

BEWARE: Sequence of Returns Risk!

If your financial advisor told you that you would average 10% on your investments over the next 20 years, and only 5 of those 20 years would have a negative return, and none of the negatives would be as high as the highest positive return, would you feel safe leaving your investments in the market? The outcome might surprise you!

Portfolio A			Portfolio B		
YEAR	Return	Balance* \$100,000	Return	Balance* \$100,000	
0					
1	-18.39%	\$75,897	26.57%	\$117,710	
2	-19.14%	\$55,710	19.61%	\$132,420	
3	-4.59%	\$46,475	5.26%	\$132,017	
4	18.47%	\$46,766	16.57%	\$145,733	
5	6.79%	\$42,466	33.60%	\$185,347	
6	14.30%	\$40,537	21.23%	\$216,210	
7	-15.39%	\$28,376	13.92%	\$238,332	
8	14.59%	\$24,495	-1.61%	\$227,608	
9	8.95%	\$19,060	21.03%	\$267,002	
10	19.52%	\$14,414	16.21%	\$302,148	
11	20.72%	\$8,951	20.72%	\$356,303	
12	16.21%	\$2,267	19.52%	\$417,486	
13	21.03%	\$0	8.95%	\$447,225	
14	-1.61%	\$0	14.59%	\$504,454	
15	13.92%	\$0	-15.39%	\$420,896	
16	21.23%	\$0	14.30%	\$473,083	
17	33.60%	\$0	6.79%	\$497,730	
18	16.57%	\$0	18.47%	\$581,367	
19	5.26%	\$0	-4.59%	\$548,004	
20	19.61%	\$0	-19.14%	\$437,456	
21	26.57%	\$0	-18.39%	\$351,295	

*Starting Balance = \$100,000; Withdraws = \$7,000/year

YEAR 1: The combination of the market's impact and the \$7,000 yearly withdraw leaves Portfolio A with less than \$76,000.

YEAR 13: Portfolio A runs out of money because of the negative returns it experiences at the outset.

Who Are We?

We are a dedicated team of professional, licensed agents who work in your local community to help you protect what matters most – your family. All Our Agents are State licensed and represent multiple carriers and products, so their loyalty is to you the client, and they can remain impartial while finding you the best fit for your insurance needs.

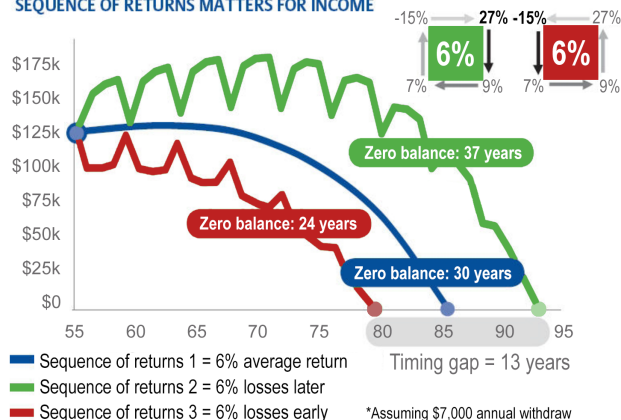


Financial Tips From the Experts



Understanding Retirement

SEQUENCE OF RETURNS MATTERS FOR INCOME



How is Social Security Taxed?

Some people have to pay federal income taxes on their Social Security benefits. This usually happens only if you have other substantial income (such as wages, self-employment, interest, dividends and other taxable income that must be reported on your tax return) in addition to your benefits.

Go to: www.ssa.gov/myaccount, or call 800-772-1213 to receive a Social Security Benefit Statement (Form SSA-1099) showing the amount of benefits you received in the previous year. You can use this Benefit Statement when you complete your federal income tax return to find out if your benefits are subject to tax.

How Much of Your Social Security Is Taxed?	
Income Level	Percent of SS Benefits Taxed
Below \$25,000 Single & Head of Household Below \$32,000 Married Filing Jointly	0%
\$25,000 to \$34,000 Single & Head of Household \$32,000 to \$44,000 Married Filing Jointly	50%
Above \$34,000 Single & Head of Household Above \$44,000 Married Filing Jointly	up to 85% of benefits + other income

Citing: <http://www.ssa.gov/planners/taxes.htm>

Understanding the IRS Required Minimum Distribution (RMD)

What are Required Minimum Distributions? Required Minimum Distributions (RMDs) generally are minimum amounts that a retirement plan account owner must withdraw annually starting with the year that he or she reaches 70 ½ years of age or, if later, the year in which he or she retires. However, if the retirement plan account is an IRA or the account owner is a 5% owner of the business sponsoring the retirement plan, the RMDs must begin once the account holder is age 70 ½, regardless of whether he or she is retired.

