SMITH FINANCIAL GROUP

Michael J. Smith
August 2009 Newsletter

Mike Smith on the Radio!

Hear me live twice a month

Beginning in January of this year I have began working with Becky Booker and KRXT radio in Rockdale, TX to create a twice monthly financial radio call in show dedicated to answering your questions and needs.

Every 1st and 3rd Monday at 9:00am on 98.5 FM I do a market overview and discuss topics that are relevant to you and your financial situation. If there is something that you would like to hear discussed on the radio feel free to let me know (email or call).

Some of you may not be close enough to pick up KRXT (98.5 FM) on the radio but that's OK. You can stream me live by going to www.krxt.com and clicking on the "listen" button on the left hand side. Give a listen and call in! I would love to hear from you.

Changes to State Retirement (ERS) System

Legislature modifies ERS retirement rules

As many of you are aware the latest legislative session made several modifications to the ERS retirement system for employees of the State of Texas. The good news is that if you are currently employed by the State you are "grandfathered" in to the existing program - with two slight modifications.

First, if you retire & rehire with the state you must now sit out for 90 days instead of the previous 30 day period. That, of course, means that we will need to be sure to do the financial planning necessary for you to get by for those 3 months. It is actually pretty easy to accomplish - give me a call and I will show you how. Whether this will affect retiring & rehiring (a popular thing to do at the state) in a positive or negative way remains to be seen but it will certainly be a change.

Secondly, for those who are currently working with the state, you may see your ERS contributions increase. While the wording is a little complex the bottom line is that you will probably see your current contribution of 6% rise, depending on what your particular agency is contributing on your behalf. Most of you shouldn't see your contribution rate rise above 6.55% from its current 6% level.

I would expect that this will be an area that the legislature will continue to look at in future sessions. The ERS (and TRS) funds are currently underfunded slightly so they will need to get more money somewhere. However, if the markets improve and with slightly higher contribution rates we will see how things go.

The good news is that all of you currently employed get to keep the very good ERS retirement system that you have been counting on all these years. If you are near or at your "Rule of 80" please give me a call and we can discuss what your retirement options are. Remember, ERS can tell you what the ERS options are, I can tell you what the ERS options are when combined with tried and true market principles to create a great retirement!

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Coming to a School near you!

Financial presentations at your school

Well, it is that time of year again. I will be visiting numerous school districts at the first of the year to be a part of the in-service presentations, benefits fairs and other first of the year presentations.

If your school, state agency or organization isn't on the list please give me a call and I can work with you and your group to arrange a presentation that discusses how to invest with confidence in a turbulent marketplace. I can show you how to invest without putting your principal at risk and help you keep your gains all along the way.

Also, if you have experienced losses in the marketplace (and many of you have) then let's discuss how to recover from those losses, keep the gains you have made over the past quarter and build on top those gains as well.

Remember, it isn't how much you make, it's how much you keep that counts in the world of investing!

Sincerely,

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