



Your Retirement

May 2011

For Employees of the Defined Contribution Retirement Plan

Retirement Income: How Much Is Enough?

You may have heard you need 60 – 80% of your gross pre-retirement income to maintain your lifestyle during retirement. Some items will certainly decrease – like Social Security and Medicare taxes and 401(k) contributions.



to produce adequate retirement income. Remember, this is just an average and you may have to do some financial planning to determine your “number” and income requirements.

The income you need will depend on many variables — your tax bracket, your lifestyle, the cost of retiree medical insurance, and your desire for activities during retirement for which you had neither time nor money while you were working, for example travel.

Income can come from defined benefit (pension) plans, defined contribution (401(k)) plans, Social Security, and other investments. AonHewitt also identifies some factors and risks that could increase the multiple of pay needed, e.g. retiring earlier, living longer, poor investment performance, higher inflation.

Perhaps you are timing your retirement to be coincident with other significant events when your expenses decrease, for example, paying off a mortgage or your last child finishing their education. All these can affect your desired income replacement.

Am I On Track?

Fortunately, you have help to keep up to date on your progress toward a financially secure retirement. Each year New York Life Retirement Plan Services, the record keeper for the pension and 401(k) plans, sends you a personalized Total Rewards Statement.

According to “The Real Deal 2010,” a study of retirement income adequacy by human resources consulting firm, AonHewitt, those retiring at age 65 need on average 15.7 times their final year’s pay to provide for their retirement income needs.

The retirement section provides you an annual “point-in-time” snapshot of the current values for your 401(k) and your pension benefit. Your Total Rewards Statement also provides you estimated retirement income at various projected ages.

Therefore, if your annual income prior to retirement is \$100,000, you may need a total value of \$1,570,000

At any time, you can calculate “on demand” estimates of retirement income from the “My Retirement” tab on www.MyLife.NewYorkLife.com.

Vanguard 2010 Target Date Fund

Now that 2010 has come and gone, you may be wondering about the status of the Vanguard 2010 Target Date Fund.



The Target Retirement Funds have a mix of stocks, bonds and cash that grow more conservative over time. For example, as of December 31, 2010, the 2010 Target Date Fund was 48.5% stocks, 48.5% bonds, and about 3% cash.

The Target Date funds are designed to reach their final

asset allocation seven years after the assumed age 65 retirement date. This means that the 2010 Fund will grow more conservative until 2017. At that time the 2010 Fund will likely be merged into the Vanguard Income Fund pending approval by the Vanguard Board of Directors.

The Target Date fund “glide path” assumes that investors retire at age 65 but the current higher equity allocation is a recognition that many investors at that age are either still working or do not need to draw down their retirement accounts.

Call New York Life Participant Center

- ▶ Representatives are available by calling 1-800-294-3575 on any New York Stock Exchange business day, Monday through Friday from 7 a.m. to 9 p.m. Central time.

