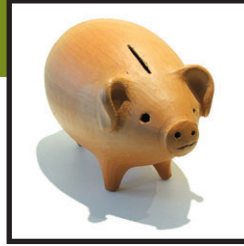




Your Money Your Future

Retirement planning strategies and personal finance tips from HealthSHARE – administrators of your THA Retirement Plan.

Texas Hospital Association Retirement Plan
Winter 2010



Quarterly Update

2009 Update – Fourth Quarter

Capital Markets Update

Stock markets remained strong for the fourth quarter and finished the year with the best performance since 2003. The recovery of the economy was in its 10th month with signs of continuing into 2010. Banks were repaying money from the Troubled Asset Relief Program, and interest rates remained at all-time lows. However, uncertainties about unemployment, inflation, Environmental Protection Agency regulations and health care reform are certain to cloud business decisions in the coming year. The S&P 500 index rose 6.04 percent for the quarter and 26.46 percent for the year. It has risen more than 64 percent from its low on March 9, 2009. Led by large-cap growth stocks, all domestic equity classes posted significant gains for the quarter. Global stock markets also did well, with emerging markets outpacing more established economies. Fixed income investments took a back seat to the equity markets, gaining only 0.20 percent for the quarter and 5.93 percent for the year.

Master Trust Update

The fourth quarter gains were beneficial for the master trust's balanced portfolio. Market gains of 3.87 percent pushed the trust's year-to-date performance to 22.01 percent. The overall asset base is allocated among large-cap stocks, small-cap stocks, foreign stocks and fixed income/cash equivalents. Assets were more than \$395 million at year end.

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Home Buyers Get Help with Closing Costs

You've decided to buy your first home to take advantage of the \$8,000 tax credit (homebuyers must be under contract by the end of April and close by the end of June – hurry! Go to www.irs.gov to find out if you qualify). You've found the perfect house. Now you're ready to choose a lender, which involves comparing closing costs to find the best deal.

Lucky for you, what used to be a headache for prospective buyers has become a much easier process.

As of Jan. 1, new federal rules adopted by the U.S. Department of Housing and Urban Development mandate the use of a standardized Good Faith Estimate form. It

used to be that Good Faith Estimates – or estimates of the fees due at closing – could look different depending on the lender, making comparisons difficult. In the worst-case scenario, a consumer would choose a lender expecting to pay a certain amount at closing only to end up owing hundreds, if not thousands, of dollars more. These new rules are aimed to prevent such unpleasant surprises at closing. Now, lenders are required to use a three-page document issued by HUD.

The new rules also cap increases in costs disclosed on the Good Faith Estimate. Additionally, HUD has developed new guidelines so that fees listed on the Good Faith Estimate reflect the actual cost at settlement. The lender's origination fee and underwriting charges, for example, may not change from the Good Faith Estimate to the final settlement cost.

These changes should result in a modest decrease in closing costs. Keep in mind, however, that overhead costs resulting from the changes – new software, employee training and the like – may be built into lenders' fees. But even if the amount you save in actual dollars and cents is minimal, the amount you save in knowledge and peace of mind should make these new rules and guidelines worthwhile. **S**



Spring into Cleaning – and Saving

It's almost that time of year again. The weather's getting warmer. The birds are reappearing. And people all over the country are pulling out their brooms, mops and other supplies to do a little spring cleaning. Consider the following tips if you'd like to save some cash while tidying up your home.


