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# Vista 401(k) Plan Fund Performance for 2017

*By Michael Sheridan, Senior Consultant*

*Wow, what a year!*

I did not predict this boom year for the stock market and our economy, because I thought too much uncertainty existed around the world and with American politics, and the market was overpriced. I was wrong.

I suggested last summer that you take profits in stocks and rebalance some assets into the bond funds, because I thought that a downward correction in the stock market was due and that bonds would provide a safe investment for retirement funds. As I wrote in this column in my last article, I was premature.

I still think that there will be a correction, but I think that our economy, as well as the global economies, is strong enough to withstand a major drop and that the change probably will not exceed 5%. That is a calculated guess.

Right now, one of the overriding factors in keeping the stock market progressing almost each day is FOMA, or fear of missing out. It is a classic phenomenon that has nothing to do with the underlying values in many stocks. I continue to believe that the wonderful companies of the future, known as FAANG stocks (Facebook, Apple, Amazon, Netflix and Google) are terrific, but grossly overvalued/overpriced. If they stay at their historic highs, that will contradict much of the decades-old history of stock market activities and prices. Your Vista 401(k) account is your retirement money – not traditional investment money. Be cautious with it. Apply conservative principles to investing it.

Do not worry if you become too conservative with these funds and miss out on some market gains. You are not losing money – you are protecting your principal and protecting yourself against a downside.

How did we do last year? As you can read in the performance chart, every stock and balanced fund showed a gain for the year. Our top performers were T. Rowe Price; Blue Chip (lots of FAANG stocks) and American; Europacific, reflecting global growth.

The two small cap stock funds were laggards, if you can call any funds that return 15% or greater for the year underperformers. The momentum last year was with big companies. Let's watch them for 2018.

Our funds performed well against their benchmarks, some of which are blended with both stock and bond indexes. I was particularly pleased with the three, balanced funds, which gave us protection on the downside as well as the upward gains riding with the market overall.

Considering the required diversity of the American; Target Date funds, they did very well as measured against almost any metrics and they remain recommended for those of you who want automatic rebalancing as you approach retirement.

The Bond funds did not return much, but then they did not offer much risk. It is interesting that the American Century; Inflation-Adjusted fund, almost all US Government Treasury Inflation Protected Bonds, had a 3.1% gain for the year. Think about what the bond market is telling us about their prediction for inflation in the near future. Let's watch these funds in 2018.

Overall, we all made money last year, unless we stuck to the Federal Money Market Fund – which I have been telling you for years is not an investment. Time to balance out of it!

Let's be cautious this year. Don't jump out of what you are investing in unless you take the Investment Risk Profile test on our website and your results indicate that you should rebalance. Just because we had several funds that had spectacular results last year, does not mean that they can sustain that growth. Don't make a sucker bet with buying in at the top of the market.

And, diversify, diversify, diversify!

*Mike Sheridan*  
mhsheridan@fbmc.com



# 2018 Annual Checkup and Plan for Taxes

By Robert Pumphrey, Retirement Service Representative

***As we start a new year, it's an opportune time to identify several good financial tasks to make you a more effective investor. Since "tax season" is several months away, here is a list of things to do now to have a successful tax return experience. First, let's discuss ways to increase your chances to better achieve your financial goals in the New Year.***

## **1. SAVE EARLY, AND AUTOMATICALLY**

Successful investing takes time and lots of it. Time is needed to allow for the "ups" and "downs" of the stock market to work in your favor. Time is also needed to enjoy the benefits of compounding. If you are in your twenties, start investing now. The same is true for those in their thirties, forties, fifties and sixties. Many people have failed at an early age, but putting off investing even longer is not the answer. The point is just get in the habit of saving. Even if you start small, it's a start. And, seeing your money grow can be very motivating. One of the many investment options available to you is your school-sponsored Vista 401(k) Retirement Plan, and you can start saving as low as \$25.00 per payroll deduction. In addition, the deduction can be automatically deducted from your paycheck and in many cases, you won't even know that the amount is missing from your income. You can either call us at **866-325-1278** or visit our website at [www.vista401k.com](http://www.vista401k.com).

