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Retirement • Income • Medicare

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••• Guacamole •••

Creamy and a beautiful shade of green, avocados are my favorite fruit! It is actually a staple in my house. I enjoy it over toast, in pasta sauce, in smoothies, and even by itself. Yet, my favorite way to enjoy this delicious fruit is by making Guacamole. This simple, healthy, Mexican dip is perfect for taco night or your next backyard party. I hope you enjoy Guacamole dip as much as we do in our house.
—Kate Ramirez

This recipe makes approximately 1 1/2 cups.

Ingredients:

• 2 medium ripe avocados
• 1 garlic clove, minced
• 1/2 teaspoon salt
• 2 Tablespoons of chopped cilantro
• 1 Tablespoon fresh lime juice *(For a more zesty taste, add an extra tablespoon.)*
• 1 fresh jalapeño pepper, finely chopped *(These peppers have a kick, so use with caution: add pepper to taste.)*
• 1/4 small white onion, finely chopped
• 1/2 medium Roma tomato, diced

Avocado photo: Wikimedia Commons

Directions:

Begin by cutting your avocado in half (stem to blossom) and removing the pit. Scoop the avocado into a bowl and begin to mash with a fork.

Mix in the garlic and the remaining ingredients. Add more salt to taste if necessary. Serve and enjoy.

Tip: Avocados turn brown if not eaten right away. Eat within a few hours. The sooner, the better.

There's No Place I'd Rather Be Right Now!

By Raymond Loth

Where were you the last time you said that? Maybe. . .

. . .on a sunny beach on a calm day;
. . .watching your grandchildren belly laugh;
. . .spending a peaceful evening at the cabin up north.

Life seems to have been made for moments like these and we rightly cherish them.

Where though, would you like to be with your *retirement assets, especially at a time like this?*

A time when the markets are at all-time highs and we are enjoying a wonderful bull run…but it is also a bull run that, at about 8½ years, is considered the second longest in history without at least a 20% drop. (Sorry to bring up bad memories.) We naturally want to share in the growth, yet we also would love the ability to shield our hard earned money from… evaporating!

As you may know, I do not speculate on or work with securities, so I therefore can't advise on them. Nor can I tell you where the market is going. (No one can do that.) However, I would suggest that, in a sense, we all actually already know where the market is going. **Up, then down, then up, down, etc.—we just don't know when and how much!**

Please know that I have no interest or unique ability to make predictions as to the timing or extent of this—and that is *not* what I am attempting to do here.

I think it's safe to say there is nothing about the stock market as soothing, stable, or dependable as the cabin up north or the soft waves of the ocean. Wouldn't it be great though if you could eliminate the guessing and anxiety that often comes with the stock market? How about if while protecting your money from losses you could still continue to enjoy some of the market's gains?

That said, and especially in light of this financial environment, **"There's no place I'd rather be right now"** than in ***Fixed or Fixed Indexed Annuities (FIA's)***. The thrust of this article is about the Fixed Indexed type of annuity. (I do not work with "variable" annuities.)

Let me explain in more specific terms why this is such a great place to be, especially at a time like this.

Primarily there are two basic reasons:

(1) You can still receive excellent growth if the markets keep climbing.

(2) You have 100% principal protection from market losses.

"There's No Place I'd Rather Be Right Now!" continues on the next page.

Let me expand on these:*

1-Growth-Indexed annuities are linked to indices like the S&P** and are thereby able to receive annual growth based on its movements. (That's good.) Some of the basic account options may get credits in an average growth year of 4 to 5% (not bad if the money was in a low-interest bank account before). However, the more dynamic account options can, and have, received much more. This past year we have seen credited interest of 7 to 14% with occasional credited growth even higher. Now let me be clear, *these are not typical numbers* for an average year. (Please re-read that!) But the markets have been doing great and these type of accounts (and clients!) benefit greatly when that happens. **(Please see "Case Study" on page 3.)**

That brings me to a **potentially even better reason to be in this type of account right now** — when markets are at all-time highs, interest rates are rising, and national debt is…well, compounding.