- **Scour those hard-to-clean nooks and crannies with an old toothbrush.** This tip is an oldie but goodie for a reason: it works. You don't need to buy a special brush or fancy sponge when you've got a perfectly handy tool sitting right next to your sink (and besides, isn't it time you replaced your toothbrush?).
- **Clean windows with vinegar and water instead of chemicals.** You likely have vinegar on hand, so you don't need to purchase expensive cleaning supplies. As an added bonus, vinegar is non-toxic. If the formula leaves some streaks after wiping – a result of wax residue left from commercial cleaners used in the past – try adding a small amount of liquid soap or detergent.
- **Use old t-shirts and socks as rags.** Wondering what to do with that sock whose mate has disappeared or that t-shirt with the huge stain? Use them in place of paper towels when cleaning. Simply place a sock over your hand for easy dusting, and cut up those grungy t-shirts to make your own mops.
- **Let your laundry air-dry.** This tip requires practically no effort at all, and it'll save you some money – not to mention a little wear and tear on your clothes – in the process.



Quarterly Update continued from page 1

Participant-Directed Program Update

The strong financial markets allowed the participant-directed program to finish a very good year as well. Fourth quarter gains for all 18 funds contributed to stellar performances for 2009. Equity funds were the biggest gainers, with the Lazard Emerging Market fund gaining more than 69 percent for the year. As a class, foreign equity funds averaged more than 56 percent, followed by domestic equity funds with an average gain of almost 37 percent for the year. Overall, the funds enjoyed an average 4-star ranking, with several achieving the highest 5-star rating. Fixed income investment fund options continued to provide havens for safety-minded investors. The best-performing bond fund gained more than 18 percent for the year. Total trust assets were almost \$47 million.

The THA Retirement Plan will hold its annual meeting on Feb. 26 at the Texas Hospital Association headquarters building at 1108 Lavaca St. in Austin. For more information, please contact Fred Hamilton at fhamilton@tha.org or 512/465-1082. Visit www.healthshare-tha.com/tharetirementplan for additional information about the THA Retirement Plan. 

Capital Market Returns – Third Quarter 2009 (YTD)

S&P 500 Index 6.04 percent (26.46 percent)	MSCI EAFE Index 2.18 percent (31.78 percent)
Russell 1000 Index 6.07 percent (28.43 percent)	Barclays Capital Aggregate Bond Index 0.20 percent (5.93 percent)
NASDAQ Index 7.20 percent (45.36 percent)	90-Day U.S Treasury Bills +0.01 percent (0.15 percent)
Russell 2000 Index 3.87 percent (27.17 percent)	Federal Reserve Rate 0-.25 percent

THA Retirement Plan	4Q09	YTD	3 Years	5 Years	10 Years
Master Trust	3.87 percent	22.01 percent	-1.89 percent	2.36 percent	2.22 percent
*Custom Benchmarks	3.93 percent	22.25 percent	-2.46 percent	2.22 percent	2.12 percent

*Combined Indices: S&P 500, Russell 2000, MSCI EAFE and Barclays Capital Aggregate Bond

When (and Why) You Should Use a Travel Agent

To many people, travel agents seem like a quaint, antiquated idea. After all, why hire someone to book your travel when you can do it yourself on any multitude of the travel Web sites available? While being able to plan the details of your vacation yourself has its benefits, some trips may benefit from the help of a travel agent.

- **Your trip is complicated.** If you're planning a months-long trip around the world, imagine the details involved. Think about the number of hotel rooms you'll have to book, the flights you'll have to coordinate, and the activities you'll want to do. Now think about trying to organize all those details. When just pondering the complexities of a trip wears you out, you may want to hire a professional.
- **Your trip is a cruise.** Much like in the above situation, cruises can be complicated. People often imagine cruises as all-inclusive vacations, but there's a lot of time and effort involved: purchasing airline tickets, choosing options once on board, deciding on shore excursions. Beyond the convenience factor of having someone else take care of the planning, keep in mind that cruise lines often offer travel agencies special deals you may not be able to find yourself.
- **Your trip is a special occasion that you absolutely, definitely do not want to fall apart.** Translation: think honeymoon. This is the one time that you do not want to have to worry about missed flights or lost reservations. Besides, you did enough planning when you organized the wedding – it's time to give yourself a break. 📌

Want a Store Credit Card? Get a Job

If you're tempted to open a credit card at a store to take advantage of a discount, keep in mind that you may be required to divulge some personal information: your income. As of Feb. 22, all credit card issuers are required to consider shoppers' income and assets before approving applications for a card as a result of new regulations that are part of the landmark credit card legislation approved last year. This includes retailers, who previously relied on customers' credit scores to approve new accounts quickly, often at the point of purchase.

