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Terrance J. O'Brien

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

Dear Terry,



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

### June 2013

June marks the beginning of summer solstice in the Northern Hemisphere. It has the longest day of the year.

It is also the month when most of the attempts are made to climb the 29,000 foot peak of Mt. Everest. I turned on the evening news last night, and there was a report about the record number of people climbing Mt. Everest this year.

Our financial lives are not much different then climbing Mt. Everest. Many more people are climbing the mountain because technology and equipment are making them better prepared to handle the journey. The challenge is still difficult.

We are living longer, and that is increasing challenges with our money. We simply cannot afford to make mistakes.

The greatest threat to our money, like climbing Mt. Everest, is the final journey to the summit (a couple of years prior to retirement), and the initial descent off the mountain (the first couple of years after retirement) .

How we handle these important legs of the journey will have a major impact on our quality of life for the remainder of our years.

Enjoy the read!

## Out of the Box Thinking on a Very Popular Subject - Money

**1. When does an unexpected event become an expected event?** Ameriprise reported the following based upon a survey they recently conducted, "On average, retired and pre-retired Americans reported to have lost \$117,000 in retirement savings due to unanticipated events. Expecting the unexpected is clearly more important than ever in preparing for retirement."

**2. The loss of a spouse or significant other could be a huge capital loss in retirement! How?** Social Security income stops when someone passes away. The surviving spouse or remaining mate must deal with only receiving one social security check. It is important to prepare for this when calculating income in lifetime planning.



**3. Which inflation calculator are you using to plan for your financial future?** There are two types of inflation; government and personal. The government determines inflation based on history, and uses a variety of goods and services for its calculations. Your own inflation is based on your own consumption, and occurs every day when making purchases. I believe you will find your personal inflation factor is significantly higher than the government's calculation. Inflation is the silent killer of cash flow!

#### **4. Interesting facts about Social Security.**

- It exceeds the gross national product of every country in the world except the five largest.
- It represents the majority of retirement income for most Americans.
- The benefits are subject to federal income taxes.
- Benefits are based on your 35 highest years of earnings during a lifetime.
- Cost of living increases were made by acts of Congress through 1975.

**5. Money is both a scarcity and a resource.** How we handle it determines how much we control it. In many ways, the quality of our lives is determined by our access to money. It is important we understand how it works so we can retain liquidity, use and control of it.

**6. Do you think your income is common or uncommon?** The government reports that if your adjusted gross income in 2010 was \$100,000 then you were in the top 25% of earners. This group of taxpayers paid 87.11% of total income taxes. If your income is uncommon, then doesn't it make sense to develop uncommon strategies so you can keep as much of that income as possible?

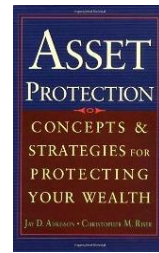
#### **7. Are you familiar with the tax advantages of Health Savings Accounts?**

They are one of the few financial strategies that allows you to put money in an account that is tax deductible. Once in the account, the money grows tax deferred. The money is withdrawn tax-free if it is used for any medically eligible expenses. Health Savings Accounts are the only tool that contain all three of these tax advantages!



**8. The knowledge you have may contain an expiration date!** People make contributions to their qualified plans thinking they are getting a tax deduction. You do not receive a tax deduction! You create an income reduction by the amount of the contribution. You will pay fewer taxes on the income because your income is less. You will pay taxes when you withdraw it. The real issue is what will be the future tax bracket at the time of withdrawal?

**9. Are you familiar with the creditor protection laws for your home state?** Every state has its own protection laws. It is important to know the specific details on assets that are protected from creditors and those subject to attachment. Go to [www.assetprotectionbook.com](http://www.assetprotectionbook.com) for some excellent information about each state. Contact a local creditor attorney for more specific information.



**10. Cash flow is like oxygen.** It is pretty tough to survive without both. If you have good cash flow, you also have more options in your life, and options are a good thing.

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 and 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

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*Pioneers in Financial and Healthcare Strategies*

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