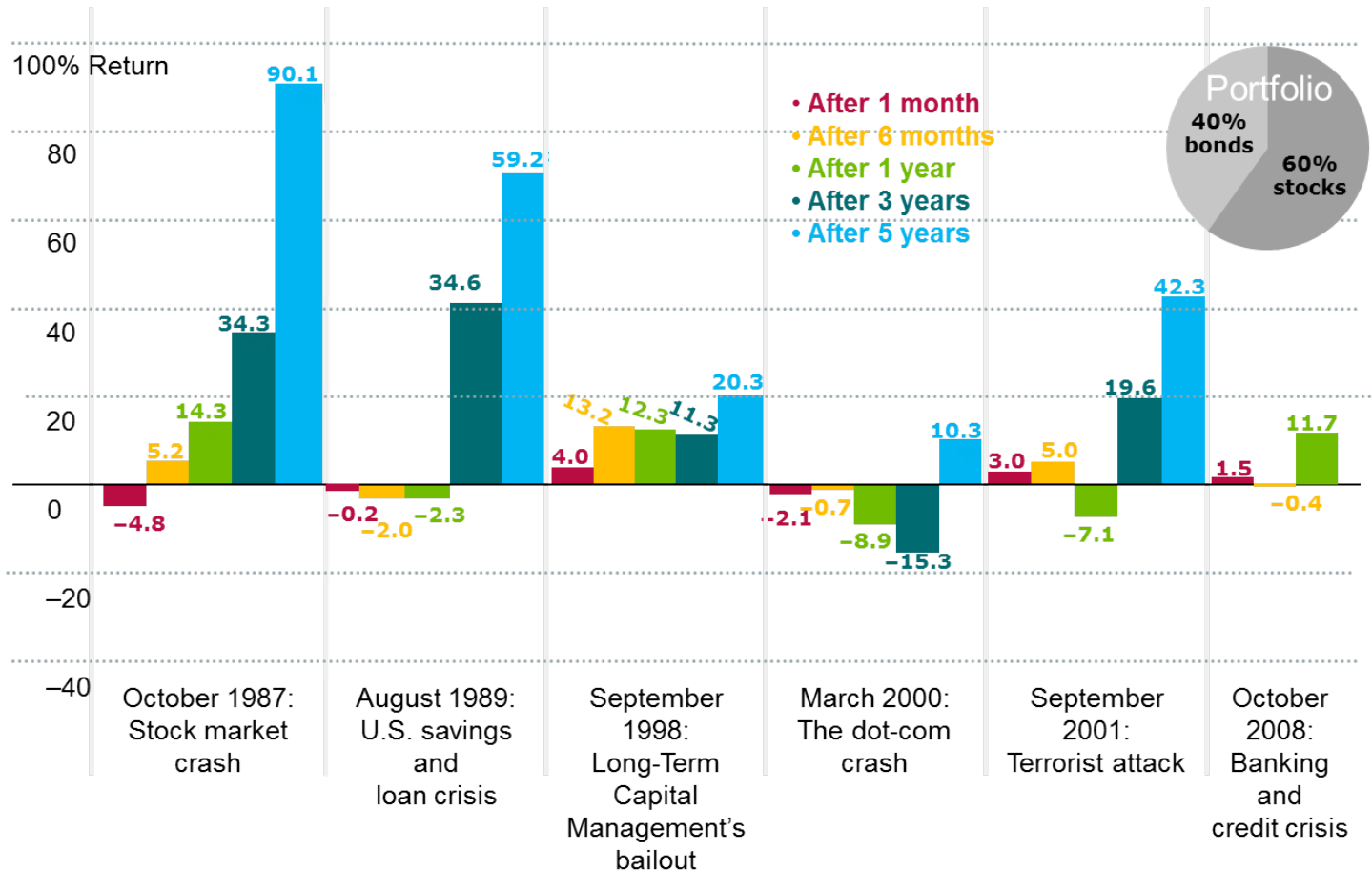
Check Out Online Tools Available Through New York Life

- ▶ Looking for help mapping your retirement goals? Check out the tools and resources available under the My Learning Center tab at www.mylife.newyorklife.com.

Avoiding Investment Mistakes: Focus on the Short-Term

Has this ever happened to you? Right after you put money into a fund, the fund falls in value. You panic and pull out your money. Months later, the fund goes back up. Had you stayed invested, you might have been fine. Thinking about the short-term may not

be a good way to manage your retirement investments. Saving for retirement is all about the long-term. Long periods of time can expose you to more market rallies and give you more time to make up for losses. Here's a look at some recent market downturns and recoveries.



Past Performance is No Guarantee of Future Results

Returns reflect the percentage change in the index level from the end of the month in which the event occurred to one month, six months, one year, three years and five years after. This is for illustrative purposes only and not indicative of any investment. An investment cannot be made directly in an index. © 2010 Morningstar. All Rights Reserved.

Quick Tips: Saving and Investing for Your Financial Future

Good News – About 94% of eligible employees save in the Farm Credit Foundations 401(k) plan on a pre-tax, Roth after-tax and/or traditional after-tax basis. Many save at a 6% rate in order to receive the maximum employer match. However, saving at 6% may not be at a level to reach your retirement goals. See previous article (“How Much is Enough?”) about retirement income adequacy. You may want to review your savings rate in relation to your retirement goals. And, if you stopped contributing to your 401(k) for some reason, now's the time to think about starting up again. **Have you considered the managed savings feature?** You make one election and your contribution rate increases automatically 1% each year. Check out the managed savings option on

www.mylife.newyorklife.com in the Update Account Information drop down menu from the My Contributions tab or call New York Life at 1-800-294-3575.

Good News – If you stayed with your asset allocation and fund selection through the last market downturn and rebound, you likely recovered much of your losses. The recent market volatility may have gotten you away from your desired asset allocation. **Have you considered the auto-rebalance feature?** You make one election and your funds are realigned to your original asset allocation every three, six, or twelve months. Check out the auto-rebalance option on www.mylife.newyorklife.com in the View/Change My Investments drop down menu from the My Investments tab or call New York Life at 1-800-294-3575.