

Today's Retirees Newsletter-August 2017

Your message from Wayne

I have been running into some situations lately, that has some of my clients' hands tied. These are clients near retirement, or in retirement. In many cases there is a common mistake that has been made. No choices for income. Only one avenue to take. I see younger folks (40s and 50s), doing their best to try and plan for retirement, and save as much as they can for it, but they may be going about it all wrong. So, let's talk about it.

Taxes are a big concern for many retirees. In many cases they get a double whammy. They get taxed on income like the rest of us do. Then they may also have MORE of their Social Security income, included in their overall taxable income. It's not fun when this happens, especially if we could have prevented it or minimized it. A good Certified Financial Planner™, working with a good CPA, and an "involved" client can really make a big impact on tax savings.

One issue is that many folks pour money into their traditional retirement plans. So, they can build as big a nest egg as possible along with lowering current income taxes. Those contributions are tax deductible. If a client has done this for several years, chances are they will have a nice big chunk of retirement monies to pull from.

The problem is that's the ONLY money they have to go to when needed. Qualified retirement accounts (401k, 403B, 457, deferred compensation, TSA, and IRA monies) have NEVER been taxed. As we withdraw from them that's when we start paying the taxes. If we need money for a car, or a home improvement, or we need to subsidize our income in retirement, all there is to pull money from are these "never taxed" (until now) accounts.

It gets worse, if a client is trying to keep their income under a certain level for Affordable Healthcare subsidies, but they still need a certain amount of income to live their lifestyle, their hands are tied. As an example; say a couple has \$40,000 in Social Security income, but they need \$60,000 to live their lifestyle. The goal is to retire before Medicare age. But they are worried about high healthcare premiums. This is a very common problem and concern.

To qualify for the subsidies, we need to show no more than \$50,000 in income. So, in this example, our healthcare premiums (which act as a tax at tax time, if we go over the income limits) would be low enough to be able to retire comfortably. We need \$60,000, but we must show an income below \$50,000. The \$40,000 comes from Social Security. We can then pull \$10,000 from a retirement account. But where do we get the other \$10,000 that we need to hit the \$60,000 income objective for a comfortable lifestyle.

If all you have is "never been taxed" accounts. There is no other place to get money, without going over the Obamacare income limits. A big problem for some folks!

There should be choices and other monies to go to. I like to see my clientele having numerous avenues to choose from. For instance, plenty in the savings down at the bank. Monies in Roth IRA's too. After tax investments like in a joint brokerage account or an individual brokerage account invested in the markets. Even plenty of cash value in their permanent life insurance accounts. And of course, a paid off house so we can use the equity if needed to live on until my client is Medicare age. After age 65 we won't need to keep the income low for the subsidies.

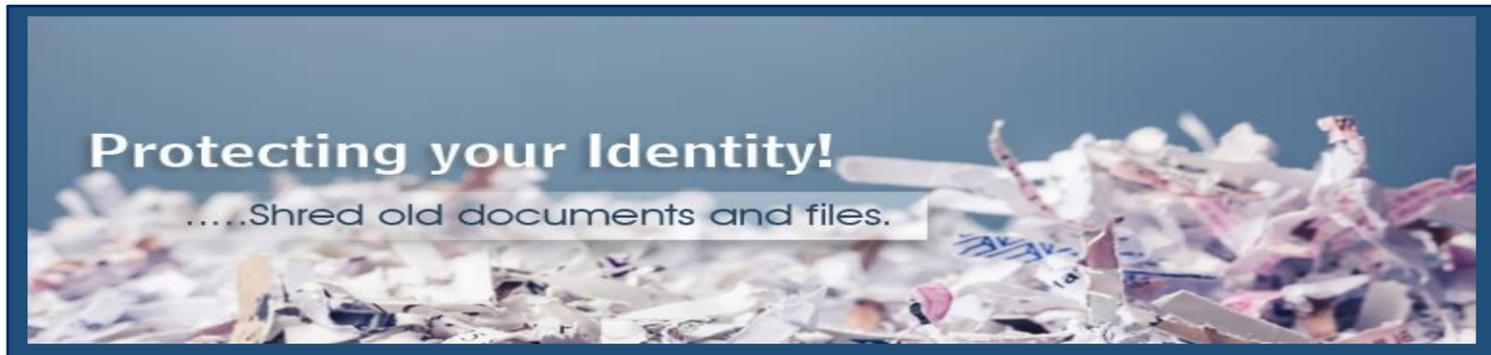
Even once on Medicare most folks would still want to focus on keeping taxes low and paying less tax on their Social Security income. Having these addition "money resources" is invaluable for people that have those multiple accounts/choices to pull from.

