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Protecting A Lifetime Of Memories

Where Your Retirement Dreams Become Reality...



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Long-Term Care Alternative

Every year, more people are wanting to protect themselves from the costs of Long-Term Care (LTC). There is no doubt why, as LTC can cripple your retirement assets, income and legacy planning. Look at these startling statistics from Morningstar...

- 52% of people turning age 65 will need some type of long-term care services in their lifetime.
- While most people will need it for 1.5-2.5 years, 15% of people will need it for longer than 5 years.
- 34.2 million Americans require unpaid care to cover their illness. (They rely on friends & family)
- Individuals who need LTC: 42.5% will pay more than \$25,000 during their lifetimes. 15.2% will spend over \$250,000.
- \$123,600: Maximum amount of assets that a healthy spouse can retain for the other spouse to be eligible for long-term care benefits provided by Medicaid, 2018. (Actual amounts vary by state.)

There are many ways to protect yourself without having to rely on Medicaid. One way is traditional Long-term care insurance. These plans provide a monthly LTC benefit to be paid over a span of time. However, some people worry about the potential for future rate increases, as well as losing the premiums they spent if they never used their policy.

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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

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Interesting Facts:

-The dial tone of a normal telephone is in the key of "F".

-There are 293 ways to make change for a dollar.

-The first Jack-O-Lanterns were actually made from turnips, not pumpkins.

-Halloween dates back to the first century B.C. from the Celtic festival for the dead called "Samhain."

-Samhain is also responsible for the creation of the word, "bonfire". During the festival, the Celts would burn fires with animal bones in them (bone fire) to ward off evil spirits and to ensure the sun would return after the winter.

Tired Of Losing Money?

Now you can get stock market type returns without the stock market risks.

Plus, it offers tax deferred interest and tax-free income at retirement.

Call Our Office Today for More Information!

*Are you unnecessarily paying income taxes on your social security call now for your **FREE** report
"How to Stop the Taxation of Your Social Security Income"
Call now while supplies last.*

“The best preparation for tomorrow is doing your best today.”

-H. Jackson Brown, Jr

Halloween Safety Tips...

Just remember...

S.A.F.E H.A.L.L.O.W.E.E.N

Swords, knives, and similar costume accessories should be short, soft, and flexible.

Avoid trick-or-treating alone. Walk in groups or with a trusted adult.

Fasten reflective tape to costumes and bags to help drivers see you.

Examine all treats for choking hazards and tampering before eating them

Hold a flashlight while trick-or-treating to help you see and others see you.

Always test make-up in a small area first. Remove it before bedtime to prevent possible skin and eye irritation.

Look both ways before crossing the street

Lower your risk for serious eye injury by not wearing decorative contact lenses.

Only walk on sidewalks whenever possible, or on the far edge of the road facing traffic to stay safe.

Wear well-fitting masks, costumes, and shoes to avoid blocked vision, trips, and falls.

Eat only factory-wrapped treats.

Enter homes only if you're with a trusted adult.

Never walk near lit candles or luminaries. Be sure to wear flame-resistant costumes.

Long-Term Care Alternative

Finally, there are other solutions for these concerns! It is called Asset Based Long-Term Care, also known as hybrid LTC. These policies can be purchased with a single premium or ongoing premium payments. A popular choice for some is re-allocating existing assets into one of these plans. Here's why:

- The policy will provide a tax-free LTC benefit over time. A guaranteed death benefit is built-in, if you never use the plan, or only a portion of it, for care.
- Your money will grow if you don't use it! The company provides a guaranteed interest rate for your money to grow.
- For most, we can leverage the existing asset by 2 to 3 times for Long-term care coverage.
- Because it has a life insurance base, when you die, whatever money is left will bypass probate and go directly to your spouse/heir tax-free.

This is just one example of an asset based LTC option. There are other options out there that can accomplish different results. To go over your full situation and see what will be best for you, give me a call today.

Starting Social Security

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.**

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 up to 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!