



## Quick Links

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## What Keeps You Up at Night?

- Retirement
- Estate Planning
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- Financial Basics

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

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

Dear Terry,

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



**May 2018**

**The month of May is traditionally a great time for Spring Cleaning around the house.**

**This also may be a time to "spring into action," and get the four most important questions answered about your money.**

1. What rate of return do you have to earn on your savings and investment dollars to be able to retire at your current standard of living and have your money last throughout your life expectancy?
2. How much money do you need to save on a monthly or annual basis to be able to retire at your current standard of living and have money to last throughout your life expectancy?
3. If you continue to do what you are currently doing, how long will you have to work to be able to retire and live your current lifestyle throughout your life expectancy?
4. If you do nothing different than what you are doing today, how much will you have to reduce your standard of living at retirement in order for your money to last

throughout your life expectancy?

**Below are some other money housekeeping tips.**

## Innovative Thinking on a Very Popular Subject - Money

**1. Are you clear about title and ownership of your property?** Listed are some terms that should help.

- Sole Ownership - Owned by one person with no limits on the rights to sell or gift, or to pass by Will or Trust.
- Joint Tenants with rights of Survivorship - Two (or, rarely, more) people, often, but not always, a married couple. Any owner can sell during his or her lifetime by agreement of all owners, and as long as all owners receive a proportional share of profits. Property goes directly to surviving owner(s) when one owner dies without going through a Will or Trust.
- Tenants by the Entirety - A married couple, neither of whom can sell without the other's permission. The surviving spouse becomes the sole owner. In a divorce, former spouses become tenants in common.
- Tenants in Common - Two or more people, each owning a share. The shares are usually equal. Each owner owns and can sell his or her share independently. Each share can be passed by Will or Trust. Other owner(s) has/have no legal interest or right to inherit.

*Source: Lightbulb Press Guide to Estate Planning Copyright 2011*

**2. The Last Paycheck.** When you retire you will share a common experience with everyone who already has made the change - the paycheck stops. There are six questions that should be answered before you retire, and the last paycheck is issued.

- Will my money last as long as I do?
- Do I have enough predictable income to handle my essential lifestyle?
- What are the major threats to my money, and what can I do to eliminate or minimize these threats?
- What can I do to improve the efficiency of my money without incurring any additional risk?
- When should I take Social Security?
- What do I need to know about Health Insurance, Medicare and Long Term Care Protection?

**3. There is a widely held belief that people can live on less in retirement.** Some believe you can live on 30% less in retirement compared with your working years. Is that true? The easiest way to determine if you can live on 70% of your income is to try it now. In addition to your current lifestyle expense, future costs such as healthcare, additional travel, a second home, hobbies, and extra expenditures for



leisure time activities should be included.

**4. Should I enroll in Medicare at age 65?** It depends! Everyone should enroll in Medicare Part A. There is no charge for Part A. If you are still working, and it is for an employer with more than 20 full time employees than you may want to keep your employer healthcare plan and skip applying for Part B and D at this time. If you are retired or work from an employer with fewer than 20 employees, you should consider applying for both Part B and D. Permanent surcharges apply on both Part B and D if you don't apply in a timely manner.

**5. Are you seeking a financial professional advisor?** If so, seek someone who can help with improving your cash flow without reducing your lifestyle. Find someone that can help you make better financial choices, reduce any personal frustration or stress, guide you towards financial independence, and preserve and create new wealth.

**6. How do you know if a financial advisor is right for you?** Trust! Make sure you have confidence that your advisor is acting in your best interest not the financial institutions' best interest. You don't need to know what the advisor knows on all financial topics, you just need to know that the advisor knows.

**7. What is a Fixed Indexed Annuity (FIA)?** Fixed indexed annuities are insurance products that provide both protection from downside market risk and growth potential by offering a guaranteed interest rate for a set period, as well as the opportunity for additional interest credits based in part on the performance of a market index.

Retirement savings held in an FIA are not invested directly in the markets. Instead, interest credits fluctuate based in part on the performance of one or more reference indices. When a particular index is up, the annuity's value may increase: Interest credits are applied to the portion of the annuity's accumulated value that is allocated to that index's crediting strategy. When the market is down, the interest rate declines to zero, but the value of the annuity holder's initial premium-as well as prior credited interest-remains intact. Thus, retirement savings are protected from market downturns.

**8. Inflation - how much does it erode your buying power?**

\$100,000 using a 2.5% inflation rate is worth \$78,120 in ten years

\$100,000 using a 3.5% inflation rate is worth \$70,892 in ten years

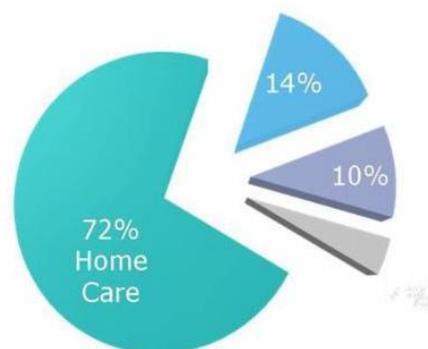
\$100,000 using a 4.5% inflation rate is worth \$64,293 in ten years

**9. Thoughts on cash flow**

- Cash flow trumps Asset Accumulation. If you have many assets but no cash flow, you will struggle financially.
- "The object of savings for retirement is not to have a pot, but to have a lifetime of income for retirement." Our lives are governed by cash flow not accumulation of assets. Cash is king!
- Cash flow governs our lifestyle decisions.
- If you want to increase your cash flow you need to spend as much time managing your liabilities as you do seeking higher rates of return on your assets.
- You will live on less if you don't have sufficient cash flow in retirement.

**10. What comes to mind when you think of Long**

**Term Care?** Most people think it's nursing homes. According to One America, over 80% of Long-Term Care is administered in the home. It is important that your long term care insurance is comprehensive. Make sure coverage provisions for Home Care, Nursing Home, Assisted Living, and Adult Day Care are included in your policy.



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,

Terry O'Brien, Frances Lane, Gary Hickerson, BJ Mangrum

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