The rule is designed to tighten lax lending standards. Not surprisingly, many retailers, including Macy's and Best Buy, objected to the new regulations, stating that customers may hesitate to give out personal information to store employees. This in turn, the stores' representatives state, may hurt sales and slow the economic recovery. Alternatively, consumer advocates say the new regulations aren't strict enough. They say the regulations should require issuers to verify – not just collect – income and asset information before issuing new cards.

According to Fitch Ratings, a global rating agency that provides the world's credit markets with independent and prospective credit opinions, research and data, a higher percentage of retail credit cards went unpaid last year than prime credit cards. About 12.6 percent of retail cards were charged off in December compared with 10.7 percent of prime cards.



Healthy, Wealthy and Wise



Maintaining Your Motivation

Now that it's no longer a "new" year, how do you keep those New Year's resolutions to get fit and be healthier? Maybe you refrained from that second piece of cake for the first few weeks. You might've even made it to the gym on a regular basis for the first month. But as winter transitions into spring, you may find your motivation waning – if not disappearing completely. What can you do to recapture that spark?

First, make sure your resolutions are realistic. Don't tell yourself you won't eat ice cream for a year; say you'll only eat it on special occasions. Don't plan on going from a couch potato to a marathon runner in 12 months; tell yourself you'll go running two or three times a week. If you keep your expectations in check and are able to accomplish your goals, you're more likely to stay motivated.

Second, make yourself accountable. Tell a friend about your resolutions. That way, if you start to fall back into old habits, your friend can help guide you back on track. Plus, the embarrassment of admitting you haven't been hitting the gym may keep you motivated. If you're not comfortable telling someone else about your resolutions, tell yourself. That is, sign a contract with yourself vowing to take specific steps to improve your health. Remember, sometimes your harshest critic is yourself, and you don't want to give yourself any ammunition.

Finally, do something. Anything. If you have plans one night and know you won't be able to work out, go for a walk on your lunch hour. If you absolutely cannot resist those french fries, eat only half of them. Not only will these small steps lead you on a bigger path toward a healthier lifestyle, but also you may find yourself getting up early to get in a full workout before heading out for your busy day. 📌

S.O.S.: Save Our Shirts (and Slacks and Shoes)

Sometimes you've got to spend a little money to save a lot more. If you're looking to stay fashionable in these frugal times, the following purchases may help.

- **Cedar sachets.** Lining your drawers with cedar sachets will deter moths and help keep your clothes in tip-top shape.
- **Padded hangers.** The added protection of padded hangers helps care for delicate clothing items (such as those made from silk) and retain the shape of such garments as jackets.
- **New soles.** If you wear shoes often enough, they'll start to wear out. Resoling shoes is cheaper than a trip to the mall – and it lets you hold onto your favorite pair.
- **Tailoring.** If your clothes no longer fit like they used to, take them to a tailor for a quick fix. If you learn how to sew yourself, that's even better.
- **Accessories, accessories, accessories.** Jazzing up outfits with a fancy scarf or new necklace can make you feel like you have a whole new wardrobe at a fraction of the cost. **S**

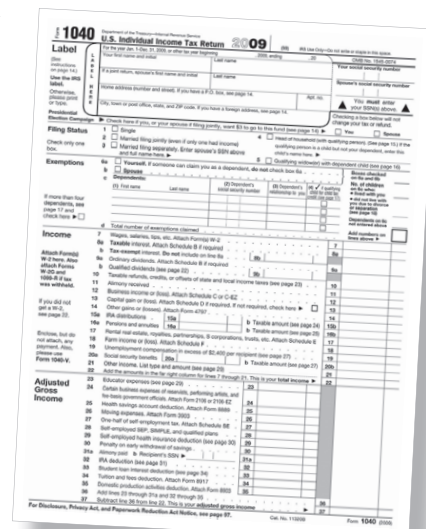
Haiti Relief Donations Qualify for Immediate Tax Relief

