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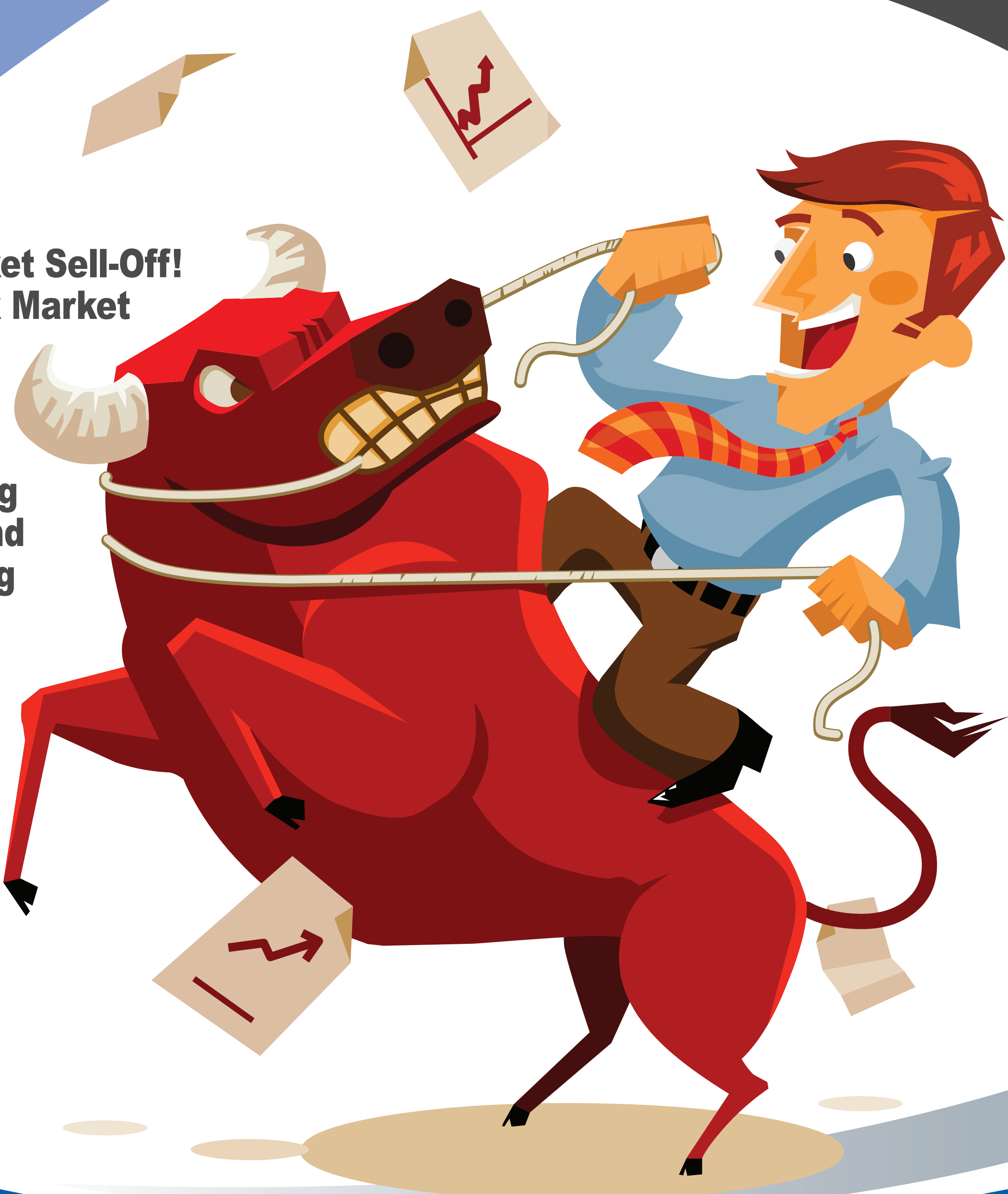
VISTA 401(k) NEWS



