Notes from Your Treasurer

Since we’re not too far away from the end of the school year, it’s a good idea to reflect and to plan ahead a bit for the next one. Consider the advantages and benefits of retirement investing and FSAs:

**Retirement Investing:**
Many younger people don’t consider this closely enough, but it’s important for people of all ages to have a financial plan and consider increasing amounts contributed toward retirement plans for your future. If you don’t have one, consider starting one to be kind to your future self! It’s so important to make long-term saving/investing automatic and periodic (to take advantage of the tremendous power of compound interest and dollar-cost averaging).

*A great rule-of-thumb is to set aside at least 10% for long-term retirement savings.*
If you can do more, all-the-better! Contributions build security for your retirement and can be done through your paycheck using a 403b type of account, or can be done independently to an individual retirement account (Roth IRA) using direct deposit or automatic electronic transfers from your checking account. Once established, most people get accustomed to a little bit less, and find that their retirement savings grows to make a real difference. If you just don’t think 10% is possible, start with 5%, or even less, but START – that’s the hardest part. If you already have a 403b and/or Roth IRA account, congratulations! However, make sure your asset allocation (mixture of stocks, bonds, etc.) is appropriate for you and consider increasing your contribution.

**Flexible Spending Accounts (FSAs):**
Very soon, it will be time to renew or start a flexible spending account for medical care and/or for dependent care. All money you elect to set aside not only is pre-state tax and pre-federal tax, but also pre-medicare tax also. So, keep your eyes and ears open over the next few weeks for details (or check out our third party provider, Benefit Strategies at [www.benstrat.com](http://www.benstrat.com)). More recently, Benefit Strategies has also introduced a handy mobile app that can be used to see your account history, balance, and itemized purchases.

*Don’t forget* that if you have an FSA, there is no “grace period” after the end of our fiscal year, June 30, 2017. However, up to $500 that is unused at the end of the 2016-2017 plan year may be “rolled over” to the next plan year. Any money above that $500 limit will be lost if not used by June 30.

Enjoy the rest of spring and have a happy and healthy summer!

Thad J. Ackerman
Treasurer, AFT Amesbury