> ***" 'We know of no economic theory that prescribes adding to the fiscal deficit when the economy is at full employment' caution John Ryding and Conrad DeQuadros of RDQ Economics."***
>
> —Randall W. Forsyth
> in "The Real Cause of Stocks' Big Stumble,"
> *Barron's*, February 10, 2018

2-Principal Protection. All of the money you put into this type of account is guaranteed safe by the insurance company we choose. These companies invest primarily in highly rated bonds, and then link your account to the growth of a selected index. The risk of the rare bond default is borne by the company. In addition to that, **all of the interest that is credited to your account each year** on your anniversary is also safe and **can never be lost due to market volatility!**

I would argue that this type of growth is **real growth.** Since none of your earnings in this type of account can be lost due to market downturns, it is growth that you can plan on always being there for you. With other types of accounts you may have been told during market downturns that "You haven't really lost anything unless you sell." Therefore in a rising market couldn't it also then be said "You haven't really gained anything unless you sell"? So, with FIA's, your account can never be less than what was on your last statement (other than for withdrawals)— real growth. This reminds me of the adage:

"A bird in the hand is worth two in the bush."

I hope this review has brought increased understanding, and possibly even incentive, regarding these vehicles. **I would like to very much thank the families that I/we work with** for allowing us to be a part of your life and planning.

I hope that this has been a helpful review of things that we may have discussed in the past, and added assurance and confidence relating the products you currently have. **I also hope that this serves to give you a degree of peace of mind and frees you up to enjoy… *the (other) places that you'd rather be right now!*** —*Raymond Loth*

** This information is general in nature and doesn't pertain to any specific company, product, or account. This information is intended to refer only to general concepts that may be available. Actual specific account information and terms are available in company-specific materials.*

*** Some Fixed Indexed annuities are also linked to other indices and may not have performed as well as over the past couple years.*

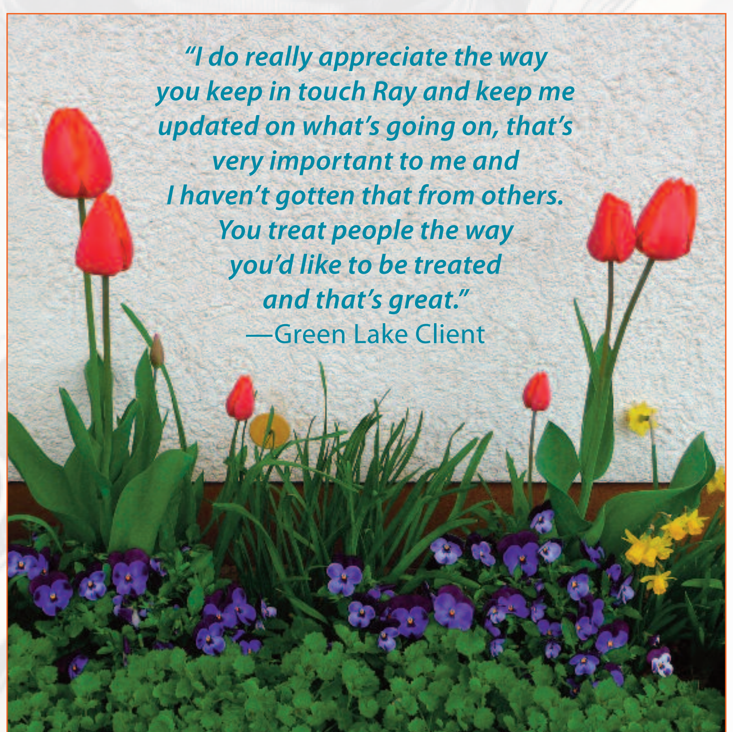

Photo: Wikimedia Commons, 4028mdk09

> ***"As we approach the eighth birthday in March of the second-longest bull market in modern times, recency bias can lull us into false sense of security... [as behavioral economics professor Dan] Ariely says 'Things go up and up and up, and we start thinking it has to always go up.' "***
>
> **—*Fortune*, March 1, 2017**

Case Study

I've never been a huge fan of engaging in one-on-one competition, maybe because someone has to lose. So I tend toward liking team-oriented sports more.

