



Collier Legacy Planning llc

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Legacy Planner

Retirement • Income • Medicare

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Statenaker Lake, Lac du Flambeau, WI; photo by Ray Loth

• Crock-Pot Buffalo Chicken Dip •

Football season is finally here and **THE PACK IS BACK!** Not only do we have a new quarterback, but here is a recipe for your Packer parties that we know you will **LOVE!** A slow cooker makes this creamy, tangy dip even easier!
—Barb Schlaefer

Ingredients

- 4 c. shredded, cooked rotisserie chicken (1 large chicken)
- 8 oz. shredded sharp cheddar cheese
- 8 oz. shredded pepper jack cheese
- 2 packages (8-oz. size) cream cheese, softened
- 1 c. buffalo sauce, plus more for garnish
- 2/3 c. ranch dressing
- 2/3 c. blue cheese crumbles, plus more for garnish
- Chopped chives, for garnish
- Carrot sticks, celery sticks, and tortilla chips for dipping

Directions

- 1 Stir together the chicken, cheddar cheese, pepper jack cheese, and softened cream cheese in a 6-quart slow cooker. Cover and cook on low for 2 to 4 hours, stirring occasionally.

- 2 To serve, garnish the dip with blue cheese crumbles, buffalo sauce, and a sprinkle of chives. Hold on warm for up to 2 hours. Serve with carrot sticks, celery sticks, and tortilla chips.



Wikimedia Commons

Football signed by the 1975 Green Bay Packers. Courtesy of the Gerald R. Ford Presidential Museum; gift of Bart Starr in 1981

What's Your Purpose...

By Raymond Loth

...for retirement savings? Maybe you have a clear answer for this, maybe you don't. Each family's circumstances, objectives, concerns, and approach, are unique. Common objectives include: **(1) retirement income; (2) possible Long Term Care (LTC) expenses; (3) asset transfer to beneficiaries; (4) basic asset growth.** It's likely that you have more than one objective.

Financial instruments can be likened to automotive vehicles. All vehicles can: carry people, haul goods, and get from point A to point B. However, we select vehicles with specific objectives in mind. For example: large SUVs are versatile *and carry more people*, trucks *haul much larger loads*, and sports cars *provide an exhilarating ride*. Similarly, awareness of your **specific financial objectives** can not only assist in decision making, but also lead to significant financial advantages.*

Let's consider four specifically designed financial tools,** which may currently offer even higher value due to the recent rise in interest rates:

1• INCOME OBJECTIVES: This may be for immediate or future needs, basic or recreational expenses. Replacement of income may also be needed in the event of spousal loss.

Although 401Ks have replaced pension plans for most workers, retirement income is still the desired objective for most people. Annuities are designed to create options for dependable, even guaranteed, lifetime income. Income can be set up in a variety of ways—depending on secondary objectives for liquidity, growth, beneficiaries, etc. (See example for one specific company on p. 3.)

2• LONG-TERM CARE EXPENSES: The industry is continually innovating ways to address this valid concern with alternatives to traditional LTC insurance. Hybrid life insurance policies and annuity policies are designed to create a much larger pool of dollars for LTC type needs, possibly even tax-free! An attractive feature with many such accounts is that your primary account balance may be accessible if otherwise needed. These accounts also generally provide for your unused dollars go to your stated beneficiaries. (Please see insert for information on a hybrid LTC annuity.)

3• ASSET TRANSFER TO BENEFICIARIES: Once retirees feel confident in their own financial future, they may start to explore advantageous ways for future transfer of assets to their beneficiary(s).

"What's Your Purpose..." continues on the next page.

"What's Your Purpose..." continued...

• **Life insurance** can be an excellent tool for this. These policies may multiply your original dollars, either with guaranteed or potential growth, paid out as a death benefit. Done properly, the payout may also be tax-free. These policies may also include a LTC type benefit for you.

• **Some annuities may offer premium bonuses** on your original dollars, plus any credited growth, to achieve larger future beneficiary payouts. These accounts may require these larger beneficiary amounts to be paid out over a 5-year period after death, which may or may not be advantageous.

4• BASIC ASSET GROWTH: This may be the most common objective.

• **Fixed growth annuities** have higher rates than we've seen in a very long time. Some annuities may currently guarantee from 5 to 6%/yr. for 5, or even 10 years (See ad for one specific company on this page.) A longer (5 to 10 year) guarantee may be compelling for those who believe interest rates will be lower in the future, want to ladder multiple accounts, and expect to need only limited penalty-free access.

