July 9, 2019

First Benefits Group, Inc.

Simple Summer Pleasures

Change is inevitable. Take ice cream and frozen treats, for example. As far back as 400 BC in the Middle East, ice was transported from the mountain tops and kept cold in yakhchals, cone-shaped ice houses. Grape juice was poured over the ice and served to royalty as a sweet treat.

In 200 BC the Chinese made ice cream from milk and rice. They also invented the first device for making sorbets and ice cream.

In the 1840's the first hand cranked ice cream makers were invented simultaneously in Europe and the United States. In 1870 ice cream sodas became popular, and by the early 20th Century ice cream cones and ice cream parlors hit the scene.

After the introduction of refrigeration in the late 20th Century, ice cream became a household treat throughout the world. A variety of flavors were introduced and many vendors popped up.

Today, it is estimated that over 1.6 billion gallons of ice cream and related frozen dairy products are produced annually in the United States alone. In addition, U.S. citizens eat four gallons of ice cream per person each year on average.

I**f something as simple and seemingly insignificant as ice cream can go through so many transformations and improvements** isn't it possible that innovative money ideas such as the ones listed below could improve your money efficiency?

Terry O'Brien, Fran Lane, Gary Hickerson

[Visit our Website]

Upcoming Events

Medicare: Clearing Up the Confusion
Every Wednesday in July @ 11:00 a.m.

Social Security: Optimizing your Retirement Benefits
Tues July 16 and Thur July 18 @ 4:00 pm

Understanding Long Term Care
Wednesday, July 17 @ 12:00 p.m.

All seminars are held in our office
RSVP 941.361.3057 x9

Innovative Ideas About Money

1. **A quick glimpse at Social Security**
   - You need 40 quarters of a year (10 years) of paying Social Security taxes in order to be eligible to collect your benefit.
   - Your Full Retirement Age (FRA) is between ages 66 and 67. It is dependent on your birth year.
   - You receive 100% of your benefits at Full Retirement Age. If you start earlier you will receive less, and if you delay after FRA you will receive more.

When to take Social Security is all about timing and developing the right strategy

2. **A quick glimpse at Medicare**
   - Medicare can be a maze of confusion
   - There are four parts to Medicare: A, B, C, D
   - Medicare and Social Security do not use the same dates; Medicare eligibility begins at age 65
   - If you are receiving Social Security benefits you will not need to enroll in Medicare

- For most Americans there is no cost for Part A

3. **Annuity Awareness month just ended.** If you are like many investors who are scarred from losing money due to an economic downturn, you may be looking for investments offering a guaranteed minimum rate of return. For financially conservative investors who want to build and protect their assets, fixed annuities are a great option. Fixed deferred annuities can provide a predictable future with flexible payout options that offer a guaranteed income stream, and those earnings aren't taxed until the funds are withdrawn. Fixed deferred annuities are especially appealing to people interested in a tool to secure income for retirement. A deferred indexed annuity can be "turned on" before or after retirement to create a liquid stream of income.

4. **Want to make a cash donation to your favorite charity?** Here is an idea. Transfer funds directly from an IRA to an IRS approved charity. The charitable contribution is deductible. You took the deduction when you made the original contribution. The good news is the distribution isn't taxable, and the payment qualifies as a Required Minimum Distribution. The payment must be made directly to the charity.

5. **The economy is still roaring.** This month marks the 10th year with no recession. This is considered to be the longest expansion in American history. Will the market sustain itself, or is a downturn right around the corner? You be the judge. If you think a downturn is eminent then you should take action! Develop a strategy that protects money, on at least a portion of it, from a downturn of the market. Remember there is more to be gained by avoiding losses than picking apparent winners.

6. **Warren Buffet often comments about the importance of having access to cash.** This allows him to taking advantage of opportunities as they arise. A great place to have access to cash is high cash value permanent life insurance. The insurance provides guaranteed loan options, often at a fixed low rate of interest, tax deferred growth, and uninterrupted compounding of the cash value regardless of the loan against the cash value.

7. **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. It is important to remember that avoiding threats, and fulfilling obligations comes before seizing opportunities!

8. 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. Buy this protection before you cross the line of DOU!

9. Social Security's year 2020 raise probably won't be as high as 2019. The Senior Citizen League, an Advocacy group, anticipates the increase to be 1.7% or about $24 per month for the average payout of $1,420 per month.

10. The government estimates that 50% of all seniors will need some type of long-term care. They also estimate about 17% will pay over $100,000 or more out of their pocket for long term care services. The tax code is providing some help for any caught with these huge expenses.

- Long term-care costs may be deducted by individuals as itemized deductions on Schedule A of the tax return provided all of the requirements are met.
- Uncle Sam treats Long Term Care as a medical expense.
- The care must be for medically necessary services that are rehabilitative, diagnostic, preventive, therapeutic, mitigating, curing, treating, for maintenance, or for personal care.
- Only long-term care costs of chronically ill individuals can be written off.
- Chronic illness must be certified by a licensed health care practitioner.

Source Kiplinger Tax Letter June 28, 2019

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