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## What Keeps You Up at Night?

- Retirement
- Estate Planning
- Life Events
- Family Security
- Eldercare
- Financial Basics

**"Statements without documentation are only opinions."**

Dear Terry,

## Money - It's All About the Benefits.



September 2017

### Time to Welcome the Fall

**The month of September signifies the end of Summer, the fresh start of a new school year and football games.** It's a time to see children heading off to school, smell freshly sharpened pencils and hear the cheers of large crowds.

**It's also the time the U.S. experienced the tragedy of the 911 attack in 2001.** Although this memory evokes unhappy feelings, we can use this experience as one that reminds us that life is a series of unexpected events.

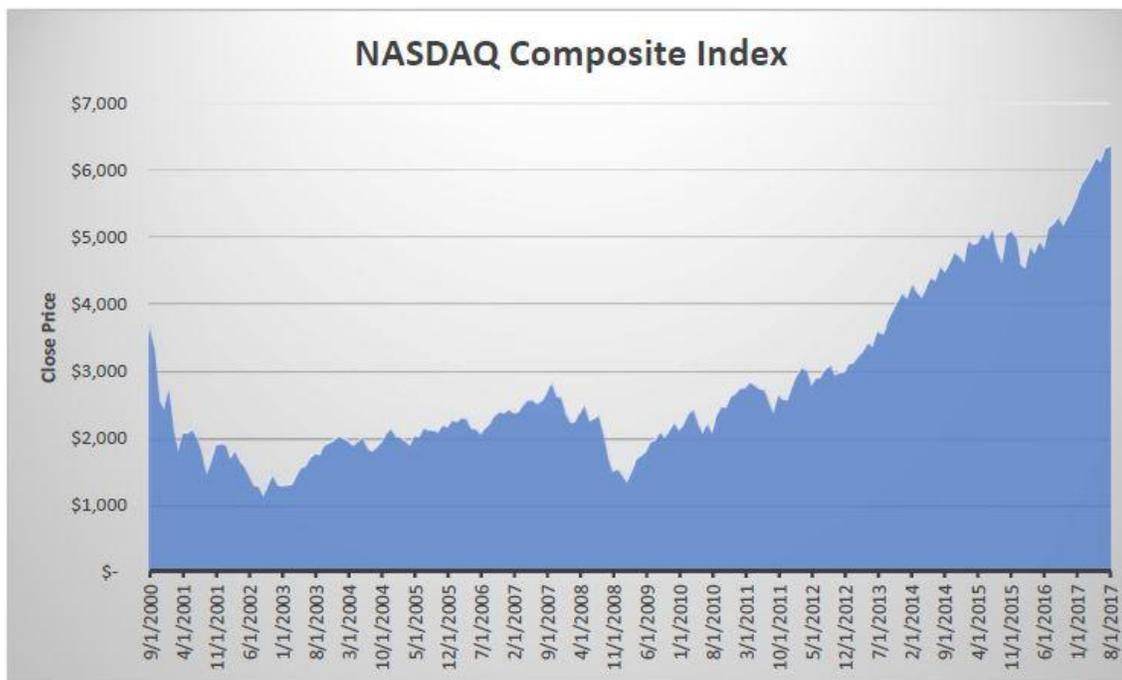
**This month's "Money" broadcast offers ideas for taking action to be sure you are prepared for life's happenings.** It's time to wake-up and taste the pumpkin spice coffee!

## Innovative Thinking on a Very Popular Subject - Money

**1. The market bubbles** - The substantial decline in the stock markets in 2002 and 2008 are often referred to as the tech and mortgage bubbles. Do you think another major drop is possible? What will it be called? Political bubble? Are you prepared for the consequences if it does happen? Paul Bear Bryant the great

Alabama coach, stated "defenses win championships." Are you prepared for another downturn if it happens? Remember, there is more to be gained by avoiding losses than picking apparent winners!