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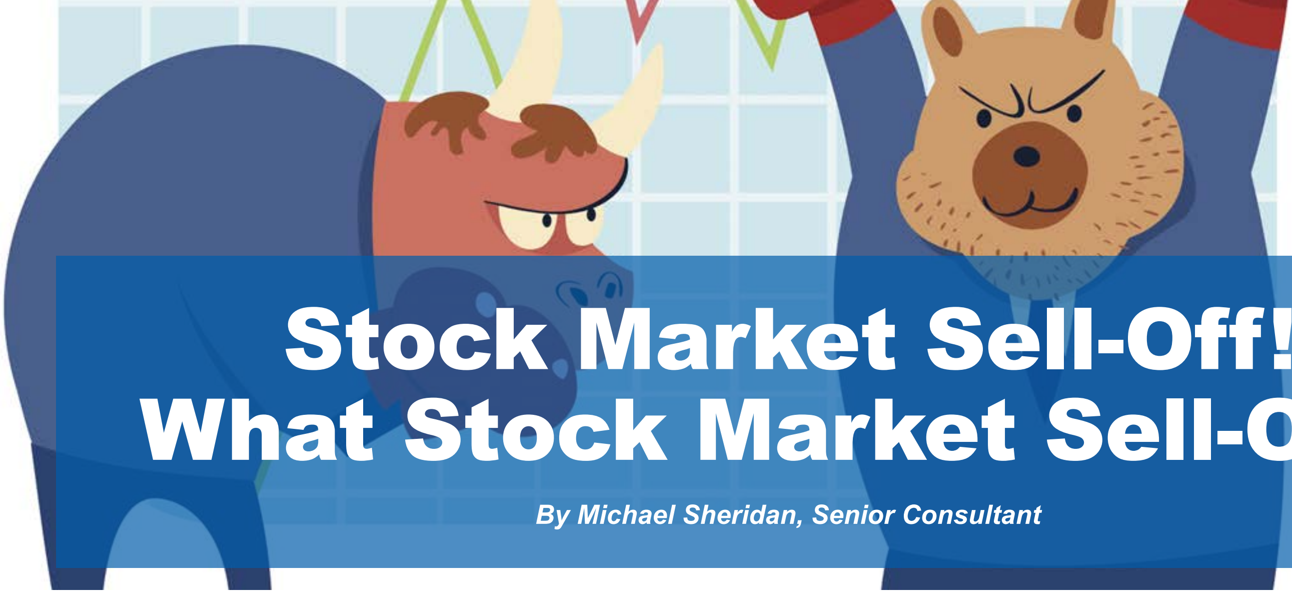

Stock Market Sell-Off! What Stock Market Sell-Off?

By Michael Sheridan, Senior Consultant

In my last article in this newsletter, written shortly after the June 30, 2017 Second Quarter end, I cautioned our Vista 401(k) participants that they should consider a portfolio rebalance. I believed that the stock market was considerably overpriced and that a correction was due. I suggested taking profits and investing in the plan's bond funds. In other words, stay in the plan but reduce your position in stock funds and sit out the eventual stock market sell-off. I also predicted that the market would eventually recover after the correction and our prediction for when that would happen would be to rebalance again and resume positions in stock funds.

I never try to guess the top or bottom of either the stock or bond market. However, I missed this one by quite a bit. The stock market continued to grow despite very high prices in relation to earnings as well as turmoil around the world and within our country. Regardless, those realities did not phase the appetite that investors currently have for stocks.
I was premature.

"Premature" you might say? Yes, I still believe that there will be a correction and that our predictions expressed three months ago will be valid. However, in the past three months, the stock market has done well and the bond market is weak and has had only one decent month during that period.

As you can read in the performance chart in this newsletter, other than the bond funds last month, all of the rest of the funds did well, monthly as well as year-to-date.

Our two top performing funds; American; Europacific and the fairly new *(for us)* T. Rowe Price; Blue Chip Growth, both are up over 25% for 2017 which is phenomenal. I think a lot of the gains in European stocks are a result of them being undervalued and underpriced over the past year or so and now returning to fair valuation. Whatever all the reasons for them regaining favor from investors, the gains this year are welcome.

