recession/depression which began in December 2007, something that we have not seen in our lifetime. He believes that the recession will probably end sometime in the second half of 2009.

Wilkinson indicated that the housing market, especially prices, has not yet stabilized. However, the level of housing activity is now near the level of sales. This is the first time that this has happened in decades. The government is offering incentives to new home buyers as well as the “Cash for Clunkers” incentive to stimulate the economy. Inventory reduction will allow for an increase in inventory build-up.

Wilkinson informed the committee that one of the reflationary policies included holding the Federal Reserve interest rate is at zero percent and stress-testing the largest banks to identify those banks needing further capital and financial stimulus. He stated that the banks are passing these stress tests.

Wilkinson confidentially expressed that the S&P 500 was up 50.2 percent for the quarter which is the largest jump since 1998. Since March 9, 2009, it has increased 38 percent and it increased 7.5 percent in July, which is the longest winning streak since 2007. Wilkinson believes that “less negative” has become the new positive outlook in the market.

Fiscal year budget report as of June 30, 2009, includes the following:

- The total budget for 2008-2009 fiscal year: $385,893.00
- Total charges that have been paid: $330,200.82
- Balance as of June 30, 2009, after all bills paid: $58,592.18

NCERP’s administrative cost for the plan ended fiscal year 2009 under budget and also is below the industry standards of one percent of the total market value. New budget for fiscal year 2010 has been approved for $387,950 and will go into effect immediately.

If employees would like an estimate of their retirement benefits, please contact the plan coordinator at least one week before the scheduled visit to ensure the retirement assessment is complete. Every participant is encouraged to contact the plan coordinator at any time to obtain a retirement benefit assessment.
WHAT SEPARATING EMPLOYEES NEED TO KNOW? STEPS TO RETIRING RETIREMENT FUNDS

Employees leaving the college need to contact plan coordinator James Hayden (CC-Human Resources) to request to receive contributions. After this first step, participants have several options:

1. If vested, allow the contributions to remain in the NERCERF fund.
2. Roll the contributions over to an IRA account.
3. Roll the contributions over to an employee’s retirement fund with the new employer (if they allow it).
4. Receive a check for the funds at your home address.

Employees taking the last option should be aware of certain tax consequences. Consult a tax professional for details.

After the plan coordinator has been notified, he will provide the necessary documents to be completed by the participant and returned to the plan coordinator. One of the documents does require the employee’s signature to be notarized, signed in front of the plan coordinator, or in front of a Business Office employee. The plan coordinator will further process these documents through the bank, which will disperse the retirement contributions and distribute according to the election made by the participant. Under no circumstances will payment be made before the payroll records have been closed out, usually three to four days after the participant has received his/her final pay.

Participants must be employed on a full-time basis for five years before becoming vested. Vested employees have the option to leave their contributions and interest in the NERCERF retirement fund until a participant meets the eligibility criteria for an early or regular retirement. At that time, the monthly annuity benefit or the lump sum option may be requested.

OFFICIAL...

NCERC Offers Members Retirement Security Other Plans Can’t:

Retirement plans generally fall under one of two categories—defined benefit plans or defined contributions plans. Individuals have a combination of both types of plans in their retirement portfolio. It is valuable in your planning efforts to understand how these plans work.

NCERC is a defined benefit plan. With NCERC you employ withhold retirement contributions of 4 percent from your eligible compensation each month, matches the amount and sends the funds to the NCERC trust account. Eligible compensation includes all your earnings as well as medical, dental and vision insurance premiums.

Your contributions are tax-deferred and are credited to your individual NCERC account. Interest accrues on your contributions and is credited to your account each June 30 based on the previous June 30 balance. The amount of contributions in your account does not determine the amount of your benefit. Instead, your lifetime benefits are calculated using a formula defined by the NCERC retirement committee, based on a multiplier, your salaries (highest four in the last 10) and years of credited service. Disability and survivor benefits, and cost-of-living adjustments after retirement are also available to qualified members and beneficiaries.

Employer matching funds are not remitted specifically for you, and are non-refundable to you or your employer. These funds are held in a general reserve account and are used to pay lifetime monthly benefits or a lump sum equivalent to retirees and beneficiaries of deceased members.

Defined contributions plans include 401(k), 403(b), 457 deferred compensation plans, IRAs and more. Unlike a defined benefit plan, your benefit is based solely on the money you have invested and the interest earned. You determine the amount you want to contribute and you have the flexibility to make investment decisions. With that, you assume the investment risks. The amount of your benefit can sometimes be difficult to determine given that the amount depends on the success of your investment decisions. The possibility also exists that you could outlive your funds with these types of accounts.  

QUICK FACTS ABOUT DEFINED BENEFIT PLANS:

• In most defined benefit plans, the employer assumes investment risk. This risk is not shared by NERCERF employer and members since both groups contribute funds.
• Benefits are determined by a set formula, not your account balance.
• Benefit amount is based on pre-retirement final average salary.
• Provide more income for career employees—rewards for long service.
• Protect benefits against inflation by paying cost-of-living increases.

Points of Contact:

Board of Trustees Appointment

Kevin White
University President
Phone: 314-298-7479
E-mail: mwibbenmeyer@stlcc.edu
Term expires: Oct. 31, 2010

Non-Unit Representative

Mike Wibbenmeyer
MC – Utilities/RAC
Phone: 314-984-7749
E-mail: mwibbenmeyer@stlcc.edu
Term expires: Oct. 31, 2010

Any suggestions for improvements, questions, comments or other concerns about the retirement plan may be directed to the NCERC committee representatives. Any new agenda items may be sent to James Hayden or the employee representative 10 days prior to the meeting date.

ACCOMMODATIONS STATEMENT

St. Louis Community College makes every reasonable effort to accommodate individuals with disabilities. If you have accommodation needs, please contact the Academic Affairs Office at the campus where you are registering. At least six weeks prior to the beginning of the class, Event or other public service accommodation requests, could 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 opportunity in its admissions, educational programs, activities and employment regardless of race, color, creed, religion, sex, national origin, ancestry, age, disability or status as a disabled or Vietnam-era veteran and shall take action necessary to ensure non-discrimination.

The newsletter is designed to summarize and explain basic changes in the Non-Certificated Employees Retirement Plan and provide the opportunity for feedback. If you have any questions or concerns, please contact Ruth Lewis, 314-513-4214 or vlucido@stlcc.edu.

E-mail: vlucido@stlcc.edu
Term expires: June 30, 2010

Ruth Lewis
Phone: 314-513-4214
Fax: 314-513-4216
E-mail: vlucido@stlcc.edu
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