



Collier Legacy Planning LLC

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Legacy Planner

Retirement • Income • Medicare

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Fish Creek, Wisconsin; photo by Ray Loth

Cheesy Potatoes

Do you have a recipe that every time you make it, brings up memories of the one who passed it on to you? This was my Aunt's recipe, and growing up, my family made it every time we had company. And now I do the same!

This recipe will become *your* favorite dish to accompany your summer grill-outs or any occasion. Enjoy!

—Connie Barbknecht



Photo: Yinan Chen, Wikimedia Commons

Council Grounds State Park, Merrill, Wisconsin

Ingredients:

- 1 package (32 oz.) hash browns
- 1-1/2 sticks of butter, divided
- 1/2 cup chopped onion
- 2 cups medium shredded cheddar cheese
- 1 can cream of mushroom soup
- 1/2 teaspoon pepper
- 1 teaspoon salt
- 1 cup sour cream
- 3 cups cornflakes

Directions:

- Mix thawed hash browns with 1 stick of the butter, melted.
- In a separate bowl, mix onion, cheese, cream of mushroom soup, salt, pepper, and sour cream. Mix with hash browns.
- Spread in greased 9 x 13 pan.
- In a plastic baggie, crush cornflakes.
- In a small saucepan, melt the remaining half-stick of butter. Remove from heat, and stir in cornflakes. Spread on top of potatoes.
- Bake uncovered at 350 degrees for 1-1/2 hours.

By Raymond Loth

The difference between "I'll give you a call sometime" and "I'll give you a call tomorrow at 5" is that there's basis for *certainty*—that the intended outcome is going to happen. When it comes to our retirement we want, in fact we need, certainty. A desired retirement happens when through proper planning we shape the outcome ourselves to the extent possible. Doing so creates certainty. Conversely, allowing the outcome to be shaped by volatile conditions in the world around us produces a feeling of uncertainty. Events related to COVID-19 are just one example of those un-certain, un-predictable, un-controllable outside forces, which can wreak havoc on retirement accounts and on retirement itself.

How can people in or nearing retirement avoid such anxiety and rather add certainty to their retirement?

First, it is important to understand that there are three well-established phases to retirement planning. They are:

- 1 **Accumulation**
- 2 **Preservation**
- 3 **Distribution**

Each of these phases requires financial decisions in harmony with the respective objectives. The purpose of each phase

may sound self-explanatory, however **reflecting on each phase and their importance is worth the time.**

If you are within about 5 years of retirement, many advisors consider that a time to start transitioning from the "accumulation phase" to the "preservation phase" in anticipation of the "distribution phase." Why? To replace un-certainty with "certainty". A renowned industry expert and PBS guest **Tom Hegna often asks "If you have enough money to retire on, what is the WORST thing that you can do?...risk (or lose) it!"**

The financial instruments that we work with are valuable for all ages and phases of planning. Their primary benefits however, become even more important as retirement nears. Fixed indexed annuity accounts inherently offer *two foundational principles for your retirement nest egg:*

- 1 **Principal protection**
- 2 **Locking in each year's credited gains**

Both are guaranteed. Please understand that it is not a matter of safety OR growth. These accounts also have experienced very good growth during years the S&P was doing well. (Please see "Case Study" on pg.3.) At this point in life however, it's no longer just about your ("on paper") growth, but rather "certainty" that your money will it be there for retirement.

"Certainty, Despite (Significant) Un-Certainty" continues on the next page.

"Certainty, Despite (Significant) Un-Certainty" continued...

Then there is the matter of the "distribution phase", when you start taking income. The importance of having the above fundamentals in place is emphasized when you consider a significant retirement risk known as the "sequence of returns" risk. The un-predictable timing of market cycles relative to your timing for retirement can have a huge impact. Consider the example below:

Compare **Tom** and **Joe** . . .

- Both had a \$500,000 Retirement Account in S&P.
- Both took \$25,000/yr. income.
- Both took 16 years of income.
- Both had volatility in 2001 and 2008.