A place to start if you're not retired yet is to consider putting the maximum that your employer will match in your work retirement account, then spread around your extra money into account types that I mentioned above. This will give you flexibility down the road and help you qualify for income related subsidies and lower your taxes too!

Until next month,

Wayne

P.S. If you're not a client yet, consider picking up the phone or emailing us and get an appointment scheduled. I'll do my best to help and guide you so you too can have an enjoyable retirement experience.



What needs to be shredded?

Not sure what to shred? Anything that has personal identifying information should be shredded. Like expired licenses, credit card bills, bank statements, old legal documents, voided checks, ATM receipts, preapproved credit card applications that are mailed to you and any document with your social security number on it.

How long should I keep documents?

1. Things you should keep indefinitely.
 - Tax Returns
 - Major financial records
 - Legal filings
 - Inheritances
2. Things you should keep for 3-7 years.
 - Any documents that verify information of your tax return
 - Including W-2 and 1099
 - Bank and brokerage statements
 - Tuition payments
 - Charitable donations
3. Documents you should keep for 1 year.
 - Monthly bank statements
 - Monthly credit card statements
 - Pay Stubs (to verify W-2)

4. Documents you should keep for 1 month.
 - Utility Bills
 - Bank deposits and withdrawals
 - If you are self employed
 - Keep utility, cable and cell phone bills for tax purposes.
5. Safe guard your information.
 - Physical documents be sure to keep in a safe, damage or theft proof place.
6. Guard online financial accounts.
 - Use complex passwords and change them often. Use different passwords then your email or social media.
7. If you are a client you can bring your documents that need to be shredded to *Great Lakes Benefits and Wealth Management!-Sandusky Office*

Tips are from the article Better Money Habits from Bank of America

Help save the forest by shredding and recycling.

There are many forests each year that are torn down and destroyed because of the resources they provide, especially paper. Trees hold importance to our environment by supplying oxygen, bark, shade, and helping our quality of air improve. When paper is reused, the need to cut down forests substantially decrease.

Shredding paper can help this problem by allowing the paper that we use to be recycled into more paper or other useful items. So, when you are shredding your documents make sure you recycle the paper. Not only will you be cleaning up the clutter but you will be saving trees!



Saturdays at
8:30 a.m.



Be Confident About Your Retirement



Sundays at
10 a.m.



Search:
Wayne Maslyk



On TV Sundays at 10
a.m.



Great Lakes Benefits and Wealth Management
1325 Hull Road
Sandusky, Ohio 44870

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Bars

1/3 lb. graham cracker crumbs
1 cup softened butter
1 cup peanut butter
1 lb. powdered sugar
Combine all ingredients together and mix well.
Press into 9 x 13 buttered pan.

Icing

1 cup sugar
5 tbsp. butter
1/3 cup milk
6 ounces chocolate chips
Boil all ingredients together for 1 minute.
Add 6 ounces of chocolate chips,
beat until smooth and pour over bar mixture. Cool and
enjoy!



**2017
OSU FOOTBALL SCHEDULE**

Date		Opponent
Thursday Aug 31		@ Indiana Memorial Stadium, Bloomington, IN
Saturday Sept 9		Oklahoma Ohio Stadium, Columbus, OH
Saturday Sept 16		Army Ohio Stadium, Columbus, OH
Saturday Sept 23		UNLV Ohio Stadium, Columbus, OH
Saturday Sept 30		@ Rutgers High Point Solutions Stadium, Piscataway,
Saturday Oct 7		Maryland Ohio Stadium, Columbus, OH
Saturday Oct 14		@ Nebraska Memorial Stadium, Lincoln, NE
Saturday Oct 21	---	Open Date
Saturday Oct 28		Penn State Ohio Stadium, Columbus, OH
Saturday Nov 4		@ Iowa Kinnick Stadium, Iowa City, IA
Saturday Nov 11		Michigan State Ohio Stadium, Columbus, OH
Saturday Nov 18		Illinois Ohio Stadium, Columbus, OH
Saturday Nov 25		@ TSUN Michigan Stadium, Ann Arbor, MI
Sat Dec 2	BIG	Big Ten Championship Lucas Oil Stadium, Indianapolis, IN

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smartphone or tablet to
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**Great Lakes Benefits
& Wealth Management**
Family-Focused Retirement & Tax Planning



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1325 Hull Road
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Office Hours:
Mon-Fri
9:00-4:30
Sat.
By appointment
only

Sheffield Office:

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(440) 934-3141
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Office Hours:

By appointment
only



The Winner of the
August 2017
"Top Client" Award
Is:
Mr. & Mrs. Ken Miller
He will receive a \$50 Gift Card



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