Mr. Wilkinson reported that unemployment has increased from five to seven percent with crude oil trading approximately $117/barrel, which is the same price crude was when we were provided an investment report at the last meeting May 14, 2008. He further shared with the retirement committee, that during the quarter, crude traded up to the mid $140s and back down to $117 again, causing losses and still some gains for the quarter, as the growth sector continued to muddle along.

Mr. Wilkinson also explained that last week (August 5) the Federal Reserve met and kept the Federal funds rate target at 2 percent. This is their second meeting leaving rates unchanged possibly signaling an end to this easing cycle. The Federal Reserve next meeting is September 16, 2008, and rates will probably still go unchanged. The plan utilizes well diversified funds to invest in several assets classes including: large stocks, small stocks, international stocks, and fixed income; this helps to minimize the impact of volatility in the market. Mr. Wilkinson has indicated that in this situation patience is a virtue and one thing is for sure, “the market will change and we anticipate that change will be for the better.”

The Quarterly Updates

The plan’s coordinator, Mr. Hayden has reported that during the period of April 1- June 30, 2008, 10 new participants were added to the plan and seven employees separated from the College. Their returned contributions totaled $87,753.66. During that same period, three plan participants chose to retire – all we re effective April 1, 2008. All elected to receive annuity payments for life with no contingent annuity options. Also, during the period there were no retiree deaths reported.

Election of Chair and Vice-Chair

The retirement committee annually elects chair and vice chairperson at their meeting in August, per the NCERP plan document. On August 13, 2008, the retirement committee nominated and elected Ms. Calla White as the chair for the NCERP retirement committee for fiscal July 1, 2008 - June 30, 2009. Mr. Mike Wibbenmeyer was also nominated and elected as the vice chairperson of the NCERP retirement committee. These positions will expire June 30, 2009.

NCERP’s Accounting System

Fiscal year budget report as of June 30, 2008, includes the following:

- The total budget for 2007-2008 fiscal year: $371,531
- Total charges that have been paid: $336,912.97
- Quarterly Encumbered charges: $0
- Balance as of June 30, 2008: $34,618.03

Administrative expenses for the retirement plan are currently budgeted at $371,531.00. Total expenses for the year totaled $336,912.97, with $34,618.03 remaining in the budget at fiscal year end. Cost of managing the plan for this year did not exceed the industry standards of one percent of value of the plan (approximately $57M).
Individual Retirement Accounts

At the end of 2007, Americans held a whopping $4.7 trillion in IRAs according to the May 2008 Investment News. The reason for the attraction is clear. IRAs:

- Offer a tax-advantaged way to sock away money for retirement.
- Let you consolidate money from retirement accounts stranded at former employers.
- Provide a wide selection of investing options, including mutual funds, stocks, annuities, certificates of deposit and savings accounts.

There are two major types of IRAs: traditional and Roth. Traditional IRAs offer a potential tax deduction for contributions, but withdrawals are taxable. Roth IRAs have no upfront tax benefit, but qualified withdrawals are tax free. They also boast a little known feature that makes them much more accessible than their traditional cousins: the ability to withdraw your contributions at any time without taxes or penalties.

Which one is best? Most financial advisors favor the Roth. Tax free withdrawals and greater liquidity make it a very attractive option – if your income doesn’t disqualify you. Singles are barred once their adjusted gross income hits $116,000. Married couples are blocked at $169,000.

403(b)s and Other Employer Plans

Workplace retirement plans offer automated savings, tax breaks and – if you’re lucky – matching employer contributions. Despite all that, almost a third of employees who are offered such a plan fail to sign up, reports the Employee Benefit Research Institute.

If your retirement plan includes matching contributions, as NCERP does, take advantage of this opportunity because this type of retirement plan is a dying entity. More specifically the defined benefit plans are the best of all retirement plans when it comes to guaranteeing a comfortable retirement. More specifically the defined benefit plans are the best of all retirement plans when it comes to guaranteeing a comfortable retirement. Additionally, the benefit of utilizing a formula to calculate the retirement benefits versus relying on market values at the time of retirement is an added value also. Generally the formula will generally exceed both employer and employee contributions, plus the interest the retirement contributions have earned.

Annuities

With traditional pension plans becoming scarce, annuities are a do-it-yourself option that transforms savings into income that is guaranteed to last a lifetime. Some annuities let you accumulate money over time and turn it into income later; others let you turn a lump sum into a steady retirement “paycheck” right away. If social security, pensions and military retirement pay aren’t going to cover all your regular expenses in retirement, an annuity can fill in the gap.

continued on the next column…

Social Security and Medicare

Like a neighbor holding your ladder steady, the government provides two retirement tools meant to provide a safe foundation for your golden years:

- Social Security provides a modest floor of retirement income that you can start receiving as early as age 62. You can increase your take by delaying benefits as long as age 70.
- Medicare is the government’s health insurance program for people 65 or older. Like Social Security, it’s not a complete solution. Many people are surprised to learn Medicare provides little or no coverage for nursing homes. That’s why long-term care insurance is an important consideration.

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Individuals with speech or hearing impairments may call via Relay Missouri by dialing 711.

ACCOMMODATIONS STATEMENT
St. Louis Community College makes every reasonable effort to accommodate individuals with disabilities. If you have accommodation needs, please contact the Access office at the campus where you are registering at least six weeks before the beginning of the class. Event or other public service accommodation requests should be made with the event coordinator or applicable location non-discrimination officer at least two working days prior to the event or public service.

NON-DISCRIMINATION STATEMENT
St. Louis Community College is committed to non-discrimination and equal opportunities in its admissions, educational programs, activities and employment regardless of race, color, creed, religion, sex, sexual orientation, national origin, ancestry, age, disability or status as a disabled or Vietnam-era veteran and shall take action necessary to ensure non-discrimination.

This newsletter is designed to summarize and explain basic changes in the Non-Certified Employees Retirement Plan and provides updates on other related matters. Since it is only a summary, this newsletter does not cover the Plan’s provisions in detail. Therefore, if there is any conflict between this newsletter and the Plan document itself, the Plan document will always govern. An official copy of the Plan is available for inspection in the Human Resources Department at the Joseph P Cosand Community Center, 300 South Broadway, St. Louis, MO and in each campus’ library during regular business hours.