We are especially pleased to see the results for the three balanced funds because their bond fund holdings have performed well even through this period where bond performance has been so low.

The Target Date funds remain good performers, and I recommend them for any retirement plan investor who wants professional and proven managers to balance their portfolios in a manner that gradually becomes more conservative as they approach retirement.

I continue to recommend bond funds as a safe haven even though returns over the summer were negative. As we have said over the years, the Vista 401(k) is a retirement investment, not a stock trading portfolio. We are focused on trying to reduce downside investment return risk and will sacrifice large upside potential and prospective volatility and risk in order to maintain values. We have observed over long years of monitoring fund performances that sometimes a lower return on your retirement plan is worth it if it is still positive and does not take unnecessary risk.
Having said all of this, and with complete realization that we called the sell-off in the stock market too far in advance of it happening *(and It has not yet happened as of this writing),* no one lost money. We left gain opportunity behind and settled for lower year-to-date returns in order to preserve our principle. We think that this is a wise move if no loss, other than opportunity loss, has been realized.

I am sorry our advice was not correct but we think it was premature and a correction still will happen.

Thanks for being our customers and paying attention to our advice. Send me an email with your opinions.

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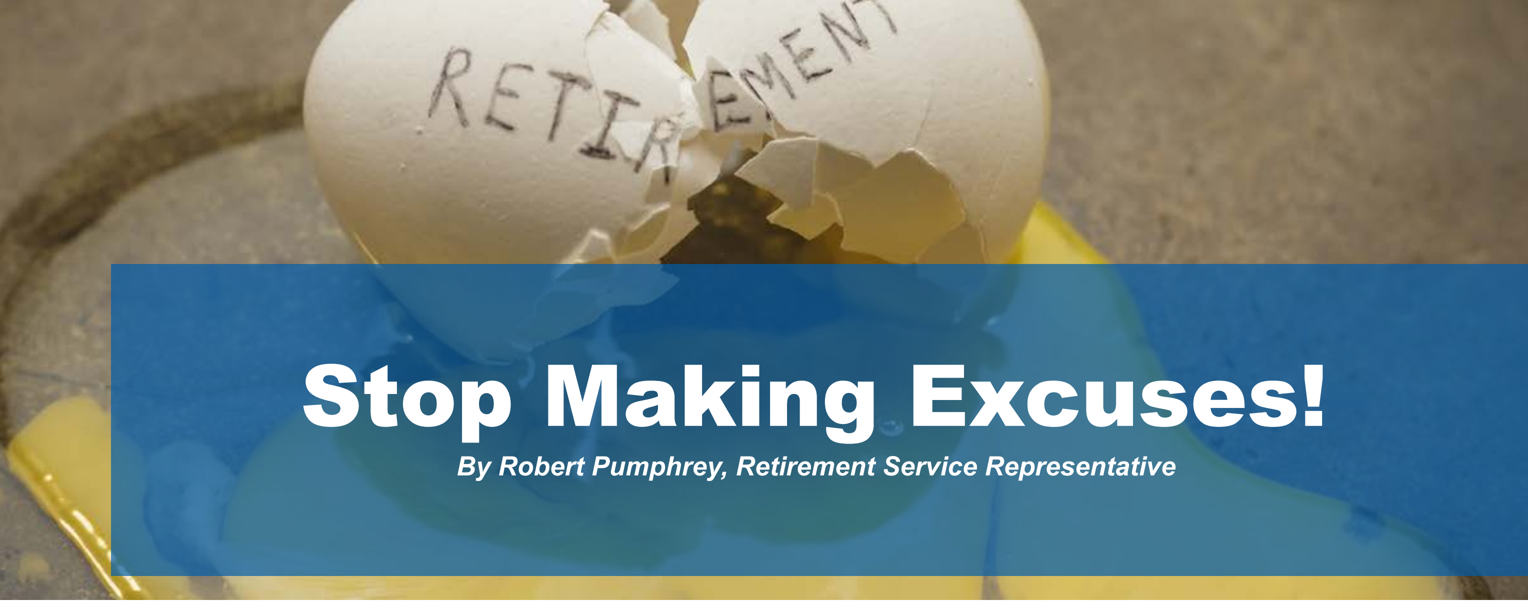


Stop Making Excuses!

