

# For Your Benefit

JULY 2015



## Time for a break

*Take allotted time off during the workday*

Recent research by Staples shows that employees are working longer hours—but are taking fewer breaks than in years past. Chris Correnti, vice president of Staples Facility Solutions, recently did a Q&A on this situation.

### Q: Why are employees not taking breaks?

**A:** One in five employee respondents cited guilt as the reason they don't step away from their workspaces. In addition, 55% of employees felt they couldn't leave their desk to take a break. This revealed a major disconnect between what managers encourage and what employees actually practice when it comes to taking breaks.

### Q: What are the top reasons why employees should take a break?

**A:** Our research indicated that taking breaks improves productivity and overall happiness. While there are a number of reasons to take a break, some of the top reasons include:

- **Reducing stress.** Almost 41% of employees were working longer hours and feeling burnt out. Interspersing short breaks throughout the workday can help get an employee's mind off work and improve job satisfaction while significantly reducing the strain and fatigue employees experience in the face of longer hours.
- **Enhancing productivity.** Stepping away from work to break rooms helps improve productivity by providing an opportunity to refuel and strike casual conversations with coworkers. More than half of respondents (54%) reported that regular breaks at work improve their productivity.

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## Get fired up!

*Enjoy fireworks safely*

July is **National Fireworks Safety Month**. The Consumer Product Safety Commission (CPSC) recognizes that, despite their dangers, fireworks are about as American as apple pie, so the CPSC offers these safety tips:

- Don't make homemade fireworks.
- Use only fireworks that are permitted in your area. Check CPSC's website ([www.cpsc.gov/PageFiles/121339/012.pdf](http://www.cpsc.gov/PageFiles/121339/012.pdf)) for a list of states and which fireworks they permit and prohibit.
- Obey local laws.
- Follow fireworks storage instructions, including keeping them in a dry, cool place.
- Don't allow young children to play with any fireworks, including sparklers.
- Only allow older children to use fireworks under adult supervision.
- Light fireworks outside in a clear area away from houses, dry leaves, grass, and other flammable materials.
- Keep a bucket of water on hand in case of emergency.
- Pour water over malfunctioning fireworks. Don't try to make them work; soak them and throw them out.
- Get everyone out of range before lighting fireworks. Also, keep unused fireworks out of the firing area.
- Never have any body part over a firework when lighting.
- Never ignite fireworks in a container, especially a glass or metal container.

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# 10 Steps to Achieve Your Retirement Goals

**From Social Security to saving, these tips can help make your money last**

Everybody wants to be safe from the buffeting that life can inflict upon retirement plans — to have the financial resilience to bounce back when things go awry. For starters, here are 10 mistakes to avoid in retirement planning.

## 1. Don't take Social Security too early

Claim Social Security benefits at 62 and your monthly check will be 76 percent less than if you wait until 70. Even so, many people take benefits before full retirement age. Some need the money, and some fear they won't live long enough to collect what they paid into the system. But wait as long as you can.

## 2. Don't say 'Take this job and shove it'

Even if you quit the 9-to-5 grind, don't entirely exit the workforce. "Find something that is fun for you, so you do not really call it a job," says Scot Hanson of EFS Advisors in Shoreview, Minn. Part-time work at a golf course or local theater might generate only \$4,000 to \$12,000 a year, but will reduce how much you dip into savings and allow you to invest in a tax-friendly Roth IRA.

## 3. Don't underestimate your lifespan

More than half of Americans do, and may not save enough, according to a survey by the Society of Actuaries. One way to be safe is to buy a deferred-income annuity. You give an insurance company a lump sum and then, perhaps 15 years later, you start receiving a lifetime income stream. "You can spend a relatively small amount now and end up with a substantial amount of income down the road," says David John at AARP Public Policy Institute. Workers can transfer up to \$125,000 from IRAs and 401(k)s to buy an annuity, without having this money included in mandatory withdrawals after age 70½.

## 4. Factor in health care costs

Medical costs will rise. Medicare covers the majority of health care at 65 and older, though you must still pay deductibles and other expenses. The savings needed to cover most health care expenses in retirement, including premiums, is \$116,000 for men and \$131,000 for women, according to estimates. You can calculate health care costs online using AARP's Health Care Costs Calculator.

## 5. Don't ignore major expenses

Whether you're near or in retirement, beware of taking on large expenses that can wreck your budget. This includes digging deep into savings to help a child pay for graduate school or a dream wedding. Buying a second home can drain \$20,000 to \$30,000 a year for taxes, insurance, upkeep and mortgage payments, says Kristi Sullivan with Sullivan Financial Planning in Denver.

## 6. Consider long-term care

Medicare doesn't pay for long-term care. Most people rely on family, says Donald Redfoot, a senior strategic policy adviser with AARP Public Policy Institute. Long-term care insurance could be an option for some, particularly those with assets to protect.

## 7. Don't fall for scams

Older people can be financially devastated by con artists. "You don't have the years to recoup," says Barry Korb with Lighthouse Financial Planning in Potomac, Md. Monitor credit reports for suspicious activity. Tell credit reporting companies to put a security freeze on your report. This can stop a thief from opening lines of credit in your name. Check out AARP's Fraud Watch Network and sign up for watchdog alerts.

## 8. Simplify your finances

If you have multiple retirement accounts, consolidate them. Otherwise it is tough to determine your asset allocation — how much you own in stocks, bonds and cash — or to know if holdings overlap, says Rosa Kohler of Key Private Bank in Tarrytown, N.Y. When consolidating, make sure your fees don't rise. You might be able to get lower fees — some firms cut expenses for larger accounts.

## 9. Keep track of pensions

If you think a former employer may be holding a pension or 401(k) for you, contact the HR department. Sometimes workers can't find an old employer that was acquired, went bankrupt or just shut down. The Pension Benefit Guaranty Corp., which insures private pensions, is holding about \$280 million in unclaimed pensions owed to 37,587 people. Search online for unclaimed pensions. Advisers at the federal Employee Benefits Security Administration also can track down lost accounts.

## 10. Don't miss your Medicare deadline

You generally have a seven-month window, starting three months prior to turning 65, to sign up. Not doing so could trigger late penalties and delay coverage — unless you are covered beyond 65 by insurance from your or your spouse's current employer. Confused? Read Medicare for Dummies by AARP's Patricia Barry, and go online to use our Medicare Q&A tool.