



LIVING NOW

WINTER 2010

Your Quarterly Newsletter from New York Life Retirement Plan Services

Happy New Year!

January is the time to set resolutions for the coming year. Maybe you want to tackle a certain project around the house, eat healthier food or get more exercise. There's another resolution that's easy to keep, and it can pay off today and tomorrow — taking stock of where you stand in planning for the future.

The start of the new year should also be the start of your annual financial planning cycle, for a few reasons:

- If you have a retirement savings plan, you receive year-end statements reporting on the prior year's account activity. These reports can help you see where you stand with your savings and investment goals.
- Once you've checked the progress you've made toward your retirement goals, you can decide if there are any changes you want to make for the new year. For example, if your plan allows it, you can consider increasing your contribution rate a little bit this year. Increasing your contribution rate by even 1% can have a big impact over time. Visit www.nylim.com/retirement to find out more.
- With tax time coming up in April, you may receive a wave of year-end financial information — on mortgages and real estate taxes, for example. This is a good opportunity to take a look at "the big picture" of your

financial world and prepare to file your taxes. Consider starting a folder with any tax documents you receive. That way, when it comes time to do your taxes, everything you'll need will be all in one place.

Starting the financial planning cycle in January can help you throughout the new year. Check out www.nylim.com/retirement for more financial tools and to learn more today.



Where is my money going?

Lately, it seems as though our dollars aren't stretching as far as they used to. Whether you're saving for a big expense or just trying to be more careful this year, one of the best ways to save is by setting up a personal budget. We've put together five simple steps that can help you get started today:

1) Set your goals.

Your goals could range from living comfortably or taking a vacation to purchasing a home or paying for a child's education.

2) Look at your monthly income.

When considering your monthly income be sure to identify which sources you can rely on as a regular part of your budget (like paychecks) and which are more irregular (like bonuses and commissions).

3) Look at your monthly expenses.

You should determine which expenses are "fixed" (like rent, car payments, etc.) and which are variable (like entertainment and travel). With this step, you should try to get a general idea of your spending. Don't drive yourself crazy tracking every penny.

4) Subtract your expenses from your income.

Once you've done this, look at what's left over. Are you saving money? Or incurring debt? Either way, now is a great time to think about moving money around in your budget.

5) Ask yourself, "Should I make any changes?"

Are you on track to reach your goals? Are you setting something aside for surprises like an illness or job loss? Try tracking your budget for a couple of months. Along the way, reward yourself for being such a savvy spender. (No one else has to know it's so easy!)

Is it time to simplify things?

If you're like many people, you've changed jobs in the past and may have retirement savings in a few different places. If your plan allows it, you may want to consider consolidating your savings and rolling them over into your current plan. Here's why a rollover may be a smart idea for you:

- **Simplify your life.** Consolidating your savings helps make it easier to manage and review your investments (fewer statements, less paperwork, etc.).
- **Track your progress.** With your savings in one place, it can be easier to see how you're progressing toward your goals.
- **Save money.** Compared with IRAs, your plan can be one of the lowest-cost places to save for retirement. Also, when you roll money directly to your retirement account, you avoid taxes or fees¹.

If you would like to consolidate your IRAs with your retirement plan, you can use the rollover form that was included with your enrollment kit. You can also contact your plan's Investment Professional for a form.

¹To avoid taxes and fees, money being rolled over must come from a qualified savings account, such as a 401(k), and go into another qualified savings account.

Keep in mind some investment fees, such as short-term trading fees, may apply. Please consult your own advisers.



Share your story

As always, we're looking for your stories about saving and planning for your financial future. For example, the successes you experience and the challenges you face on a daily basis. This time, we'll ask a more specific question:

How do you balance paying your daily expenses with saving for the future?

What's the easiest, most convenient and most effective way for you to save? Many of us save in a variety of ways, some obvious, some not. Got a secret method? Let's hear from our Living Now readers!

Please send your stories, questions and feedback to: livingnow@nylim.com.

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