

# BUSINESS

## MONEY

### THE PENSION DELIMMA

By Terrence R. Johnson

If you are married and eligible for a pension from your employer or are self-employed and have a Keogh Plan, you may be faced with a difficult decision regarding your pension benefits when you retire. Some people refer to this decision as the pension dilemma.

Under the provisions of your company's pension plan, you may be required to make an irrevocable selection at or near retirement between the maximum pension benefits for you and no survivor benefits for your spouse and reduced pension benefits for you with survivor benefits for your spouse.

For example, suppose you plan to retire at age 62 and are offered the following choices by your company's pension plan:

#### Retirement Options

1. Maximum Annual Pension Benefit With No Survivor Benefit For Your Spouse You Receive - \$32,000 After Your Death Your Spouse Receives - \$0
2. Reduced Annual Pension Benefit With 50% Survivor Benefit For Your Spouse You Receive - \$28,000 After Your Death Your Spouse Receives - \$14,000

By selecting the reduced pension benefit of \$28,000 in order to assure that your spouse receives survivor benefits, you sacrifice some of your retirement income each year - \$4,000 annually in this example. Assuming you live 15 years after retirement, you will have



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sacrificed a total of \$60,000 of retirement income (15 years x \$4,000=\$60,000).

Further, if you should outlive your spouse, in most cases you continue to receive the reduced income of \$28,000 for life rather than \$32,000. So in this example, you have given up \$4,000 annually during your retirement, even though you and your spouse never received any actual benefit under the reduced pension benefit. Remember your spouse's survivor benefit under most pension plans is payable only if he/she lives longer than you. Thus, the price to provide survivor income to your spouse can be very high, and it comes during your retirement when you can least afford it.

(See MONEY, Page 7)

## TWO PROMINENT NEVADANS JOIN BofA NEVADA BOARD OF DIRECTORS

Las Vegas— Bank of America Nevada recently announced that former Reno City Councilwoman Bernice Martin Mathews and longtime Las Vegas businessman Rafael E. Vega have been named to the bank's board of directors. Mathews and Vega officially begin serving on the bank's board effective January 1, 1995.

"We are very privileged to have two such highly respected and accomplished individuals join our board," said BofA Nevada Chairman and CEO Richard A. Etter. "The professional and cultural diversity these two individuals bring to our board will be a great asset to both the bank and the communities we serve throughout Nevada."

Mathews is a longtime resident of Northern Nevada, who most recently served as Reno City Councilwoman in ward 4. She is the co-owner of Sky Caps, a gift shop located in the Reno Cannon Airport. Mathews began her professional career in nursing at Washoe Medical



BERNICE MARTIN MATHEWS

Center in 1955, and later became the director of Health Science and Nursing for Truckee Meadows Community College in 1975.

Mathews is graduate of the University of Nevada, Reno, with a bachelor of science degree in nursing and a masters degree in administration of higher education. She is a member of the Reno/Sparks Convention and Visitors Authority, and serves as a board of director for the Truckee Meadows Boys and



RAFAEL E. VEGA

Girls Club. Vega is the founder and president of Vega Enterprises, Inc., the parent company to various wholly owned subsidiaries including Casa Vega, Inc., Vega Wine and Spirits Vega Wholesale, Inc., Vega Bar and Concessions, Inc., Summit Media, and Alamo Plaza Executive Offices. Vega Enterprises, Inc., employs approximately 200 and grosses over \$64 million annually.

Vega serves on various nonprofit boards and panels, some of which include: Commission on Economic Development; Las Vegas Chamber of Commerce Board of Trustees; board of directors for the Spanish speaking television station Channel 39; Congressional Academy Selection Committee; Boy Scouts Boulder Dam Area Council; Latin Chamber of Commerce; Civil Service Board for Las Vegas; board of directors for United Way of Southern Nevada; and vice president of Coalition 2000 (See Board of Directors, Pg 7)

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### Business Seminar To Be Presented

The Las Vegas Chamber of Commerce and the City of Las Vegas will present a seminar on "How to Do Business with the Public Sector," on Tuesday, January 10th at Cashman Field. Registration begins at 8:00 a.m. and the program will be held from 8:30 a.m. to 12:00 noon. This is a one-stop seminar designed to give those attending all the information needed to work with the public sector, with purchasing decision makers from 15 state and local governmental entities participating. FREE seating is limited. To register for the seminar, call the Las Vegas Chamber of Commerce at 641-LVCC (5822). Dedicated to protecting and enhancing the economic well-being of Southern Nevada, the Las Vegas Chamber of Commerce is a service organization which provides significant value to its members by offering opportunities to build their businesses through ongoing programs and activities.

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