• **Higher growth potential** is available with indexed annuities, which also include principal protection. Additionally, these accounts protect your credited growth (usually annually) from future index volatility. In this interest rate environment, we are now seeing some of the highest caps and participation rates available in over 10 years. Some internal allocations can even offer growth potential of well over 10%.

Whatever your purpose, the current interest rate environment is a welcome change for savers and retirees.

To review your objectives and see how you might benefit from these higher interest rates that are now available, please call (920) 233-0033. —Raymond Loth

*The information provided should not be considered as an offer of any product. You can use a variety of funding vehicles to plan for your retirement. You should consult with your financial professional to help you determine what is most suitable for your needs. The example shown is for illustrative purposes only and is not guaranteed. Some additional benefits and riders include an annual cost or fee, which may or may not be optional. It should not be construed as advice designed to meet the needs of an individual situation. Please seek the guidance of a professional regarding your specific financial needs. Consult with your tax advisor or attorney regarding specific tax or legal advice.

**This is not intended to offer specific advice or details on any particular asset type. While we do work with certain financial institutions, this is not intended to represent any specific company or account terms which are available only in company specific and approved materials. We also do not represent or claim to offer advice on securities. Annuities are long term financial products designed for retirement income and may not be suitable for everyone. They involve fees, expenses, and limitations, including surrender charges for early withdrawals. Some include optional riders and benefits that may come at additional cost. Annuity guarantees are backed by the financial strength and claims-paying ability of the issuing company. Annuity product and feature availability may vary by state.

The examples shown are hypothetical only. Income payment amount results may vary. Information and estimates are only intended to demonstrate concepts available and are incomplete and subject to company specific information. Some figures, while retaining accuracy, have been adjusted for purposes of confidentiality.



Minocqua Lake Channel; photo by Ray Loth

Possible Questions for your Accountant . . . some before January:

- What type of IRA contributions am I eligible to make?
- Does my health plan allow for HSA contributions?
- Should I consider a ROTH conversion?
- Might my child (or grandchild) be eligible for a ROTH conversion?
- Do I need to take an RMD?
- Should I consider an IRA withdrawal, or ROTH conversion, to max out my standard deduction and/or tax bracket?

Some acronyms defined:

IRA: Individual Retirement Account (generally pre-tax)

ROTH: post-tax IRA, named after Senator Roth

HSA: Health Savings Account

RMD: Required Minimum Distribution

Guaranteed Fixed Interest

Certainty Select®

A multi-year guarantee annuity from EquiTrust Life Insurance Company*

Earn tax-deferred interest for your selected guarantee period.*

3-Year: **5.25%**

5-Year: **5.50%**

10-Year: **6.00%**

*Additional guaranteed periods available. Rates are based on the company's 9/7/2023 declared interest rate for the Single Premium Deferred Annuity (Certainty Select Annuity). The initial rate guarantee period is 3, 5, 6, 8, or 10 years, which you choose. Initial rate subject to change. Surrender charges are in effect for partial withdrawals in excess of the Free Withdrawal Amount or a full surrender before the end of the Guarantee Period. Surrender charges are a percentage of the Accumulation Value, and decline annually: 10, 10, 9, 9, 8, 8, 7, 7, 6, 5%. The Surrender Charge Period matches the Guarantee Period. Surrender Charges may vary by state. Product features may vary by state. IRAs/qualified plans are already tax-deferred; consider other annuity features. EquiTrust Life Insurance Company cannot give legal, tax or accounting advice. Your personal tax advisor can provide important information with respect to the purchase of this annuity contract and its taxation. Contract Form Series ET-MYG-2000(06-09) or ICC13-ET-MYG-2000(07-13). Group Certificates issued on Form Series ET-MYG-2000C(06-09). EquiTrust does not offer investment advice to any individual and this material should not be construed as investment advice. Products underwritten, issued and distributed by EquiTrust Life Insurance Company, West Des Moines, IA, 0711-CITY-AD-EXT-08-23. Collier Legacy Planning promotes EquiTrust products, but is not an affiliate company.

Contact me today for more information:

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"Wealth consists in caring less about what others think about you and more about using your money to control how you spend your time. [Morgen Housel] writes: 'The ability to do what you want, when you want, with whom you want, for as long as you want to, pays the highest dividend that exists in finance.' "

—Jason Zweig, *Wall Street Journal*, Aug. 8, 2020, "Why So Many Rich People Aren't Wealthy," quoting from "The Psychology of Money" by Morgen Housel

Case Study

Guaranteed Life Income*

Mr. and Mrs. — have been working with our office for a number of years, and recently expressed an interest in additional retirement income opportunities with their current retirement products. Their current finances and budget were going very well, and they wanted to further prepare for possible increased cost of living in future years.