But Tom and Joe had **very** different account balances after 16 years:

Tom had **\$1,120,429**. **Joe** had **\$24,932**.

So why the HUGE difference?

"Sequence of returns", or timing! Tom retired in 1995, but Joe retired in 2000. The first 3 years for Tom were really good years. The first 3 years of Joe's retirement were really bad years; the S&P lost over 40%. Losses are then compounded due to the withdrawals made throughout the down cycle. **The 5 years before and after retirement are times when you need certainty**, because it will affect the rest of your retirement. Most people are okay with not being "rich," they just don't want to be poor. Joe's income ran out.

My suggestion, my appeal,* to retirees and pre-retirees is not to allow yourselves to be simply tossed about by the inevitable market cycles. The 30% downturn during in March due to COVID-19 brought retirement accounts back 3 years in time to where the market was in early 2017. **My clients did not lose a single dollar, and they kept ALL of each year's growth!** Despite the following rebound, people everywhere (around the globe) are wondering what will the ongoing financial impact really be? Only (more) time will tell. Your retirement accounts have a job to do, and it's not to make you rich. Their job is to provide you with a reasonable retirement income you can count on for a long time, like the pension plans of yesteryear did.

Thank you to our clients for allowing us to work with you on the important planning we have done. It has been very gratifying to speak with you over these last couple of months and hear the confidence and peace of mind in your voices and words. **For those of you who would like to discuss a better growth/safety balance, I invite you to reach out to me at (920) 233-0033 or raymond@clpwi.com to learn more.**

—Raymond Loth

*Please share this with others whom you feel may be interested in a better growth/safety balance.

INTERVIEW WITH BARB SCHLAEFER

How long have you been with CLP, and know the Loths?

I am coming up on 2 years with CLP in July. I have known the Loth family for 22 years and have been close friends with Ray, Suzanne, and Audrey throughout.



What is your professional background?

I went to UW-Oshkosh and graduated with a degree in Elementary Education. For 18 years previous to CLP I worked for a hearing aid specialist based in Madison at their multiple local offices in our area. I had direct involvement with client care as well as other aspects of front and back office processes.

What are your duties at CLP? Ray has passed on to me that providing excellent Customer Service is the foundation of my job. I try to be quick to respond to our clients' needs and go beyond expectations if at all possible. I also assist Ray with all sorts of client paperwork and outbound client communications including mailings and routine phone calls. In addition, I am responsible for innumerable other needs including accounting, licensing, bill paying, ordering, etc.

How do you feel about the work you do? What do you like about your job? I know it's a big responsibility because our clients put a lot of trust in us. Confidentiality and accuracy is a must! I see how much effort Ray puts into gaining and keeping his client's confidence. I feel the need to support Ray in doing that anyway I can. I like the challenge of figuring things out and I'm always learning because there are so many components to this job. I am NEVER bored with my job. I love hearing the good feedback we get from our clients of not only the big needs being taken care of but the appreciation for all the little touches Ray includes for our clients. At times it's the "little things" you do for people that mean the most!

Please tell us a little more about yourself. I grew up in Princeton, WI, with three brothers and a sister. We were taught to be hard workers and help our neighbors. I am a HUGE dog lover, an avid bike rider and volunteer. Our whole family LOVES sports! A memory I always cherish was on a Sunday afternoon in football season, all seven of us and my Grandma upstairs, watching the Packers play! Do you remember when Bart Starr scored the winning touchdown in the ICE BOWL? I was 10 years old and I remember our whole family cheering so loud!