The outpouring of support for Haiti in the wake of the Jan. 12 earthquake would soften even the most hardened of hearts. In recognition of the overwhelming generosity of Americans, the Internal Revenue Service is offering a gift of its own: people who give to charities providing earthquake relief in Haiti can claim these donations on their 2009 tax return instead of their 2010 return.

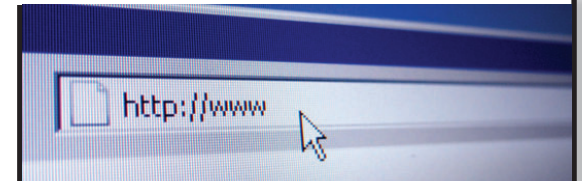
Taxpayers who itemize deductions on their 2009 return qualify for this special tax relief provision, enacted Jan. 22. Only cash contributions made to these charities after Jan. 11, 2010, and before March 1, 2010, are eligible. This includes contributions made by text message, check, credit card or debit card.

The new law only applies to cash (as opposed to property) contributions. The contributions must be made specifically for the relief of victims in areas affected by the Jan. 12 earthquake in Haiti. Taxpayers have the option of deducting these contributions on either their 2009 or 2010 returns, but not both.

Taxpayers should be sure their contributions go to qualified charities. Additionally, federal law requires that taxpayers keep a record of any deductible donations they make. For donations by text message, a telephone bill will meet the recordkeeping requirement if it shows the name of the donee organization, the date of the contribution and the amount of the contribution. For cash contributions made by other means, be sure to keep a bank record, such as a cancelled check or a receipt from the charity showing the name of the charity and the date and amount of the contribution. For more information, go to www.irs.gov/pub/irs-pdf/p526.pdf. **S**



Worthy Web Sites



Bankrate

Thinking of opening a savings account and wondering which banks offer the best rates? Looking to find the best rate for your mortgage refinance? Bankrate Inc. may be able to help. Bankrate is the Web's leading aggregator of financial rate information, offering an unparalleled depth and breadth of rate data and financial content. Bankrate continually surveys approximately 4,800 financial institutions in all 50 states in order to provide clear, objective and unbiased rates to consumers. The company's flagship Web site, **Bankrate.com**, provides free rate information to consumers on more than 300 financial products, including mortgages, credit cards, new and used automobile loans, money market accounts, certificates of deposit, checking and ATM fees, home equity loans and online banking fees. The site also publishes personal finance and news stories to help consumers make informed financial decisions. **S**

THA Retirement Plan

The THA Retirement Plan, sponsored by the Texas Hospital Association, provides retirement benefits for more than 15,000 health care employees in Texas. The plan is governed by a board of Successor Trustees, which makes investment decisions on behalf of the plan's participants, and is administered by HealthSHARE, a wholly owned subsidiary of THA. www.healthshare-tha.com/tharetirementplan

Your Money Your Future

Your Money Your Future is published quarterly by HealthSHARE for participants in the THA Retirement Plan. Because each person's financial and retirement circumstances are different, you should consult with a financial planning professional before implementing any ideas found in this newsletter. For specific information on your participation in the THA Retirement Plan, contact your human resources department.

Editor: Debbie Ritenour
Art Director: Barbara Battista

For more information about the THA Retirement Plan or HealthSHARE, contact:

Fred Hamilton
P.O. Box 679010, Austin, Texas 78767-9010
Telephone: 512/465-1082 • Facsimile: 512/323-6572
E-mail: fhamilton@tha.org