## **2. MAX OUT RETIREMENT CONTRIBUTIONS**

If you can do so, max out your Vista 401(k) Retirement Plan. For the calendar year of 2018, for those who are younger than 50 years old, your maximum amount has been increased to \$18,500. For those 50 years old or older can invest \$24,500 to include a catch-up contribution of \$6,000. If you are financially able to do this, by starting the contributions early in the year, it makes it easier than starting late – as you will have more payroll deductions to reach your goal. For example, if you are a 20-pay employee and you want to contribute \$18,500, if you have all 20 pay periods, the contribution amount needed is \$925. However, if you delay the process by just six payrolls, the new contribution amount to reach the max is \$1,321. Also, keep in mind that we work several payrolls ahead of time, so call **866-325-1278** today and let us assist you.

## **3. ADJUST YOUR TAX WITHHOLDING**

If you got married, divorced or had kids in 2017, then you probably need to update your withholding with your employer's human resources department. By adjusting your W-4 today, you might be able to control how much money you can use now, instead of getting a large tax refund. In many cases, you may be able to find some "newfound money," so that you can either start or increase your Vista 401(k) contribution for 2018. If this is the case for you, call us and see how easily we can help you.

#### 4. CHECK YOUR BENEFICIARIES

This step goes hand-in-hand with adjusting your tax withholding. As your life changes, you need to update the beneficiaries on your retirement accounts, such as your Vista 401(k) account. It is good idea to do this at least once a year. You can check your beneficiaries at our website at [www.vista.401k.com](http://www.vista.401k.com). To do this task, you will need to log into your personal account, which requires your user name and password. Or, call us at **866-325-1278**, and we can check your beneficiaries for you and, if needed, provide you with the appropriate form to update your beneficiaries.

#### 5. SCHEDULE A MEETING WITH YOUR FINANCIAL PLANNER OR ACCOUNTANT

The beginning of each year is a good time for a financial checkup. A financial planner can help you segment and prioritize your financial goals for 2018. If you don't already have a planner, we recommend using an advisor who is a fiduciary, who will act in your best interest. Upon that visit, your advisor or accountant might be able to assist you with rebalancing your Vista 401(k) Plan to make sure that your investments are in line with your investment plan.

#### 6. EXPECT FINANCIAL EMERGENCIES – ESTABLISH AN EMERGENCY FUND

Of all the steps provided to you in this article, this might be the hardest one to accomplish. It might be wise as you start saving, that you consider setting aside money for an emergency fund. The purpose of this task is to have money already set aside for an unplanned emergency. By having an emergency fund available to you, it may prevent you from tapping into a retirement fund early or stopping your contributions. Many financial advisors recommend a stash of six months of your salary, which could be a daunting goal for many of us. Once again, start with a low amount and watch it build up over time.

Many people use paid tax preparers to complete and submit their tax returns. If you are one of these people, it's important to get started right away so that you can have a successful tax return experience. Here is a list of steps you can take now to better prepare for completing your tax return for 2018.

- 1. Choose a preparer** – If you don't yet have a tax preparer, now is the time to find one. A great way to find one is ask a friend, an advisor or an attorney for a referral.
- 2. Schedule an appointment** – The sooner you meet with your preparer, the sooner you can begin the process.
- 3. Gather your information returns** – By the end of January, you should have received various types of information returns that you need. The most common forms needed are as follows: Form W-2, if you have a job; Form SSA-1099, if you received Social Security Benefits; Various 1098s reporting mortgage interest or student loan interest; Schedule K-1s from entities, in which you have an ownership interest.
- 4. Get your receipts together** – Which ones you need depends on whether you choose to itemize your personal deductions instead of claiming the standard deduction.
- 5. Gather records for charitable contributions** – If you made donations to charity and itemize your deductions, you need specific records to claim any write-off.
- 6. Make a list of personal information** – You probably know your SSN, but do you know the number for each dependent you claim? It might be wise to write down the address of any vacation homes and rental properties you own.
- 7. Decide whether to ask for a filing extension** – If you need more time to complete all the tasks, you can request for filing an extension to October 15, 2018.





# A Hassle-free Way to Save for Retirement

*By Toni Milton, Retirement Solutions Analyst*

Are you looking for a retirement plan with low-cost investment options, high-quality mutual fund choices? A plan that's simple and convenient, with a hassle-free guarantee?