By Robert Pumphrey, Retirement Service Representative

Stop Making Excuses for NOT Saving for Your Retirement and Reasons for Starting NOW

There are many excuses that people use for not saving for their retirement. In this article, we are going to provide you with the most common excuses for not saving for retirement. Then, we are going to counter each with a reason why you should start saving now. Let's get started.

NOT ENOUGH MONEY

The lack of money is the easiest excuse to dispel. Generally speaking retirement investing does not require a lot of money to start. Many non-investors might have the misconception that you need to have $500 or more to start saving for retirement. Your school-sponsored retirement plan, the Vista 401(k), lets you start with as little as $25 per paycheck, and you can start at any time!

THERE'S PLENTY OF TIME

Simply, the longer you wait to begin saving for retirement, the harder it will be to meet your goals. It is important for investors to understand that the accumulation of a retirement nest egg like the Vista 401(k) Plan doesn't just come from the actual money saved, but includes the interest, dividends and capital gains earned on that money you saved. It is called continuous compounding. When you invest in your 401(k) account the contributions are tax-deferred, as are the earnings. Compounding makes the money you save today more powerful than the money you save tomorrow.

Here's an example of the power of saving - and starting early. Early Saver starts saving $1,000 every year or just $84 a month starting at age 20. After 10 years, Early Saver's invested $10,000 of total contributions are worth $14,602 *(at an annual rate of return of 8% compounded annually).** At age 30, Early Investor stops saving and makes no further contributions and lets the money continue to grow at an 8% annual rate of return for the next 30 years. At age 60, the $14,602 will have grown to $146,934. Late Saver waits until age 30 before starting to invest the same $1,000 per year, or $84 a month at the same annual rate of return of 8%. Unlike the Early Saver who stopped contributing after 10 years, the Late Saver continues to make an annual contribution of $1,000 *($84 a month)* for the next 30 years and the $30,000 invested at age 60 is worth only $114,189.* By deferring the savings program by only 10 years, Late Saver saved three times as long and three times as much and has approximately 23% less than Early Saver.

PAYING OFF DEBT IS MORE IMPORTANT

You don't need to pay off all non-mortgage debt before saving for retirement. If it is your desire to become debt-free before you start saving would mean delaying retirement savings for years, or even decades. This excuse goes "hand-in-hand" with "There's Plenty of Time" and we have already demonstrated what Albert Einstein called the "eighth wonder of the world – Compound Interest" and the power to save early instead of waiting.

THERE'S NO TAX ADVANTAGE BY INVESTING

Nothing could be further from the truth! When you do contribute to the Vista 401(k) Plan you are making salary deferral contributions on a pretax basis. In simple terms, you do not pay any federal income tax on the contributions made into the 401(k) Plan. The contributions will be automatically deducted from your paycheck before taxes are deducted. Regardless,

** Based on investing $84.00 a month and compounding annually at 8%. Calculator used can be found at www.investor.gov* if your retirement account earns you 2% or 12% or anything “in between” this benefit alone stands on its own merits why you should start investing today. In fact, based on 2017 IRS Regulations, if you are under the age of 50 you can contribute $18,000 maximum on an annual basis and for those 50 and older you can contribute $24,000 on an annual basis. That can be a considerable tax savings to you.

For example, let’s show you two scenarios as follows:

	WITHOUT A 401(K)	WITH A 401(K)
GROSS SALARY	$1,500	$1,500
BEFORE-TAX CONTRIBUTION	-$ 0	$150
TAXABLE SALARY	$1,500	$1,350
FEDERAL INCOME TAX (28%)	-$420	$378
TAKE HOME PAY	$930	$972

