



# PERSpectives



Third Quarter 2015

Public Employee Retirement System of Idaho

## DEALING WITH MARKET UPS AND DOWNS

In light of recent market volatility, it's only natural for people to be concerned about personal financial circumstances – especially retirement plan. Your first instinct may be to make drastic changes to your investment selections or to get out of the market completely. However, everyone's personal situation and comfort with risk is different. It's always a good idea to assess your own situation and make decisions accordingly. You should consider your investment horizon timeline. If you are not expected to retire for many years (typically decades), taking a longer view instead may be one of your options. Your retirement plan is a long-term investment. Over the course of many years of saving and investing, the market can make gains and take falls within days or weeks. Remember your long-term strategy and let current economic events simply serve to reinforce the important investment principles that can help you potentially replace your working income in retirement. Here are a few things to keep in mind:

- Look at your asset allocation. Asset allocation and diversification may help manage risk in your retirement account. Spreading your investments among the basic asset classes of stocks, bonds and cash alternatives may help reduce overall volatility and generally cushion the impact of market swings because different investments react differently to market and economic conditions.
- Diversify your investments. Diversification is really just an extension of asset allocation. Just as you mix your investments among the three basic asset classes, you can also divide your money within each asset class.

- Take advantage of dollar cost averaging. By investing in your plan through regular payroll deductions, you are putting dollar cost averaging into practice. This strategy allows you to purchase more shares when prices are low and fewer shares when prices are high. While dollar cost averaging does not ensure a profit or protect you against loss, it can help:

- Reduce your risk of trying to time the market.
- Give you the discipline to invest regularly.
- Position you to take advantage of any market recoveries.
- Do regular reviews. At least once a year, take a look at your financial goals and your portfolio to make sure you're comfortable with your asset mix. If you need to, rebalance your portfolio.
- Get expert help. Keep your individual needs, goals and time horizon in mind and consult with your financial advisor if needed.

*Note: This commentary is provided by Empower Retirement, PERSI's 3rd party record keeper for the Choice 401(k) Plan. If you'd like to discuss your account with one of Empower's Choice Plan Retirement Counselors, contact Bruce Singkhaophet:*

[bruce.singkhaophet@empower-retirement.com](mailto:bruce.singkhaophet@empower-retirement.com)  
or call 208-631-0070

## CHECK YOUR BASE PLAN ANNUAL STATEMENT

PERSI mails an annual Base Plan statement to members each fall. The statements are also posted on line. (This is not the same as a Choice 401(k) Plan statement.)

Reviewing your statement for accuracy is important. Check your name, date of birth, mailing

address, and service credit. If you find any discrepancies, be sure to contact your employer. The longer an error exists – especially with data provided by your employer – the more difficult it will be to get documentation to support a correction. If your beneficiary information is

incorrect, call the PERSI Member Services Answer Center toll-free at 1-800-451-8228.

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# Insights

## MR., MRS., AND MISCONCEPTIONS

By Debera Anderson

Retirement. Oh, how you long to retire after working all these years. You've spent years planning your retirement. You'll go fishing, you'll go on a cruise, and you'll do all those things you had put off until retirement. For so many years, your work has been who you are. You go to work and come home, and your home is your safe haven.

Imagine you're now retired, and your home feels like your prison. Your friends work, your spouse gives you to-do lists, and your free time won't be free anymore. You never have a day off, you can't call in sick, and everyone wants to plan your day.

Remember when you were dating? Plans you made together were to last a lifetime - including where you were going to live, how many children you were going to have, and all of those important details. What happened when you got married? Little things started showing up, didn't they? And then the insurmountable chasm of finances probably took precedence over your relationship.

Retirement can be similar to your first years of marriage. You are older now and you have spent a lot of time compromising on the big and little details throughout the years. Suddenly, you don't want to compromise when it comes to retirement plans, and your spouse isn't will-

ing to compromise either. Divorce could start entering your thoughts because you can't seem to agree or communicate. According to 2013 Vital Statistics Annual Report, there were 7,248 divorces in Idaho for 2013. Of those 7,248 divorces, 573 of them were married for 25 years or more.<sup>1</sup>

According to an article Psychological and Emotional Aspects of Divorce written by Kathleen O'Connell Corcoran, "Divorce is associated with an increase in depression—people experience loss of partner, hopes and dreams, and lifestyle.