Well, the Vista 401(k) Plan meets all that you need! With Vista 401(k) Plan, you don't have to worry about being approached at work or inconvenienced by calls or visits to your home. The Vista 401(k) Plan is a self-directed account. There are no agents at the schools enrolling participants. To enroll in the plan, simply visit [www.vista401k.com](http://www.vista401k.com) or call **866-325-1278**.

Both the 401(k) and 403(b) plans are employer-sponsored retirement plans that offer tax-advantaged savings. Structurally, the plans are similar, but the difference lies in the investment options and cost. The Vista 401(k) Plan is comprised of 25 best-in-class mutual funds from some of the most respected mutual fund families. A 403(b) plan is also known as a tax-sheltered annuity (TSA) plan.

When making a decision about choosing a 401(k) or 403(b) plan, the answer will vary based on the individual.

Here are some important considerations before you choose a 403(b) plan:

- Consider your time horizon and the possibility you annuitize (begin receiving regular income distributions) from the annuity.
- Receive a fee disclosure to understand any fees you may be charged, such as sales (load) charges, maintenance fees, early withdrawal fees, surrender fees, etc.

- Obtain information on what your options are for cash in, or terminations, should you wish not to annuitize the product you purchased.
- Assess the type of annuity being purchased to ensure it meets your long-term financial goals.
- Confirm your annuity company is a highly-rated stable firm with a solid credit rating.
- Research what could cause the annuity return to change during poor market performance and what occurs if the market significantly outperforms the annuity return.
- Understand when and how the rate of return will change overtime.

By enrolling in the Vista 401(k) Plan, you will never pay commissions or load charges. The 401(k) Plan is less expensive than most retirement plans. The fee disclosure for the plan can be found at [www.vista401k.com](http://www.vista401k.com). If you are on the fence about enrolling in the 401(k) plan, give us a call. The plan representatives will provide you with sufficient information to help you make an informed decision on the different types of investments offered by the plan.

Don't let another year go by without maximizing your contributions. This year you can contribute up to \$18,500, and if you are age 50 or older, you are eligible to contribute \$24,500. Remember, the longer you wait for your situation to improve before contributing, the less time your contributions will have to work and grow for you. The only proven strategy for consistency is a steady regimen of contributions to the plan. You don't have to start off contributing the maximum, the minimum is only \$ 25.00 as your situation changes to contribute more.



*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 59½, without a penalty.

**If you entered DROP in 2013, you will receive your payout distribution in 2018.**

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

# Important Considerations When Withdrawing Funds from your Vista 401(k) Account



## 403(b) Annuity:

If you are rolling money into an annuity, have you:

- Considered your time horizon and the possibility you will annuitize (begin receiving regular income distributions) the annuity
- Received a fee disclosure to understand any fees you may be charged, such as sales (load) charges, maintenance fees, early withdrawal fees, surrender fees, etc.
- Obtained information on what your options are for cash in, or termination, should you wish not to annuitize the product you purchased
- Assessed the type of annuity being purchased to ensure it meets your long-term financial goals
- Confirmed your annuity company is a highly rated, stable firm with a solid credit rating
- Researched what could cause the annuity return to change during poor market performance and what occurs if the market significantly outperforms the annuity return
- Understood when and how the rate of return will change over time

## IRA:

If you are rolling money into an IRA, 401(k), 403(b), or other qualified plan, have you:

- Affirmed the fees on your investment choices are reasonable and not excessive
- Reviewed your investment choices in the new plan meet your retirement needs and are highly rated options
- Established your risk profile and set long-term investment goals for the new account

## Cash:

If you are withdrawing your 401(k) as a cash distribution, have you:

- Analyzed your tax liability and understood any penalties you may be assessed with a withdrawal (including rollovers to brokerage accounts)
- Calculated your taxable income from all sources and how the withdrawal will impact your income tax liability for the current tax year
- Confirmed the routing and account number for your banking institution is accurate if requesting a withdrawal via ACH
- Confirmed all components of your mailing address are present on the form If requesting a check be mailed to your home address

## Beneficiary:

If you are a beneficiary closing an account for a deceased participant, have you:

- Included a copy of the Death Certificate for the participant and Letter of Administration, if applicable, for the estate
- Included information on the withdrawal form specifying where the distribution should be sent

