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- Life Events
- Family Security
- Eldercare
- Financial Basics

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

Dear Terry,

Money - It's All About the Benefits.

March 2018

Daylight Saving Time

Benjamin Franklin, publisher of the old English proverb "Early to bed, and early to rise, makes a man healthy, wealthy and wise", anonymously published a letter suggesting that Parisians economize on candles by rising earlier to use morning sunlight. He proposed taxing window shutters, rationing candles, and waking the public by ringing church bells and firing cannons at sunrise.

Modern DST was first proposed by the New Zealand entomologist George Hudson, whose shift work job gave him leisure time to collect insects and led him to value after-hours daylight. In 1895 he presented a paper to the Wellington Philosophical Society proposing a two-hour daylight-saving shift.

William Willett, independently conceived DST in 1905 during a pre-breakfast ride, when he observed with dismay how many Londoners slept through a large part of a summer day. An avid golfer, he also disliked cutting short his round at dusk.

Starting on April 30, 1916, the German Empire and its World War I ally Austria-Hungary were the first to use DST as a way to conserve coal during wartime. Britain, most of its allies, and many European neutrals soon followed suit. Russia and a few other countries waited until the next year, and the United States adopted it in 1918.

Daylight saving time was abandoned in the years after the war but was brought back and became widely adopted, particularly in North America and Europe, starting in the 1970s as a result of the energy crisis.

Innovative Thinking on a Very Popular Subject - Money

1. Is Social Security taxable? Many retirees are surprised-and dismayed-to discover that a portion of their Social Security benefits could be taxable. Whether or not you're taxed depends on what's known as your provisional income: your adjusted gross income plus any tax-free interest plus 50% of your benefits. If provisional income is between $25,000 and $34,000 if you're single, or between $32,000 and $44,000 if you're married, up to 50% of your benefits is taxable. If it exceeds $34,000 if you're single or $44,000 if you're married, up to 85% of your benefits is taxable. The hidden tax - these caps have not changed since they were put into law in 1985.

2. Comments from David Houle, a futurist from Sarasota, about the near term financial markets: "I think that the beginnings of this significant financial disruption could begin in late 2018 or early 2019 I also think that there will be some sort of economic downturn during the second half of 2018. While the economic headlines are strong and are being touted by the President, I see a lot of debt and geo-political underpinnings to the global economy that will trigger problems. It may not be a recession technically, but a definite rough patch for markets and economies, showing that all is not wonderful and good in the debt based global economy." Is he right? - time will tell.

3. Distribution Planning - What are the rules? Volatility has returned to the market. This might be a good time to review with your prospects and clients a few of the basic rules on distribution planning (making the transition in the near future to retirement or in retirement).

- Longevity is the biggest risk with our money.
- Planning begins with determining your essential lifestyle after-tax income.
- Determine how long your money will last in retirement before you stop working and having earned income.
- The focus needs to be ensuring your money lasts as long as you do.
- Cash flow governs our decisions.
- The plan must work under all conditions - good and bad markets.
- Certainty and predictability are key components in the planning process.
- Inflation is the silent killer of cash flow, and must be included in planning.
- There is more to be gained by avoiding losses than picking apparent winners.
- Higher rates of return on all of your assets is not a viable long-term strategy.
- You will live on less in retirement if you don't have enough cash flow.
- Asset location (safe vs risk) is more important than asset allocation.

4. Don't overlook the benefits of a reverse mortgage. Equity in a house is often times the largest single asset Americans have in retirement. Accessing that equity is a challenge. Reverse mortgages are not right for everyone, but for many Americans it has been a lifesaver for extending cash flow. Listed are some of the benefits.

- Reverse mortgage borrowers are not required to make any payments.
- You don't need income to qualify

- You cannot be forced by a lender to sell your home for the purpose of repaying the mortgage.
- A reverse mortgage loan generally does not have to be repaid until the last surviving homeowner either passes away or has permanently moved out of the property.

5. More thoughts on Always....

- Always consider transferring the financial risk to an insurance or financial institution on events that could cause severe problems to you and your family (death, disability, lawsuits, etc.)
- Always remember that the financial decisions you make now might have to last a lifetime. It is important to get it right the first time! This is especially true when you are nearing or are in retirement.
- Always have enough accessible cash available to handle emergency situations.
- Always understand that all of us have financial obligations but not all of us have debt. It is only debt if you do not have enough money available to pay off the obligation by using the stroke of a pen to write the check.

6. Warren Buffett On Asset Allocation: "Diversification is a way to protect financial consultants and stock brokers from ever looking really bad, but it also stops them from looking really good. What happens with broad diversification - holding a portfolio of, say, fifty or more different stocks - is that the winners will be canceled out by the losers, just as the losers will canceled by the winners."

7. The past doesn't determine the future. The decisions you make today about your money determine your future. It doesn't matter what happened in the past. The past is gone. The decisions you make today are far more important in shaping your financial future. It is important to get it right the first time!

8. Your best day emotionally (having your house free and clear) may be your worstday financially. Why? What if you need cash and cannot access the equity in your house? It happens. The time to make arrangements for the cash is when you don't need it and you qualify. There is a possibility you won't qualify when you need it.. The equity in your house is yours if you qualify to access it. Home Equity Lines are an excellent source of funds and you only pay interest on the monies being used.

9. Has your doctor recommended the one miracle pill that covers all of your medical conditions? Of course not, because it doesn't exist. The same is true with your money. There is no product that can provide you with all of the benefits required to create an ideal financial plan. The focus should be on a process that creates the right strategy to help you avoid threats, fulfill obligations, and seize financial opportunities as they become available.

10. You are probably familiar with the acronym DOB, but are you familiar with DOU? That is the Day of Un-Insurability - the date that you apply for life, disability or long-term care insurance, and are denied coverage. The insurance company decides they don't want to take the risk. It is important to purchase these policies prior to DOU. All insurance companies do appraisals on the applicants, and not everyone qualifies for the coverage. All of us will face our "DOU" at some point in our lives.

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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