Given the good health of the owner we discussed how some companies offer optional riders on fixed annuities** that can **guarantee lifetime income**. In the event of the owner's death, these accounts may also include some attractive spousal benefits that go beyond the basic account value payout at death for non-spousal beneficiaries. We also discussed the annual fees for this rider, and how such fees would reduce the potential growth on the primary account/contract value.

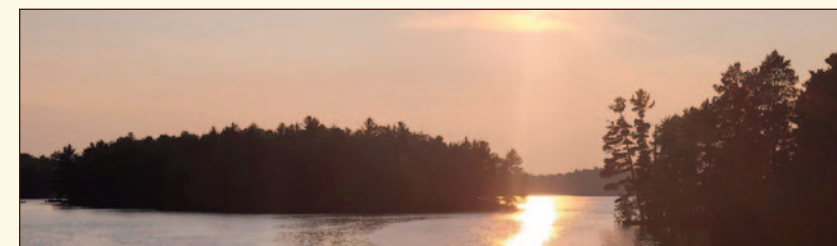
The family felt that this type of an account would align with their objectives and **decided to roll over \$250,000**. While the start date for income is flexible, some examples of the guaranteed future lifetime income amounts for this healthy 68-year-old are:

\$2,387/mo. (28,645/yr.), if started after 3 years

\$2,702/mo. (32,434/yr.), if started after 5 years

Of course, extra withdrawals would reduce the monthly income figures. In addition to guaranteeing lifetime income, this account also has a feature that can **double the income payments for up to 5 years in the case of long-term care type needs**. Nobody knows just how the future will play out for this family, but the account we've set up together could provide benefits for a large variety of eventualities. —Raymond Loth

* and ** footnotes: See previous page, bottom of left column.



Kawaguesaga Lake, Minocqua, WI; photo by Ray Loth

† Footnote for *Ask the Pros: Medicare's AEP "Which plan is right for me?"* at right We are not associated with, or representing, the Federal Government Medicare program, nor is this article intended to explain or define the specific benefits of this program. Please consult www.medicare.gov, www.cms.gov, your local Social Security office, or other such official sources for information on actual government programs.

Additionally, this newsletter is generally intended to be educational, and not sales or promotional, in nature—primarily for our established clients. It therefore also comments on other important services and products that many of these clients have, like annuities, life insurance, etc. Any reference to non-Medicare related services is not intended to divert the attention of newly interested Medicare beneficiaries.

We do not offer every plan available in your area. Any information we provide is limited to those plans we do offer in your area. Please contact www.medicare.gov, 1-800-MEDICARE, or your local State Health Insurance Program (SHIP) to get information on all of your options.

Ask the Professional...

With Medicare's[†] AEP[‡] here again, many ask "Which plan is right for me?"

Given the overwhelming advertising each fall, this is an understandable question. After 14 years of communicating with our over 600 Medicare clients, here are some important plan features many people value:

Health benefits and provider choice: Fortunately Medicare establishes what the required covered medical services are on all participating plans. However, plans may vary as to your provider choices. PPO Advantage plans are designed to allow more provider options and flexibility than some other Advantage plan types. The simplicity of not needing referrals, and terms for non-emergency coverage during travel are also important considerations. We like plans that provide a high degree of flexibility in the above-mentioned areas.

Drug coverage: Various legislative initiatives have sought to lower some drug costs for consumers on Medicare plans. Nevertheless, if you have expensive drugs, a review for next years coverage may be a good idea.

Customer service: This may be one of the most important factors to consider. We focus our recommendations and relationships on companies committed to good customer service, with an established track record.

Cost structure: Plans vary as to what amount of cost sharing you may have. In addition to monthly premium, co-pays, and co-insurance, it is important to evaluate the maximum out of pocket (MOOP) for the calendar year. Some plans have a different/higher set of costs, including MOOP, for Out-of-Network services. Many HMO plans may not cover Out of Network services at all unless it's an emergency. Knowledge and understanding of such terms is important.

Auxiliary benefits: Benefits such as gym memberships, dental, optical, over the counter items, etc. have become more common and valuable over the years. The marketing of these benefits however can be distracting and even misleading. While not the primary purpose of a medical plan, they are a worth-while consideration in plan selection.

If you'd like to review your current plan and the above benefits more closely, please reach out to me at 920-233-0033. Otherwise, as I often say: If you are happy, I am happy! —Raymond Loth

† See footnote at left.

‡ AEP is Medicare's Annual Enrollment Period: the Oct. 15th to Dec. 7th annual opportunity to make changes to many of your plan selections.