In 2012, I had a new client alert me to the fact that he was engaging me in a competition — with his already established advisor! Mr. and Mrs. B had a **$146,140 IRA, from elsewhere that he was going to split up, half to my recommendation, and the other half to… "the dark side!"*** While I felt very confident in the merits of the financial vehicle that we had decided on, I was also aware that the other advisor (actually a nice guy) was using a securities-based product. While his product could lose money, it also had the potential for better growth—and in 2012, we appeared to have a number of good years in front of us.

As time went on I did my best to nurture the relationship, and Mr. and Mrs. B expressed some approval of how the account was doing. In fact they **progressively placed an additional $165,000 in accounts** I recommended. Furthermore they even repeatedly urged a close family member to do business with me, which they did.

Still, I occasionally found myself wondering just how the specific competition that I was enrolled in over 5 years ago was coming along! My curiosity was satisfied when I was recently told by Mr. B that **the account we set up together was worth about 11.5% more than the other one!**** Honestly, I was a bit surprised by that since the market has done so well these past few years and our product was comparatively conservative considering its principal protection. I can only assume that intermittent losses and fees on the other account took their toll. With our account however, this client was able to **have his cake and eat it too**—good growth *and* peace of mind.

Nevertheless, I'm not much for competition and have taken more satisfaction in the ongoing relationship with the family (and their referrals). Feels more like teamwork! —*Raymond Loth*

** It is worth noting that while account comparisons are understandable and even unavoidable, the inherent differences in financial vehicles suggest that performance will in fact vary under different circumstances since they are designed for certain conditions and benefits.*

*** I understand that this is a generalized overview, and no doubt I've also been on the losing end of such comparisons. If you've been gracious enough to avoid informing me of my being in second place, thank you! However, please feel free to always engage me in open conversations about what may be on your mind.*

Ask the Professional...

How is my account, IRA, 401k, etc. transferred to a company that you work with and recommend? Will I have to pay taxes?

How Does the Transfer Happen?

The simple answer is that the transfer is routine process that I facilitate. The simplest way is if you are able to write a check from the current account. More commonly, we transfer the funds behind the scenes with a simple form requiring your signature.

Occasionally a client will wonder if we will have to involve the representative from the previous account. That is not the case. We communicate directly with the corporate offices on a brief phone call to inquire about their requirements for transfer. We also then verify that there will not be any penalties for the transfer.

The check will subsequently be sent directly to the new company with your name on it. (Occasionally 401k plans will send the check to your home address.) I track this process and keep you posted at least weekly during the approximate 3 to 4 week process.

Are There Taxes on the Transfer?*

For "qualified" retirement accounts the answer is NO. **"Qualified" money has tax *qualified* advantages;**** they include IRA's (Traditional & ROTH), as well as employer plans like 401k's, 403b's, etc. We always transfer these funds directly from "custodian" (company) to custodian which does not create a taxable event for you.

The other type of money is called "non-qualified." These are "non-retirement" accounts which you have already paid taxes on. The money in your wallet is non-qualified, so is your checking account, and many investments. Taxation on these accounts can be a little more involved depending on the investment vehicle. In some cases, transfer may trigger the time for the taxes on the long (or short) term capital gain, which has to be paid at some point anyway. If the account is already in any type of an annuity, then the transfer can be done as a "1035 exchange" which the IRS recognizes as a non-taxable event.

As for taxes on your growth in the annuity, that is tax deferred and you don't pay the taxes until you make withdrawals. —*Raymond Loth*

** I am not an accountant and therefore cannot give tax advice. These comments are simply examples and you will have to consult with your accountant regarding the specifics.*

*** Income taxes are not paid on these type of funds when they are originally put in the account, as the years go by, or when transferred. The taxes will be paid on "Traditional" IRA's/accounts when you make withdrawals.*

ROTH IRA's/accounts are the opposite, income taxes are paid on the funds that are deposited but not while growing or when withdrawn if done according to the rules. Therefore the earnings grow, not tax deferred, but tax FREE!

You might liken the differences in a ROTH vs. Traditional to gardening. On a ROTH you pay taxes on the seed (only), on a "Traditional" account you pay taxes on the harvest (only).