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FINANCIAL WORKSHOPS

RADIO BROADCAST

ISMs:
Insightful Spiritual Messages
Mondays @ 7:30pm
WGIV - Charlotte
103.3FM 1370AM
www.wgiv.net

Financial Seminar
Friday, March 15th
Miracle Tabernacle International Ministries
610 E Gold Street
Kings Mountain, NC 28086
7:30pm-9:30pm

Maggiano's Little Italy
Sunday, March 17th
SouthPark
Charlotte, NC 28211
2:30pm-4:30pm

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Steady Income for a Long Life by Emerald

The number of Americans aged 90 and older almost tripled between 1980 and 2010 and is expected to quadruple by 2050.[1] This trend reflects the fact that life spans have been increasing steadily since 1900 (see chart). Of course, life expectancies represent the average number of years someone of a certain age is expected to live. *You might live longer.*

Even though a longer life span is a positive trend, many people may find it challenging to make their savings last throughout a long retirement. In one survey of retirees and near-retirees, almost half of the participants expressed the fear of outliving their savings.[2]

Longevity Insurance

If you would like a steady income that could last throughout retirement, you might consider purchasing longevity insurance, a fixed annuity that provides a guaranteed monthly income starting sometime in the future. An annuity purchased today might begin providing a steady income stream in 10, 20, or 30 years (depending on the contract) and could continue for as long as you live.

Because the annuity is *deferred*, premiums would typically be lower than they would be with an immediate annuity. And the longer the annuity is deferred, the higher the monthly income could be.

An Integrated Strategy

Without a source of guaranteed income, it might be difficult to estimate how much to withdraw each month from your retirement savings. Withdraw too much and you risk running out of money in your lifetime. Withdraw too little and you may live on a more limited budget than necessary, missing out on some of the experiences you have looked forward to enjoying in retirement.

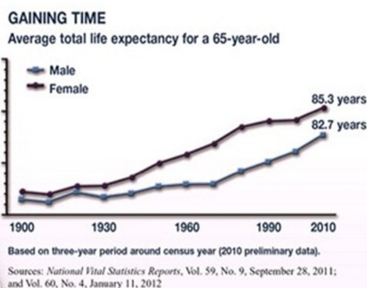
Longevity insurance might help you feel more comfortable making withdrawals during the earlier phase of retirement, knowing that a guaranteed income stream would be available when you reach a specific age. For example, a 65-year-old who purchases longevity insurance that would begin at age 80 might draw down more retirement assets over the 15-year period before the annuity income starts than he or she would have been able to do otherwise.

Annuity payouts could also be structured to continue throughout the lifetime of a second individual, providing income for a surviving spouse (as long as the contract remains in force). This may be especially important for women, who often are younger than their spouses and typically live longer than men.[3–4] In fact, more than 84% of women who live to age 90 and older are widows.[5]

Nobody can do for little children what grandparents do. [They] sort of sprinkle stardust over the lives of little children.
~Alex Haley~

In photo:
Barbara Peacock & Eden Peacock Wilkinson
(Granddaughter of Gilbert & Barbara Peacock)

Premiums for a fixed annuity can be paid in a lump sum or a series of payments. If the insured dies before annuity payouts begin, the insurer will generally keep the premiums that were paid. You should be aware that funds invested in a fixed annuity do not have the opportunity to pursue potentially higher returns in the financial markets. And inflation could reduce the future purchasing power of the annuity payouts.



A fixed annuity is an insurance-based contract. Any guarantees are contingent on the claims-paying ability of the issuing insurance company. Generally, annuities have contract limitations, fees, and expenses. Most annuities have surrender charges that are assessed during the early years of the contract if the annuity is surrendered. Withdrawals of annuity earnings are taxed as ordinary income. Early withdrawals prior to age 59½ may be subject to a 10% federal income tax penalty. Freedom Financial Advantage, LLC has the best annuity options to fit you. Let us help you. Contact us today!

1, 3, 5) U.S. Census Bureau, 2011
2) usnews.com, May 25, 2011
4) *National Vital Statistics Reports*, Vol. 59, No. 9, September 28, 2011

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Making Your Own Retirement Opportunities

by Emerald

About two-thirds of small-business owners fear that they are financially unprepared for retirement, yet one-third of small-business owners do not have any type of personal or business-sponsored retirement plan in place.[1–2]

If you are worried about your retirement prospects, it may be well worth the effort to divert a percentage of your earnings into a tax-deferred retirement account on a monthly or annual basis.

Both of the following types of plans — individual (solo) 401(k) plans and SEP IRAs — are relatively simple and inexpensive for small-business owners (with no employees) and self-employed individuals to set up.

Solo 401(k)

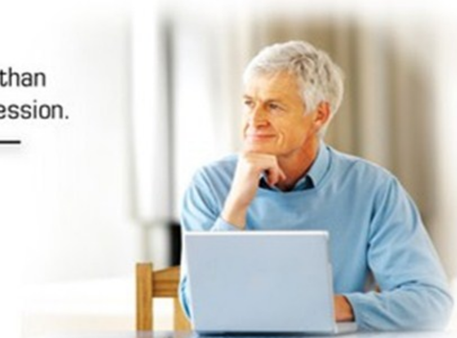
You can make tax-deductible (or pre-tax) contributions to an individual 401(k) in two ways. As the employee, you can contribute as much as 100% of your annual compensation, up to the $17,500 annual maximum in 2013 ($23,000 if you are age 50 or older). As the employer, you can also contribute an additional 20% of your earnings (25% if the business is incorporated) and deduct it as a business expense. Total contributions are capped at $51,000 in 2013 (or $56,500 for those aged 50 and older).

Set for Life?

The value of small-business equity declined more than overall family wealth as a result of the Great Recession.

Percentage change, 2007–2010	Small-business equity	Family wealth
	–20.5%	–14.7%

Source: Inc.com, 2012



SEP IRA

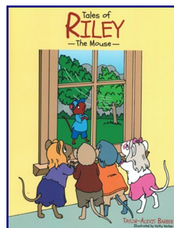
As a small-business owner or as a self-employed individual, you can make tax-deductible contributions to an IRA opened in your name. In 2013, you may be able to contribute as much as 20% of your net earnings, up to the $51,000 annual maximum. These contributions are generally tax deductible as a business expense.

Distributions from 401(k) plans and SEP IRAs are taxed as ordinary income. Early withdrawals (prior to age 59½) may be subject to a 10% federal income tax penalty. Annual required minimum distributions must begin for the year in which the participant turns 70½; the latest date to take the first distribution is April 1 of the year after the year in which the account owner turns 70½.

IRAs and 401(k) plans have exceptions to avoid the 10% early-withdrawal penalty, including death and disability.

Like most business owners, you may be focusing your time and energy on building a fruitful enterprise. However, the sooner you set up a retirement plan, the sooner your savings can begin accumulating on a tax-deferred basis. Let Freedom Financial Advantage, LLC show you how to better your retirement outlook.

1) CNBC.com, August 22, 2012
2) *USA Today*, March 1, 2012



Freedom Financial Advantage, LLC supports:

Tales of Riley the Mouse

by Taylor-Alexis Barber

(Written by the Granddaughter of a Client)

Purchase at www.Amazon.com

Check local listings for book signings.