**VISTA**  
401(k)

P.O. Box 1878  
Tallahassee, FL 32302-1878  
866.325.1278  
[www.vista401k.com](http://www.vista401k.com)







# 401(k) Enrollment Form

*(Please complete all sections of this form)*

## Section I – Employee Information

Name: \_\_\_\_\_ SS# or Employee # : \_\_\_\_\_  
Last First Middle Initial

Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone: \_\_\_\_\_ E-mail: \_\_\_\_\_

## Section II – Investment Elections

I would like to enroll, restart or increase my 401(k) plan contributions through payroll deductions on a “before-tax” basis. Payroll contributions will start on the next available payroll after date of receipt. If this is a new Enrollment, Beneficiary information will be sent to you immediately and confidentially upon receipt of this form.

### Amount per pay period (check one below):

\$25.00 (Minimum)     \$50.00     \$75.00     Other \$ \_\_\_\_\_     Annual Max \$ \_\_\_\_\_

Send back this form **OR** visit us online at [www.vista401k.com](http://www.vista401k.com).

**The Vista 401(k) Plan is your School District sponsored retirement plan. Don't delay - send back TODAY.**

**Mail: Vista 401(k), PO Box 1878, Tallahassee, FL 32302 • Fax: 850-425-8345 • Call: 866-325-1278**

### Select only 1 of the 3 options below:

#### Option 1 Target Date Retirement Funds

American Funds 20\_\_ (2020, 2025, 2030, 2035, 2040, 2045, 2050)

The American Funds are an all or nothing fund. If a target retirement date fund is selected you may not select your own funds. By checking this box you agree to these terms. More information regarding these funds and others in the Vista 401(k) plan can be found at [www.vista401k.com](http://www.vista401k.com).

#### Option 2 By Risk Category (See Risk Category models at [www.vista401k.com/risk.asp](http://www.vista401k.com/risk.asp))

Capital Preservation 101     Conservative 201     Moderate 301     Growth 401     Aggressive 501

#### Option 3 Select Your Own Funds.

American Century; Government Bond	_____%	T. Rowe Price; Small-Cap Stock Fund	_____%
American Century; Inflation Adjusted Bond	_____%	Vanguard; Balanced Index	_____%
American Funds; EuroPacific Growth	_____%	Vanguard; Federal Money Market	_____%
American Funds; Investment Company of America	_____%	Vanguard; Institutional Index Fund	_____%
Fidelity Advisor; Total Bond	_____%	Vanguard; Mid-Cap Index Fund	_____%
Fidelity; Growth Strategies	_____%	Vanguard; Small-Cap Index	_____%
T. Rowe Price; Blue Chip Growth Fund	_____%	Vanguard; Wellesley Income	_____%
T. Rowe Price; Dividend Growth Fund	_____%	Vanguard; Wellington	_____%

## SECTION III – Signature

By signing below, I hereby request that Vista 401(k) make changes to my investments as indicated above. Your signature is required to confirm your contributions.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_



Carefully consider the investment objectives, risks, charges and expenses of the underlying fund before you invest. This and other important information is contained in the prospectus, which should be read carefully before investing. You can request underlying fund prospectuses from the Vista 401(k) website at [www.vista401k.com](http://www.vista401k.com) or call us at 866-325-1278.

