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First Benefits Group, Inc.
Pioneers in Financial and Healthcare Strategies

Money - It's All About the Benefits.



October 2018

Is it Trick or Treat?

Halloween is just around the corner. For the kids it is a time to collect as much candy as possible, and to enjoy the festivities associated with this holiday.

Wouldn't it be great if we could change the trick to educating our kids our money, how it works, how to keep it, and how to make it grow? October 31 could be the day that is totally spent on money education.

The treat would last a lifetime, and the kids could buy as much candy as they wanted in their adulthood.

Happy Halloween!!

Check out our other money treats below.

Innovative Thinking on a Very Popular Subject - Money

1. Social Security Increase for next year? - Preliminary Report 2018 - A recent article from CNBC says Social Security checks will likely increase next year. A 2.8 percent cost-of-living adjustment has been estimated by The Senior Citizens League. If the estimate is correct, the increase will be the highest bump retirees have seen in recent years. The increase will begin with the January 2019 payments.

2. The tax laws are changing for taxpayers filing in 2018. Listed are five changes that might have an impact on your money:

- If you are married and filing jointly your standard deduction is \$24,000, up from the \$13,000 previously. Add another \$2,600 if both, you and your spouse are 65 or older.
- The itemized deduction is limited to \$10,000 for both income and property taxes paid during the year. This will have a major impact on homeowners who live in high property taxed communities or states.
- Personal exemptions are no longer allowed.
- The child tax credit has been raised to \$2,000 per qualifying child (those who are under 17), up from \$1,000. A \$500 credit is available for dependents who do not get the \$2,000 credit. Your tax liability is decreased by the total amount of the credit.
- You can contribute a maximum of \$18,500 annually to your 401K in 2018. The previous maximum was \$18,000.

3. If you are on Medicare, you may have received, or will soon receive a new card.*Here are seven things you should do:

1. Save your unique number in a password vault for safekeeping in case you misplace the card.
2. Laminate the card - it will greatly extend its longevity.
3. Carry your new Medicare card with you.
4. Keep it in a safe place.
5. Shred/Destroy your old Medicare Card. No need to hold onto it - it's time to say good-bye!
6. Keep your Medicare Advantage Plan card. If you're in a Medicare Advantage Plan, like an HMO or PPO, keep using your Medicare Advantage Plan ID card whenever you need care. However, you should also carry your new Medicare card - you may be asked to show it.
7. Start using your new Medicare card immediately. Make sure your doctors receive a copy. Your doctors and health care providers know it's coming and will ask for your new Medicare card when you need care.



**If you haven't received your new card yet, go to <https://www.medicare.gov/newcard> to find out when your card is being mailed.*

4. The benefits of home-equity loans have diminished, but it doesn't mean you should not have access to cash in your house. Under the new tax laws, you cannot write-off the interest on home-equity loans used to pay car loans, credit cards etc. Home-equity loans are a great place to access cash for unexpected events. You need to secure the loan prior to needing it. If you need it, you probably will not be able to secure it. The cost to secure a home equity loan is usually minimal, and there are no time frames for accessing the cash.

5. Does it make sense to start taking withdrawals on your qualified plans (401K, IRA, 403B etc.) at age 70 ½? Many retirees will postpone taking money from these accounts until that age because they don't need the money and don't want to pay the tax. Is that a good idea? It depends on your current and future tax bracket. The new tax laws might make it favorable to start taking distributions earlier than the mandated time. Review your situation prior to the end of the year with a competent advisor who understands the tax ramifications. Remember you are a winner if your withdrawal tax rate is less than your contribution tax rate.

6. Futurist David Houle gives us his latest take on the market and where it is headed. "We are now officially in the longest bull market in history. That alone is a risk indicator. Rising interest rates, the end of quantitative easing, uncertainty about tariffs and geopolitical tensions will all put a pressure on the equity markets. Then, next year, the year to year profit comparisons against the first two quarters of 2018 will put pressure on stocks. I have not been and am not a market timer, but I do think that the bull market will end in 2019, perhaps early in the year."

7. What do you do to hedge against financial losses in a bull market? Listed are a couple of things that should help:

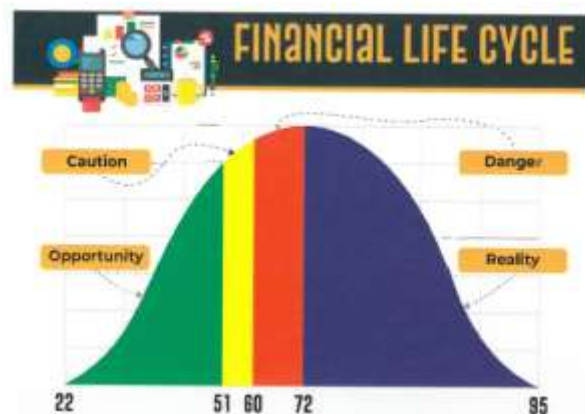
- Determine your money cash flow for essential living expenses. This is the money you need to live-on each month.
- Store this money in accounts that are predictable, not subject to market fluctuations and losses, and are accessible and protected.
- Work with an advisor who understands the importance of safety of principal and can guide you through the maze of confusion.
- Live worry free during the down markets.

8. What is JP Morgan Asset Management team saying about accessing your money in an investment account at retirement time? "Average returns in retirement matter much less than the sequence of those returns. Poor performance in the early (vs. later) years can have a far more destructive impact on a portfolio's ending value."

Source - *Glide Path Design: "Why "retirement" shouldn't mean "decline", Insights and Research As of Apr 10, 2018.*

9. What are the risks when you are in danger zone (6 years before and after retirement) of your financial life cycle?

- Longevity Risk
- Market Fluctuation Risk
- Unexpected Event Risk
- Interest Rate Risk
- Inflation Risk



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10. Bill Cosby is in jail, and from the looks of it he will be there for a while. Personal lawsuits will take its toll on his family fortune. Many of his assets are subject to creditor attachment. To find out the creditor exemptions state by state, go to [Creditor Protection LI & Annuity](#).

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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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