

THE DOLLAR CHASE

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AS MANY FOLKS KNOW...

AS MANY FOLKS KNOW... distributions from retirement plans, often referred to as “qualified plans”, must begin at the individual’s age 70 ½ as a Required Minimum Distribution (RMD). The first distribution can be delayed to April 1 of the year following 70 ½ but that delay will require two distributions in that year. This distribution applies to IRAs and 401(k) plans but not Roth IRA’s and 401(k)’s.



Many people are unsure how much that distribution needs to be at 70 ½. The first-year distribution is about 4% of the plan’s asset value on December 31 of the year preceding the 70 ½ age. If that withdrawal is not done annually and correctly, a 50% IRS penalty applies based on the amount that wasn’t done or incorrectly done!

All IRA accounts can be added together for the RMD and the distribution can come from one of those accounts. In other words, each IRA doesn’t have to have a withdrawal. However, that is not true of 401(k) plans!!

401(k) plans cannot be added together. A withdrawal must be taken from each 401(k). These withdrawals are in addition to the required withdrawal from IRA’s.



DON'T PLAN TO RETIRE...

DON'T PLAN TO RETIRE... The Denver Post* recently reported “1 in 4 Americans do not plan to retire” principally because of financial resources. People are living longer; and therefore, will require larger amounts of savings to retire. The article states about 1/3 of Americans say they are unprepared for retirement, resulting in more working years. However, illness or injuries could keep one from working longer.

Fidelity did a study on happiness in retirement. Not surprisingly, those people who planned for retirement had a significantly higher “happiness” ratio. Bottomline – Don’t be in the 1 in 4 who because of lack of planning couldn’t retire!!! If you choose to work in retirement, that’s a very different place to be than forced to work because of lack of planning and saving.

We want you to be in charge of your future and retirement. We coach people on these big life events daily. We want to help you, your friends, or family to be successful in retirement.

Oh, and Side Note – CONGRATULATIONS to the over 20 clients we’ve had retire so far this year!

*THE DENVER POST NEWS ARTICLE: By Andrew Soergel, The Associated Press have further questions.

TOP 2 FINANCIAL CONCERNS...

Top 2 Financial Concerns... keeping 43% of Americans awake at night are: 1) Have they/are they saved enough for retirement? 2) Healthcare costs – for themselves and family member(s).

Retirement planning is the number one reason people come to see us, so we agree the concerns surrounding timing of retirement, how much to spend in retirement, how to take distributions from different assets and tax ramifications; are not only big concerns but BIG decisions too. Having a financial coach to work through those trying times is helpful not only financially but emotionally.

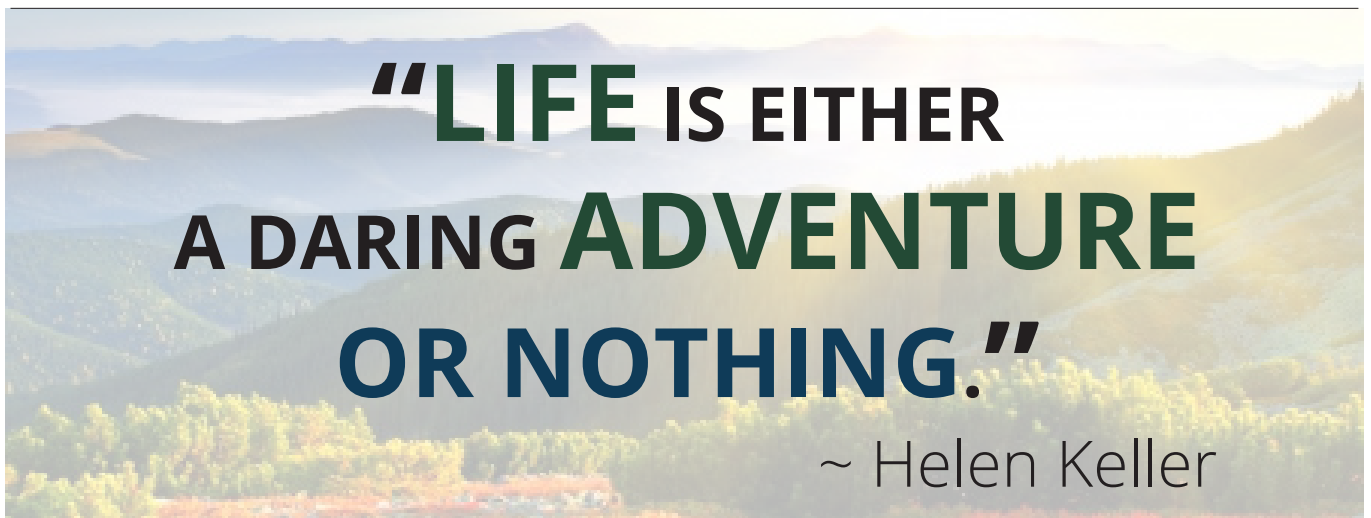
“Healthcare is a big empty hole of worry for many”

Healthcare is a big empty hole of worry for many because cost containment has gone off the rails despite Healthcare reform. Many delay retirement until Medicare eligibility at 65, to help with cost containment.

If either of these concerns or others are keeping you up at night, please call us and let us address your worries! ASAP!

UPDATE ON ACCORDIA LAWSUIT...

For our insurance clients that have received information regarding a lawsuit against Accordia. This suit is a direct result of the Amerus to Accordia and Athene conversion. The items that apply for compensation that our clients are affected by are: If you have suffered bank overdraft fees that you directly incurred as a result of a conversion-related issue with your policy; or back premium payments so large that it caused a hardship to you; or if you incurred tax payments due to distributions taken when your policy was incorrectly in a modified endowment contract status caused by the conversion. It's obviously up to you to decide if you would like to pursue a claim, but very few of our clients have been affected by the conversion. Please call us if you have further questions.



THE PERSONAL BENEFIT FINANCIAL & ROUNTREE AND ASSOCIATES FAMILY
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