## 2. A pictorial history of the Nasdaq Composite Index from 9/1/2000 to 8/1/2017. What's next?



**3. Don't be fooled by looking at only one side of the coin.** There is a "lost opportunity cost" on every major purchase regardless of how you pay for it. Nobody likes to pay interest, and when you do the lost opportunity cost is the interest you are paying. However, the back side of the coin says if you pay cash you also lose the opportunity to invest or save the money. There is a cost no matter your decision to finance or pay cash. The real issue is - what is most efficient?

## 4. Medigap or Medicare Supplement Plans - 6 things you should know.

- These plans are standardized, supplemental coverage sold by private insurance companies.
- These policies help fill the gaps which is your share of covered expenses.
- These policies pay only after original Medicare pays.
- These plans don't cover expenses under Medicare Advantage Plans.
- Part D (Drug Benefit) is not included under these plans.
- Plan pricing is geographical area specific. Premiums vary depending on where you live.

**5. There is a newly proposed retirement advice rule issued by the Department of Labor, right around the corner.** Who does it benefit - the consumer or the brokers? Here is what the August 12 edition of the Wall Street Journal said "But adherence is proving a positive. Firms are pushing customers toward accounts that charge an annual fee on their assets, rather than commissions, that can violate the rule, and such fee-based accounts have long been more lucrative for the industry."



## 6. Additional comments on the proposed Department of Labor rule.

Primarily because of DOL and market appreciation, assets are growing in fee-based accounts. Such accounts can be costly for clients." Ronald Kruszewski - CEO Stifel Financial Group.

**7. What is essential income and why is it important?** Essential income is money used to fund your

lifestyle. You will need to review all of your recurring monthly expenses, and determine monies you need to live-on. You will want to do this using after tax dollars. Monies for essential income should be stored in financial instruments that are not subject to market volatility, and are predictable, protected, and accessible. Your lifestyle expenses happen regardless of good or bad market conditions or times. This money should be worry free!

## 8. Six Facts You Should Know About Fixed Annuities

- They are insurance products not investment products.
- They earn interest not returns or gains
- They have no investment risk - they participate in the market upside with no downside risk
- The premium is used to purchase a fixed annuity. It's not principal.
- They provide security for living too long and running out of money.
- They are among the highest rated financial products for consumer protection.

**9. The Big Picture on Social Security** - Getting the timing right is critically important because the role that Social Security benefits play in the financial security of retirees cannot be overstated. The numbers tell a powerful story. At the beginning of 2017, over 50 million Americans were receiving monthly retirement or survivor benefits totaling about \$65 billion. The average retirement benefit for retired workers: \$1,363 a month. The maximum payment for someone claiming benefits at full retirement age (66) in 2017 is nearly twice that amount: \$2,687. Since 1975, the law has called for benefits to be automatically adjusted each year to keep up with inflation. But in three years, 2010, 2011 and 2016, there was no cost-of-living (COLA) adjustment because the consumer price index used to set the COLA measured zero inflation. However, the COLA has been as high as 14.3%. For 2017, the raise was 0.3%, averaging just \$5 a month.



*Source - Kiplinger - Boomers Guide to Social Security*

**10. Do you own life insurance that has been in force for some time?** This may be a good time to review your life insurance before you get busy with the fall and holiday activities.

- Life changes and your benefits wants and needs follow.
- Make sure you are comfortable with the face amount of your policies. Inflation erodes the face amount so adjustments may be required.
- Health conditions are a moving target. You will want to purchase additional coverage while you are healthy.

Review your beneficiary status. The latest beneficiary executed document is the basis for who is to receive the proceeds. It is important to designate secondary beneficiaries in the event the primary beneficiaries cannot take the proceeds. It is vital the monies go to the parties for whom it is intended.

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First Benefits Group, Inc.

We are financial and insurance educators.

Our approach is unique and uncommon. We teach our clients how to be more efficient with their money. We can verify that being more efficient with your money is the safest method for building a solid foundation of protection and wealth.

There is more to be gained by avoiding losses than picking apparent winners.

We are experts in identifying threats to current and future lifestyles, and developing strategies to minimize or eliminate these threats.

To schedule a complimentary, no obligation appointment to discuss your personal circumstances, please call our office at 941.361.3057 x4.

Sincerely,

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