The financial reality of divorce is often hard to comprehend: the same resources must now support almost twice the expense."<sup>2</sup> Furthermore, Idaho is a community property state, so your PERSI benefit(s) are jointly owned. PERSI is not responsible for the division of your property or benefits



*Debera Anderson is a PERSI Retirement Specialist, whose focus is on handling members' retirement issues associated with divorce.*



because this decision is made by the court and final divorce decree. PERSI does segregate PERSI assets as deemed by the Domestic Retirement Order. If you are contemplating a divorce, you may want to review our Divorce Brochure (<http://www.persi.idaho.gov/documents/divorce.pdf>) to familiarize yourself with your PERSI benefit(s). We do not give legal advice, but this brochure does provide help for you, your spouse, and/or legal counsel. You are welcome to contact PERSI for any information regarding your account(s).

According to the Austin Institute's Relationships in America survey, where respondents could choose more than one reason for divorce, "The most-cited reasons for wanting a divorce were: 1) Infidelity by either party: 37%; 2) Spouse unresponsive to your needs: 32%; 3) Grew tired of making a poor match work: 30%; 4) Spouse immaturity: 30%; and 5) Emotional Abuse: 29%."<sup>3</sup>

If your situation fits the second category and your spouse seems unresponsive to your needs, you may be able to pinpoint what responses you desire and communicate your desires with your spouse. Also, taking the time to hear your spouse's response might help. He or she may not know that there is a problem. You and your spouse may want to each make a retirement expectation list. After your lists are completed, sit down and discuss your lists together. What are the similarities and the differences with your plans? How does your retirement income fit in with your plans? Is it your retirement income? Or is it you and your spouse's retirement income? How you spend your time and money will become an integral part of this phase of your life. Integral is a whole part; so instead of your life turning into fragmented pieces, make sure you openly communicate to make your whole retirement a pleasant, responsive, fun experience.

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**1) Infidelity by either party: 37%;**

**2) Spouse unresponsive to your needs: 32%;**

**3) Grew tired of making a poor match work: 30%;**

**4) Spouse immaturity: 30%; and**

**5) Emotional Abuse: 29%."**

<sup>1</sup> 2013 Vital Statistics Annual Report, Division of Public Health, April 2015

<http://www.healthandwelfare.idaho.gov/Health/VitalRecordsandHealthStatistics/HealthStatistics/VitalStatistics/tabid/914/Default.aspx>

<sup>2</sup> "Psychological and Emotional Aspects of Divorce" (Kathleen O'Connell Corcoran), June, 1997

[www.mediate.com/articles/psych.cfm](http://www.mediate.com/articles/psych.cfm)

<sup>3</sup> "Divorce in America: Who Wants Out and Why?" Austin Institute, April 9, 2014

<http://www.austin-institute.org/research/divorce-in-america/>

If you are contemplating a divorce, you may want to review our Divorce Brochure (<http://www.persi.idaho.gov/documents/divorce.pdf>) to familiarize yourself with your PERSI benefit(s).

# PERSI IMPROVES EMERGENCY PREPAREDNESS

PERSI's #1 priority is to provide excellent customer service. In order to maintain the highest standard, we are committed to having the right tools for the job, and knowing how to use them. Occasionally, this commitment reaches beyond the scope of retirement preparedness.

Some PERSI staff members have taken personal time to be trained in emergency resuscitation and certified in First-Aid/CPR/AED's. Recently, a few of those staff members wondered why PERSI didn't have Automatic External Defibrillators (AED's) available in the building, whether for a potential issue with a fellow staff member or for an emergency with a PERSI member in the building.

PERSI Management listened and moved forward, with the help from a community partner, to bring

three new AED's on-site and provide training for all staff members who wanted to take advantage of the learning opportunity. Participating staff members were very happy to receive or renew their certifications and the overwhelming feeling after the training and subsequent AED installation is an increased comfort knowing they and their fellow staff members are knowledgeable and prepared to help in case of an emergency.



Today, a significant number of PERSI staff members have completed the necessary training and certification, and are ready/willing to take action in the event of a cardiac emergency at our Boise office. We are also looking at similar training and

equipment opportunities for our outlying offices in Pocatello and Coeur d' Alene.



[www.persi.idaho.gov](http://www.persi.idaho.gov)

## PERSI INVESTMENT NEWS

*for Base Plan as of September 21, 2015*

**Value of the Fund:**

**\$ 14,395,478,318**

**Fiscal Year Change in Market Value:**

**\$ ( 520,009,460)**

**Fiscal Year-to-Date Returns:**

**-3.3%**

**Month-to-Date Returns:**

**-0.1%**

\*Posted monthly on PERSI website: [www.persi.idaho.gov/](http://www.persi.idaho.gov/)  
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