for a pension benefit. To be eligible, participants must:

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**PENSION PLAN RELIES ON EARNINGS INFORMATION RECORDED BY EMPLOYER**

If you call the Pension Plan office for a pension calculation, your analysts generally calculate your pension by multiplying 1.6 percent by your years of service and then multiplying that by the highest average earnings for any five complete calendar years during the last 10 years immediately prior to your retirement date.

Your final average earnings include your base salary plus any overtime or other differentials such as shift, specialty, or education – that are on your W-2. The Plan uses the earnings figures provided to us by your employer to calculate your retirement benefit. Therefore, we suggest checking with your employer’s personnel/human resources office every two to three years to make sure your years of service, earnings, and experience differentials are recorded accurately. If you find any discrepancies, you can take care of them right away before your benefit is reduced.

It’s also advisable to check the pension estimate you receive from our office. Make sure the salary information and years of service are recorded correctly. If there’s a discrepancy, check in with your personnel office or human resource department at your facility to work out the problem as soon as possible.

Keeping in touch with your personnel office or human resource department will help ensure the salary and years-of-service information received from them by the Pension Plan is accurate, enabling us to provide your pension calculation in a timely manner.
3-LEGGED STOOL APPROACH
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other sources, such as savings, investments, a pension plan from a previous employer, or other savings plans such as a Roth IRA.

WHAT IS YOUR RETIREMENT GOAL?

Ideally, these three sources of retirement income will help ensure your preretirement standard of living. If you haven’t planned to replace 100 percent of your preretirement income, you may opt to settle on a 75 percent to 85 percent number, which is what many financial planners suggest as a target goal.

They figure that transportation, mortgage, certain payroll taxes, the amount you’re saving for retirement while you’re working, and other incidentals will be lower after retirement than they were prior to retirement, so your standard of living should remain the same.

More recent reports, however, question whether the amount retirees save on day-to-day costs will equal the higher medical costs that retirees face in their retirement years. And if you’re planning to travel or pursue a new hobby in retirement, you’re likely to spend more on these activities than you did preretirement.

No matter what your future plans are, it’s best to be realistic now about estimating your retirement income and expenses. It’s easy enough to find out what your pension and Social Security benefits are expected to be, as the Pension Plan sends out annual statements and Social Security estimates can be accessed online at www.ssa.gov/myaccount.

If living on less seems impossible in your circumstances, you may want to consider working longer, perhaps in a limited capacity, and put as much as you can toward retirement savings. Aside from those who become ill or disabled, many Americans won’t have much choice when it comes to work. Some just underestimate how much they’ll need in retirement and haven’t attempted to calculate their savings needs for retirement.

SAVE MORE

If you’re one of them, now’s the time to take a serious look at these issues. When you do, here are some ways to get the most from your savings goals:

• Contribute the maximum to any available tax-deferred savings plans. Establishing an automatic withdrawal from each paycheck makes it easier to save on a regular basis. It also forces you to live on less while you’re still working, which can help you more easily make the transition to living on less in retirement.

• Open a traditional individual retirement account or a Roth IRA if you want to diversify your savings.

• Set aside in savings any additional cash you may receive. That includes any bonuses, overtime pay, a tax refund, or an inheritance.

Even if you are among the many Americans who have not saved enough to obtain financial security for their retirement years, there’s no need to give up entirely. You can make up for lost time. Estimate what your expenses will be in retirement and compare them to the two sure sources of retirement income: your NYSNA Pension Plan and Social Security benefits. Then start saving today to bridge the gap between those sources of income and the total amount you’ll want in retirement.