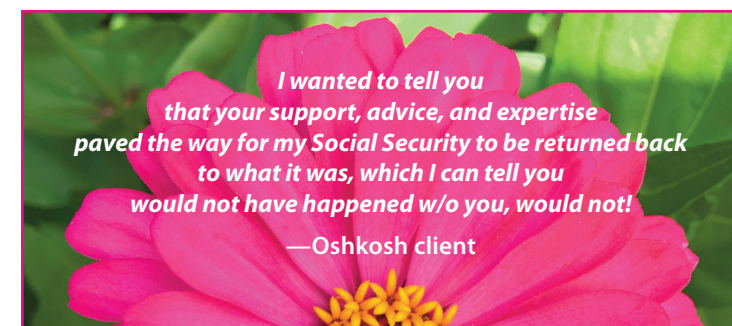


Photo: Barb Schlaefer

"the indexed annuity... I have to admit I like the concept—for the right investors... If you do not want to take any risks but still want to play the stock market, a good indexed annuity may be right for you."

—Suze Orman, *The Road to Wealth*

Case Study

Growth AND Peace of Mind

Client #1 was a third-generation referral who decided to roll over a 401k from a former employer. The value was around \$201,000* in early 2019. In early 2020, the client returned my phone call and expressed concern about how the COVID-19 pandemic would affect the nest egg. **I was delighted to assure them that the account had principal protection and they had NOTHING TO WORRY ABOUT.**

Additionally, this year's statement **posted growth of over \$16,100, or over 8%,* bringing the account value to over \$217,100.** I reminded the client that the growth was also protected and couldn't be lost due to market volatility. The client expressed relief, appreciation, and peace of mind for what we had set up together.

Client #2 was referred to me a little over a year ago and, in anticipation of her future retirement, wanted to roll over her 401k. Her husband had an Indexed Annuity for many years and was very happy with the results. We decided to set her up with a similar account and rolled over the \$143,000.* This was done during late 2018 when, you may recall, the S&P ended up losing around 20% by late December.

How has the account done for her? The first annual statement credited **S&P linked growth of \$12,200, or about 8.5%.** The great news is that the new value of \$155,200 is completely protected from market loss and therefore the **client did not lose 1 penny of principal OR earnings due to the COVID-19 pandemic.**—Raymond Loth

* For purposes of confidentiality all values are rounded, while still maintaining illustrative accuracy.

** Please note that while fixed index annuities (FIA's) are linked to indices like the S&P, Dow Jones, etc., they are not intended to compete with investments like mutual funds. FIA's are safe money alternatives and therefore designed to produce better average results than basic fixed annuities, which in turn are designed to produce better interest than bank CD's. It should also be mentioned that since growth in these types of accounts are based on financial markets, which are very volatile, returns vary dependent on multiple factors, including timing.



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By contacting us, you may be offered information by an agent about purchasing insurance products

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Ask the Professional...

What precautions are your office taking for clients in light of the COVID-19 pandemic?

We understand the considerable concern regarding the spread of the COVID-19 virus, yet we all need to find an acceptable way to care for necessary matters in our lives. We therefore want you to feel very confident and comfortable either (1) coming in to our office to take care of your important business, or (2) working with us via remote options.

Here are a number of the precautions that we are taking for the foreseeable future:

1. The owners of the building are having all common areas cleaned and disinfected twice every workday. This continues despite extremely reduced traffic in the buildings.
2. We are also disinfecting our own office suite between every appointment.
3. In addition to having hand sanitizer available, we will be greeting our clients with a protective face mask on. However, we do not expect our clients to wear masks. (We want to see your smile!) We will remove ours at your request.

We also want to make you aware of additional options for our important communication with you and even ways of caring for necessary planning and paperwork:

4. In addition to the phone, we are offering to consult together on video conferencing tools such as Zoom and Skype.
5. At times, paperwork can be processed electronically, including getting your signature through email.
6. We are also happy to mail hardcopies of paperwork to your home. *We make this very simple for you* with clear flags where to sign and we include a return envelope prepared for you.

Thank you again very much for allowing us to work with you on your important planning. Please be assured that we will do whatever it takes to care for your needs as we work together in the coming weeks, months, and beyond.

We also ask that you share our information with friends and neighbors, who would like to be confident not only with the safety precautions that we are taking, but also with the advice and service that we offer. —Raymond Loth