Retirement plan participants and IRA owners are responsible for taking the correct amount of RMDs on time every year from their accounts, and they face stiff penalties for failure to take RMDs.

When a retirement plan account owner

or IRA owner dies before RMDs have begun, different RMD rules apply to the beneficiary of the account or IRA. Generally, the entire amount of the owner's benefit must be distributed to the beneficiary who is an individual either (1) within 5 years of the owner's death, or (2) over the life of the beneficiary starting no later than one year following the owner's death. In the event that an owner dies after starting RMDs, the RMDs will continue based on the deceased's RMD schedule.

Age of retiree	Distribution period (in years)	Age of retiree	Distribution period (in years)
70	27.4	93	9.6
71	26.5	94	9.1
72	25.6	95	8.6
73	24.7	96	8.1
74	23.8	97	7.6
75	22.9	98	7.1
76	22.0	99	6.7
77	21.2	100	6.3
78	20.3	101	5.9
79	19.5	102	5.5
80	18.7	103	5.2
81	17.9	104	4.9
82	17.1	105	4.5
83	16.3	106	4.2
84	15.5	107	3.9
85	14.8	108	3.7
86	14.1	109	3.4
87	13.4	110	3.1
88	12.7	111	2.9
89	12.0	112	2.6
90	11.4	113	2.4
91	10.8	114	2.1
92	10.2	115 or older	1.9

Citing: [http://www.irs.gov/Required Minimum Distribution Table 2014](http://www.irs.gov/Required%20Minimum%20Distribution%20Table%202014)

Health Care Cost...

...The Big Unknown

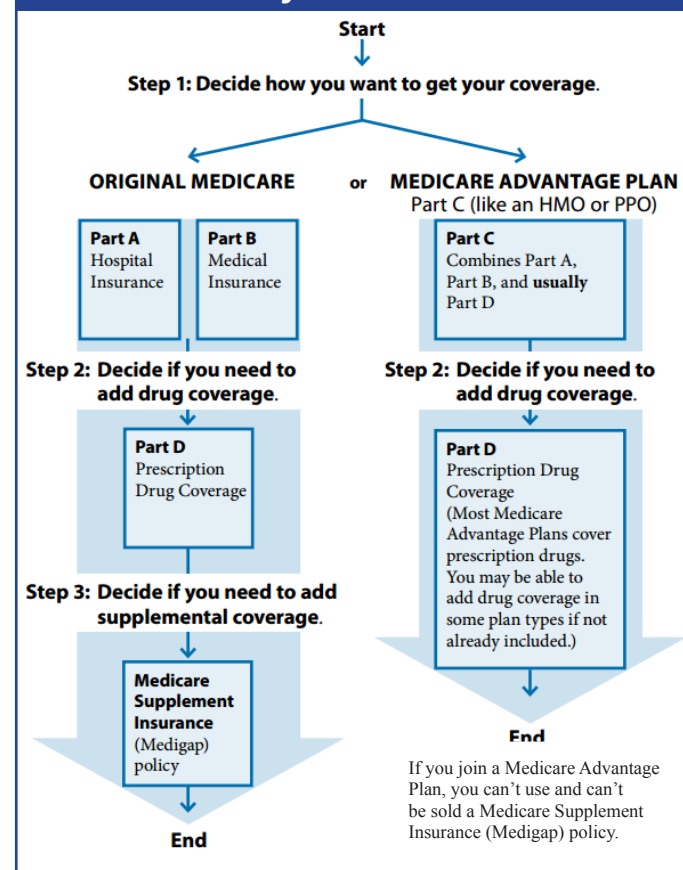
HealthView Services new Retirement Health Care Cost Index (RHCCI) measures the percentage of Social Security benefits required to pay for health care-related costs in retirement for a healthy couple receiving the average expected Social Security benefit at full retirement age.

Those costs will increase from 69% of Social Security benefits for a couple retiring in one year to 98% of benefits for a healthy couple retiring in 10 years. Couples retiring in 20 years will need 127% of their Social Security benefits to cover health care costs, and those retiring in 32 years will need 190%.

Many Americans will have to earmark their Social Security benefits to pay for health care, and rely on other assets and sources of income to pay for living expenses in retirement, such as housing, transportation, travel, taxes and food. This important factor means that annuities, especially those that provide additional confinement, terminal illness and nursing home payout benefit are more important than ever when considering one's retirement plan.

Citing: HealthView Services, 2014

Social Security Benefit "Cheat Sheet"



Citing: <http://www.medicare.gov>