## PERFORMANCE CHART

Fund Company	Fund	Ticker	Morningstar Category	Current Fund Operating Expense	December 2017	YTD	Average Annual Performance			
							1 Year	3 Years	5 Years	
<b>Fund Performance as of 12/31/17; 1, 3 and 5 year returns are annualized.</b>										
<b>International</b>										
American Funds	EuroPacific	REREX	Foreign Lg Growth	0.85%	1.1%	30.7%	30.7	9.3	8.8	
<b>Small Cap Stock</b>										
Vanguard	Small Cap Index	VSMAX	Small Blend	0.06%	0.4%	16.2%	16.2	9.8	14.4	
T.Rowe Price	Small-Cap Stock	OTCFX	Small Growth	0.90%	-0.3%	15.3%	15.3	9.8	14.3	
<b>Mid Cap Stock</b>										
Fidelity	Growth Strategies	FDEGX	Mid Cap Growth	0.89%	0.8%	21.5%	21.5	8.8	15.1	
Vanguard	Mid Cap Index	VIMAX	Mid Cap Blend	0.06%	1.8%	19.6%	19.6	10.5	14.9	
<b>Large Cap Stock</b>										
American Funds	Investment Co. of America	RICEX	Large Blend	0.64%	0.9%	19.3%	19.3	9.4	15.0	
T.Rowe Price	Blue Chip Growth	PABGX	Large Growth	0.99%	0.0%	36.2%	36.2	15.0	18.5	
T.Rowe Price	Dividend Growth	TADGX	Large Blend	0.91%	0.1%	19.0%	19.0	10.6	14.5	
Vanguard	Institutional Index	VINIX	Large Blend	0.04%	1.1%	21.8%	21.8	11.4	15.8	
<b>Balanced</b>										
Vanguard	Balanced Index	VBIAX	50% to 70% Equity	0.07%	0.8%	13.9%	13.9	7.6	10.1	
Vanguard	Wellesley Admiral	VWIAX	30% to 50% Equity	0.15%	1.1%	10.3%	10.3	6.5	7.4	
Vanguard	Wellington Admiral	VWENX	50% to 70% Equity	0.16%	1.3%	14.8%	14.8	8.5	11.0	
<b>Mixed Asset Target Date</b>										
American Funds	2010 Target Date	RHATX	Tgt Date 2000-2010	0.50%	0.8%	10.1%	10.1	5.5	7.1	
American Funds	2015 Target Date	RHBTX	Tgt Date 2015	0.49%	0.9%	11.0%	11.0	5.9	8.0	
American Funds	2020 Target Date	RHCTX	Tgt Date 2020	0.51%	0.8%	12.7%	12.7	6.5	8.9	
American Funds	2025 Target Date	RHDTX	Tgt Date 2025	0.53%	0.9%	15.2%	15.2	7.4	10.3	
American Funds	2030 Target Date	RHETX	Tgt Date 2030	0.55%	1.1%	18.2%	18.2	8.6	11.4	
American Funds	2035 Target Date	RHFTX	Tgt Date 2035	0.56%	1.2%	20.9%	20.9	9.5	12.1	
American Funds	2040 Target Date	RHGTX	Tgt Date 2040	0.57%	1.2%	21.8%	21.8	9.8	12.4	
American Funds	2045 Target Date	RHHTX	Tgt Date 2045	0.58%	1.2%	22.3%	22.3	10.0	12.5	
American Funds	2050 Target Date	RHITX	Tgt Date 2050	0.58%	1.2%	22.6%	22.6	10.0	12.5	
<b>Bond</b>										
American Century	Government Bond	CPTNX	Intermediate Govmt	0.47%	0.3%	2.2%	2.2	1.2	1.0	
American Century	Inflation-Adjusted Bond	ACITX	Inflation Protected	0.47%	1.0%	3.1%	3.1	1.8	-0.3	
Fidelity Advisor	Total Bond	FEPIX	Intermediate Term	0.50%	0.5%	4.2%	4.2	3.2	2.8	
<b>Cash/Money Market</b>										
Vanguard	Federal Money Market	VMFXX	Money Market	0.11%	0.1%	0.8%	0.8	0.4	0.2	
<b>Broad Base Benchmarks</b>										
S & P 500 TR USD						1.1%	21.8%	21.8	11.4	15.8
Barclays US Aggregate Bond						0.5%	3.5%	3.5	2.2	2.1

Sources: Morningstar 01/02/2018; reports from the Fund Companies.

There are no sales (front-end load), transfer or surrender charges for any of the Vista 401(k) funds. If the fund normally charges such a fee to the public, they have been waived to Vista 401(k) participants.

The current Fund Operating Expense, is comprised of Management fees, Distribution and/or Service (12b-1) fees and Other expenses. The fees shown in this column are expressed as a percentage of assets on an annual basis, i.e. 0.85% of assets.

For further information, refer to the [www.vista401k.com](http://www.vista401k.com) website. You may also call the Vista 401(k) Plan toll free at 866-325-1278 to speak to a Retirement Services Team representative.

# IMPORTANT LINKS

## **Fund Performance**

Fund Performance for December 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 your 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](#).