INVESTING IS TOO COMPLICATED

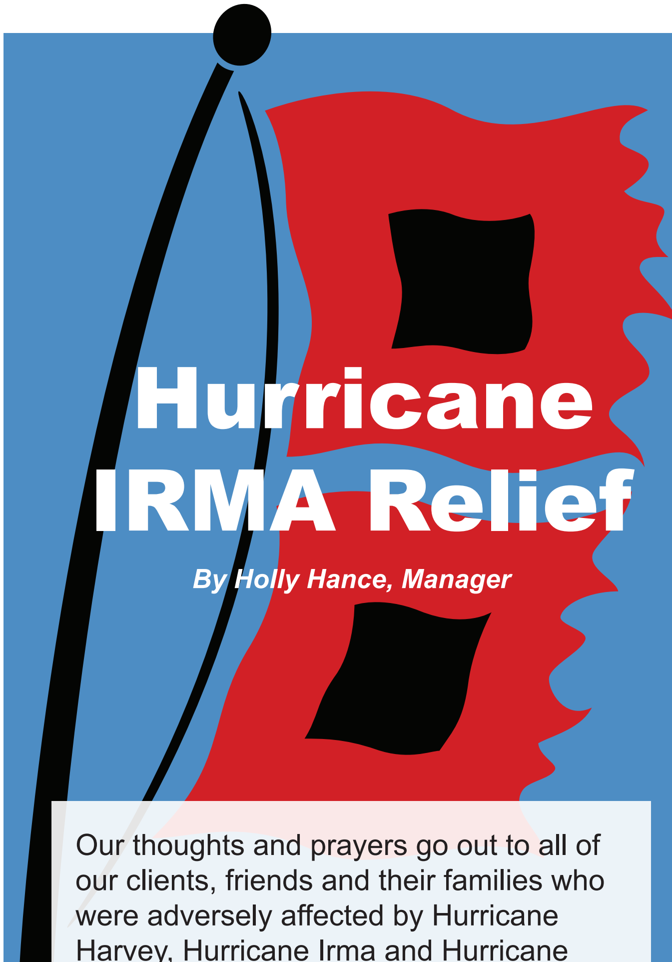
Investing can be complicated, but it doesn’t have to be. There’s never been a time in history when investing information is so readily available. For the Vista 401(k) Plan, we do our best to make investing as “easy and simple” as possible. We have a lot of information on our website, **www.vista401k.com**.

*On our site, we provide you a tool called the **“Risk Tolerance Assessment”** that will act as a guide to how you should invest.*

Once you complete this questionnaire, it will gauge the level of risk you are willing to take, and we have provided a diversified allocation to meet your goals.

With Vista 401(k) you have a variety of investment choices to tailor to your particular needs and goals.

*If you need more assistance, we are just a phone call away at **886-425-1278**.*



Hurricane IRMA Relief

By Holly Hance, Manager

Our thoughts and prayers go out to all of our clients, friends and their families who were adversely affected by Hurricane Harvey, Hurricane Irma and Hurricane Maria.

The IRS has granted **“Help for Victims of Hurricane Irma”** *(see Hurricane IRMA Relief).* The IRS has announced that it will provide tax relief to qualifying taxpayers in the Presidential Disaster Areas, as well as areas identified by the Federal Emergency Management Agency (FEMA).

HARDSHIP DISTRIBUTION AND LOAN RELIEF

The IRS has granted to those affected by Hurricane Irma hardship and documentation relief for loans and distributions. *(See Announcement 2017-13.)* The Vista 401(k) Plan allows for hardship distributions and/or loans. This provision allows participants who live or work in a disaster area, or have a descendant, spouse, or dependent living or working in the disaster area, to receive hardship distributions on account of Hurricane Irma from the 401(k) plan.

Prepared For Retirement?

By Toni Milton, Retirement Solutions Analyst

Year-end and pre-retirement strategies that will help you prepare for retirement

With less than three months left in this year, it's a good idea to take time now to review all of your accounts including your Vista 401(k) account.

It's easy to get busy and take for granted that your 401(k) account can run itself. You think once you set up the contribution amount and select your investments, you're done. But it's important to have a strategy that will help you save more for retirement. ***Taking the time to review your contribution amount is essential.*** You really should be contributing as much as you can afford to the account. You are allowed to contribute up to $18,000 or $24,000 if you are 50 or older.

