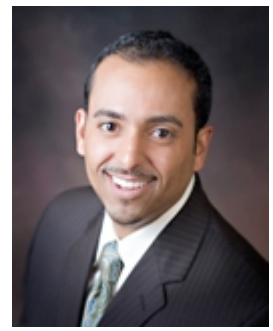


Wise Money Newsletter

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YOU'VE WORKED TOO HARD FOR IT; LET ME HELP YOU PROTECT IT



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Years of Experience

Recently I heard this story from a friend... "Hopefully, there has been a time in your life where you have found something you really enjoyed. This could be a sport, a hobby, a new skill, your career, or maybe learning a new language. For me, the one that stands out the most is Ultimate Frisbee. I first threw a Frisbee with my brothers when I was about 8 years old; I loved it. We would go outside for hours and hours of the day enjoying the fresh air, running and catching the disc. I must say, when we started, we were absolutely terrible. It took innumerable hours of practice to learn how to throw and catch the disc reliably. However we stuck with it and would keep practicing and playing for years.

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Starting Social Security

A major portion of retirement income for families comes from their Social Security. It is important to carefully decide when to start taking your Social Security as there are many factors that affect the income you'll receive. The factors to consider are: "full retirement age," Benefit adjustments, earnings testing, spousal benefits, and taxes.

The first thing to consider, when deciding when to start taking your social security benefit, is your full retirement age. This is determined by your birth date. Full retirement age is the age at which you will receive your baseline benefit. (What you earned through your work history). Currently the ages are:

Birth Year	Full Retirement Age
1943-1954	66
1955	66 & 2 months
1956	66 & 4 months
1957	66 & 6 months
1958	66 & 8 months
1959	66 & 10 months
1960+	67

The next thing to remember is benefit adjustments. Your retirement benefit will be adjusted based on your age when you receive it. The baseline amount is at your full retirement age. You will receive less if you start your benefit before full retirement age and more if you take it starting after full retirement age. Depending on your birthday, the amount can be reduced by up to 30% (age 62) and can increase up to 130% (age 70).

Another thing to take into consideration is the earnings test. This only applies if you are going to start taking your social security **before your full retirement age and still continue to work.**

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Interesting Facts:

-Laughing lowers levels of stress hormones and strengthens the immune system. Six-year-olds laugh an average of 300 times a day. Adults only laugh 15 to 100 times a day.

-Los Angeles's full name is "El Pueblo de Nuestra Senora la Reina de los Angeles de Porciuncula."

-The following can be read forward and backwards: Do geese see God?

-A sheep, a duck and a rooster were the first passengers in a hot air balloon.

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It's LIAM!

September is the 13th anniversary of Life Insurance Awareness Month (LIAM). Liam was started in an effort to raise awareness among consumers and producers about the need for life insurance. Americans by and large aren't saving much money and many households are still mired in debt. Many see value in life insurance, but less than half have individual life insurance policies.

Half of the households in America would feel the financial impact from the loss of their primary wage earner in a year or less. In fact, over 40 percent would feel the impact within 6 months, including nearly 40 percent of households with an annual income of \$100,000 or more.

Now more than ever, it is vital that consumers protect their financial security. Life insurance has been providing this kind of protection to Americans for more than 200 years.

Lastly it is to spread awareness of the many ways you can use life insurance. Life insurance has evolved to not only protect your family if you die, but protecting them (and you) while you live. Call my office today for more information.

Years of Experience

Eventually, my brothers and I thought we had become "skilled" and we taught our friends in the neighborhood to play. Now, us having the competitive mindset, thought we would take on some friends in our church that we knew played on a recreational team. So we issued our challenge, played them, and were subsequently crushed. I think the final score was something like 7-2. The problem was, my brothers and I were all self-taught; we never had a true coach/teacher, and because of this we never learned many of the throws they were using, or our flaws. No one was there to critique and teach us a better way. While, we had years of experience, it was more of doing the same thing over and over again, and we were never exposed to the other opportunities so we never picked up the best and most reliable techniques. In effect, we didn't have 4 years of experience, we had 1 year of experience 4 times over. The problem is that, like with all things, we didn't know what we didn't know. Yes, we were skilled enough to play and make it by on our own, but in the competitive scene we were outshined by people who were trained."

You may be thinking, "Why are you telling me this?" It's simple, how is this any different from your financial situation? Does it make sense to go it on your own and trudge through it trying to learn the techniques that will lead you to financial independence, or does it make more sense to be advised by someone who has helped hundreds of families? Someone who can show you things you haven't thought of... and what you have been misinformed about. Does it make sense to 'wing it' with your family's financial security? Or to take advice from people who only have the 1 year of experience 5 times over, when you could be learning from someone who has years of tested and proven techniques. How much better off would you and your family be?

Starting Social Security

What happens is the Social Security office withholds \$1 in benefits for every \$2 of earnings from your job that is in excess of the lower exempt amount, and \$1 out of \$3 of the higher exempt amount until you reach full retirement age. This year, the lower amount is \$15,720 and higher amount is \$41,880. For example, if you are making \$20,000 a year at your current job and \$18,000 from your social security benefit (SSB), you are making \$4,280 over the limit ($\$20,000 - \$15,720 = \$4,280$)... so \$2,140 ($\$4,280 / 2 = \$2,140$) will be reduced from your SSB netting you \$15,860.

The last thing to remember is the taxation of your SSB. Depending on your total income level, your social security income could be untaxed, 50% taxable or 85% taxable. There are many different strategies out there to plan your income in a way to reduce or eliminate those and other taxes.

All in all, deciding when to claim your social security is a big decision. There are many factors that affect the amount you will receive. For help with your social security options and planning for a retirement that will maximize your income and minimize your income taxes call us today!