# Protecting A Lifetime Of Memories

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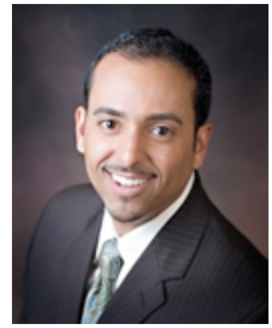
***Helping You Navigate the Road To and Through Retirement***



**APRIL 2013**

## Lessons Learned From Billionaires

**The Top 3 Things You Must Do to Keep Your Financial Future!!** Financial security allows billionaires to pursue their passions, whether that's spending and giving away their wealth or finding new ways to create more of it. An advantage of being wealthy is that you don't stay up at night worrying about financial security—you already have it. Financial freedom is what the rest of us want as well. Life feels richer when you feel secure. For billionaires, aspiring billionaires and anyone who seeks the benefits of a secure financial future, We offer these simple words of wisdom.

**It's No Secret: Start With a Plan:** To keep financial issues from becoming a constraint, a detailed plan is essential. Design your strategy around growth. Look for diversified assets that can exceed inflation over the long term. A financial advisor can help you develop and stick to that plan. A customized plan should be one that first addresses risks, then fits your needs, profile and objectives. A professional can help you manage those risks and map out a plan that builds financial security.

**Rely on History, Not Headlines**: It's easy to get sidetracked by market fluctuations. Successful investors have learned to stay calm and avoid emotion-based decisions during periods of volatility. It takes great effort to tune out the noise and the news and avoid reacting to short-term events, but a long-term view and understanding of history can put these events into perspective.

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## Did You Forget To Take Your… Required Minimum Distributions?

Tax time has come and gone and once again one of the biggest mistakes made by retirees was that they missed taking out their Required Minimum Distributions (RMDs), form there IRA's. The problem is that if you fail to take the RMD, the IRS can assess a stiff 50% penalty on the amount that should have withdrawn from your IRA, but didn't!

If you have a 401(k), 403b, IRA, SEP, IRA SIMPLE, or certain other employer sponsored retirement plans, and you are over 70 1/2 you generally must take a RMD by December 31 each year. **Internal Revenue Code - IRC 401(a)(9)**

**There are a few exceptions.**

One exception is if you are still working for the company where you have the plan and you don't own more than 5% of the company, then you can delay your RMD to April 1 of the calendar year after the year you actually retire. But, if you have other, non work-related accounts, such as an IRA (other than a Roth), you've got to start taking money from them at 70 1/2.

Another exception is if you have retirement savings in a Roth IRA, you're exempt from this rule. Earnings in Roth accounts are tax-free, and you can leave your money in there as long as you like. But, if you have a plan, other than a Roth, you've got to start taking money from them at 70 1/2.

**Note:** If you didn't take part or all of your Required Minimum Distributions (RMD) and you

### Interesting Facts

Pumice is the only rock that floats in water

Your foot is the same length as your forearm

In the US, Americans eat about 18 acres of pizza a day

Diamonds are not that rare, De Beers creates an artificial scarcity by stockpiling mined diamonds and selling them in small amounts

The United States holds the record for the highest divorce rate in the world

Kissing is healthier than shaking hands

There are 293 ways to make change for a dollar

'Jedi' is an official religion in Australia with over 70,000 followers.

*Are You Positioned To Capture The Stock Market Coming Upturn?*
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***April is....***
***Alcohol Awareness Month***

Drinking too much alcohol increases the risk of health-related problems like injuries, violence, liver disease, and some types of cancer.

The good news? We can all do our part to prevent alcohol abuse.

Make a difference: Spread the word about strategies for preventing alcohol abuse and encourage communities, families, and individuals to get involved.

**How can Alcohol Awareness Month make a difference?**

We can use this month to raise awareness about alcohol abuse and take action toward a solution – both at home and in the community.

Here are just a few ideas:

-Encourage friends or family members to make small changes, like keeping track of their drinking and setting drinking limits.

-Share tips with parents on talking with their kids about the risks of alcohol use.

-Ask doctors and nurses to talk to their patients about the benefits of drinking alcohol only in moderation.

## Lessons Learned From Billionaires

While history may not repeat itself, you can identify patterns and learn from past mistakes or successes. Certainly, opportunities may arise out of long-term shifts, but be disciplined and thoughtful when you rebalance your portfolio.

**Stay True to Your Goals:** Remaining committed to your goals will help you create financial security, no matter the investment climate. Commitment will also help you ignore investment opportunities and strategies that are not aligned with your long-term financial objectives. Consider altering it when something changes in your expectations or your risk profile. Changes in the market don't necessarily dictate changes to the plan.

**Smart, Scalable Strategies**: Billionaires are smart about money; fortunately, the very financial strategies they follow are scalable to anyone's situation. The most important step is to create a plan that helps you build wealth, not just chase it. Your plan needs to be able to weather dips and downturns, while still actively working to create your financial security. There isn't a "one-size-fits-all" financial strategy. That's why it is so important to develop a plan that can best meet your needs today, tomorrow and even 40 years from now. It's never too early or too late to start.

**Do you have what it takes to reach millionaire status? Contact GenWealth Advisory Group for "10 Things to know about Planning Your Retirement Income."**

## Did You Forget To Take Your… Required Minimum Distributions?

you're taking steps to rectify the situation, the IRS could waive the penalty. In that case, file **Form 5329 (part VIII).** Go ahead and pay the excess accumulation tax and attach a letter of explanation. If the IRS agrees that you shouldn't be penalized, it will refund the excess tax.

**How are RMDs calculated?**

If you have multiple retirement accounts? You must calculate the minimum withdrawal amount for each account. However, you don't necessarily have to take the money out of each account. You can add up the separate amounts and then take the total amount from just one or more of those accounts.

Generally, your RMD is determined by dividing the adjusted market value of your tax-deferred retirement account as of December 31 of the prior year, by an applicable life expectancy factor taken from the **Uniform Lifetime Table**.

**If your spouse is more than 10 years younger than you…**and she/he will be the sole primary beneficiary for the entire distribution calendar year, you should use the **Joint Life Expectancy Table** to calculate your RMD. This will result in a smaller RMD than with the Uniform Lifetime Table.

You can find the above tables in **Publication 590 (2013), Individual Retirement Arrangements (IRAs)!**

If you would like help calculating your RMD. Determining which accounts are the best to withdraw from. Or, if you would like other tax saving ideas, then please give me a call.