Reviewing your investments and rebalancing as needed should be done at least annually. For most employees, opening your quarterly account statements and checking the account balance is the extent of your review. You should take a detailed look at your investments once a year. Review the performance of your current funds and see if you need to make any changes. Changes can be made at any time, day or night, at **www.vista401k.com**.

While reviewing, you may realize that you have a past retirement account that you have forgotten about. Job security isn't what it used to be. Few employees stay with one employer their entire career. When you leave employment, it's easy to lose track of your accounts and even more difficult to communicate with the old employer. If you have moved from one address to another, you may be unable to receive communication on your old accounts.

The Vista 401(k) plan may be a great option for these orphan accounts. Cashing them out should never be an option. Cashing out could mean a 10% withdrawal penalty plus paying income taxes on the full amount. Get the most from these old retirement accounts by rolling them into your current employer-sponsored retirement plan. Easy management and tracking is one big benefit to rolling old accounts into your current 401(k) account.

A good pre-retirement strategy for those who are in the Deferred Retirement Option Program (DROP) or planning to enter DROP would be to consider the Vista 401(k) Plan for your DROP money. The DROP program allows you three different methods as payout options. A lump sum, which means FRS will send the payment to you minus 20% that has to be withheld for federal withholding taxes. You can receive a partial lump sum, which means you will receive part of the payment and the rest will go as a direct rollover to an eligible plan. Or you can do a direct rollover, which means the money will be sheltered from any tax withholding until you make a withdrawal. If you choose the payout option, be mindful of the tax consequences. All withdrawals will be classified as earned income. Retirees should consider systematic payments to spread the payments over a period of time.

The Vista 401(k) Plan is a low-cost option. There are no front-end loads (commission to an agent), no back-end loads (surrender charges), no restrictions on withdrawing your money and no exchange fees for moving your money between funds in the plan. It's not too late for those just entering DROP to start a 401(k) account simply contact our office at **866-325-1278** or visit the website at **www.vista401k.com**. The plan allows you to leave your money in your account as long as you like. If you have ever been told that you have to roll over your 401(k) account once you retire, that's completely untrue!

The DROPBox

Are you enrolled in DROP? Do you have questions about your distribution? Would you prefer to receive information specific to your needs?

Call us at **866-325-1278** or email us at **401k@vista401k.com** for one-on-one service from our experienced Retirement Services Team.

Upon termination, you must select a payout method for your DROP benefits from the following three DROP payout choices:

- **Lump Sum Distribution** – less income tax withholding (under age 55, an additional 10% tax penalty withheld)
- **Direct Rollover** – no tax withholding
- **Partial Distribution and Direct Rollover** – some income tax withholding

Here are some good reasons to rollover the DROP payout into a Vista 401(k) account:

- If you take the DROP funds as a payment directly to yourself, these funds will be taxable income for the current tax year.
- If you qualify for normal retirement from the School Board and reach the age of 55, you qualify to withdraw your funds without incurring the age 59½ withdrawal penalty from your 401(k) Plan. This means that if you choose to rollover your DROP funds to your 401(k) Plan, instead of a traditional IRA, you can withdraw funds before age 59 ½, without a penalty.

If you entered DROP in 2012, you will receive your payout distribution this year.

Call Vista 401(k) at **866-325-1278** for the necessary forms to complete.

Important Links

Fund Performance

Fund Performance for September 2017 is ready to view by clicking here.

Risk Tolerance Assessment

Have you recently taken an investment risk assessment for your 401(k) Account. **Click here** to begin this questionnaire.

Visit us on Facebook and Twitter

Stay up-to-date on market activity and other important Vista 401(k) Plan information.

Contribute to your retirement through the Vista 401(k) Plan today. Click here to Enroll!

Increase your contributions

Want to increase contributions to your 401(k) Account? Complete this **form** today!

Confirmed you beneficiary?

Have you confirmed the beneficiary on your Vista 401(k) Account? Complete this form to update your beneficiary information.

Have Questions?

Visit our frequently asked questions page on our website by **clicking here.**