

"Every strike brings me closer to the next home run." Babe Ruth

News To Note

Service Planning Corporation is celebrating its 25th Anniversary! We would like to thank all of our clients and employees. Without you we would not be here.

To better serve our clients, Service Planning Corporation is expanding. Effective Monday October 19, 2015 our new suite number will be 403.

We are pleased to announce that **Rick Magill, Founder & President of Service Planning Corporation, was recognized by The Financial Times as one of the country's top retirement plan advisors** (one of only 17 selected from the state of Florida).

Don't forget to make your maximum tax advantaged, qualified **retirement plan &/or HSA contribution** for 2015. For more information, please contact our office.

Employers don't forget to comply with all of your **Annual Requirements**. If you offer any employee benefits, then there is most likely at least one that will apply. This includes, but is not limited to, Group Health & Retirement plans. Please contact us if you have any questions.

Medicare eligible individuals... The annual open enrollment period for Medicare Advantage & Medicare Prescription Drug Plans (aka Part D & PDP) begins October 15 for a January 1 effective date. Please note that you can only enroll or make changes during your Initial Enrollment Period (IEP), the Annual Enrollment Period (AEP), or if you qualify you for a Special Enrollment Period (SEP). Please let us know if you have any questions on Medicare Advantage, Medicare Prescription Drug &/or Medicare Supplement options (before it's too late).

The **annual open enrollment period for Individual Health Plan options begins November 1** for a January 1 effective date. Please note that you can only enroll or make changes during the Annual Enrollment Period (AEP) or if you qualify you for a Special Enrollment Period (SEP). Please let us know if you have any questions on Individual Health Plan options, government Subsidies or the Individual Mandate (penalty for not having qualifying health coverage) which became effective 1/1/2014.

The **Mandate requiring most Employers with 50 or more full time equivalent employees to provide affordable minimum health plan coverage or pay a tax penalty** is scheduled to begin 1/1/2016.

Employers who receive a rebate from their group health plan carrier, may need to share any portion of the rebate that is considered "plan assets" with plan participants. Please contact us if you have any questions.

This is the last newsletter of the year. (Can you believe that 2015 is almost over?!) **We would like to wish all of you a joyful Holiday Season and a fantastic New Year.** We try to keep in touch on a periodic basis, but sometimes things get so hectic that we don't get to talk to you as often as we would like. If you require any service or would like a free review, please contact us or return the enclosed card. As always, thank you for your business, referrals and for the special pleasure of assisting you. We appreciate your friendship and goodwill, and assure you of every effort to maintain your continued confidence and satisfaction.

Almost Half of Americans Aren't Saving Nearly Enough

A new study suggests wages aren't a significant factor in Americans' savings as a percentage of income. A strong wind would topple almost half of Americans' nest eggs, according to the Bankrate.com report. A reported 46 percent of the country's consumers store less than 5 percent of their annual incomes into longer-term savings.

The study, which surveyed 1,000 adults living in the continental U.S. earlier in March, found that 18 percent of the U.S. was saving virtually nothing from year to year. Another 28 percent was building savings but hoarding less than 5 percent of annual incomes. And even those who are saving that 5 percent aren't doing nearly enough, says Greg McBride, a chief financial analyst at Bankrate.com. According to McBride, "people are woefully under-saved, for both emergencies and retirement. I think these numbers tell us why. Not enough people are saving. Not enough people are saving enough". "But there are those that are doing it. Almost a quarter of the population is saving more than 10 percent of their income. And even the lowest income households, about one in five, is saving more than 10 percent of their income."

McBride says Americans who are thinking about both retirement and emergency savings should be putting away roughly 15 percent of annual incomes each year. He says that goal may, for many consumers, "seem like a long way off, but it's a destination. That may not happen overnight."

About one in four Americans (24 percent) are saving more than 10 percent of their paychecks each year, according to the study. Members of the middle class with incomes between \$50,000 to \$74,999 seem to be the most active savers – 35 percent of the group saved more than 10 percent of their annual incomes last year.

People who earn between \$50,000 and \$74,999 are most likely to save more than 10 percent of their annual earnings. "The best savers are not the highest income households. They're middle income households," says McBride. "Saving is not a function of income. It's a function of having the ability to live within your means and save consistently."

The savings study trails a February Bankrate.com report suggesting 37 percent of Americans have credit card debt greater than or equal to their emergency savings. Such consumers could be pushed over the fiscal cliff by an unexpected medical bill, car accident or other surprise expense.

"We're seeing pretty much the same numbers every year, which shows that people really aren't prioritizing savings still," Jeanine Skowronski, a senior credit card analyst and reporter at Bankrate.com. "The recession's over, but there's still some lagging effects that can be affecting some people's pockets." We believe consumers should have a minimum of three months' worth of expenses built up to provide cushion in the event of a potential job separation or unexpectedly large payment. But the study found 43 percent of the U.S. wouldn't be able to go more than a month without a paycheck. And almost one in five Americans (19 percent) couldn't miss a single payday without needing to borrow money or sell assets.

We know full well that with rising costs and unexpected expenses, consumers may have a tough time making ends meet. However, we were surprised to see that nearly 20 percent of adults don't have enough of a cushion to last two weeks without a paycheck. What was especially surprising is that this is true across all education and salary levels.

The study found that 24 percent of consumers have less than \$250 in their bank accounts immediately preceding payday, and more than a quarter of respondents said they save cash rarely, inconsistently or not at all. The Bankrate.com report suggests only 24 percent of respondents are more comfortable with their level of savings now as compared to a year ago, while 27 percent are less comfortable. McBride notes that the study is not meant to "gloss over" low wages or areas with relatively high costs of living. It's important to note that only 12 percent of individuals who earn less than \$30,000 each year save more than 10 percent of their annual incomes. But for those who have the ability to save, McBride says discipline will go a long way toward setting one's self up for comfortable retirement and cushion from surprise expenses.

"Knowledge speaks, but wisdom listens." Jimi Hendrix

"The other thing savings does is give you opportunities. You get a call from your college roommate who says, 'Hey, good news. I'm getting married, and I want you to be there.' You have to buy plane tickets, you have to rent a tux, the whole nine yards," McBride says. "Emergency savings is your sleep-at-night money. That's what's going to help you sleep at night, knowing that you've got money tucked away for a rainy day or whatever else life throws at you."

Now is the time to take action. Don't wait until the end of the year to do tax planning. Let's get together and review your situation (if you haven't been for your annual update we are going to find you). If you haven't started your financial planning for 2015, DO IT NOW! Don't delay. Call us up for your annual review, RIGHT NOW, while this is fresh on your mind. We'll take care of the rest!

Quiz Questions

(True/False, Answers On Last Page)

1. The penalty for individuals subject to the Affordable Care Act's (ACA aka ObamaCare) mandate to maintain qualified health plan coverage is \$95 per adult and \$47.50 per child (up to \$285 for a family) per calendar year.
2. To qualify for the best interest rates, you generally need a FICO credit score of 750 or higher.

Thanks

We would like to thank those of you who have referred new clients to our office! As you may know, marketing for new clients costs a great deal of money, time and energy. We, like any business, need to get new clients, to stay in business. And, we have found over the years that marketing takes away time we would rather be spending with you! So, as we have learned, encouraging you to refer your friends and relatives to us, works for all of us. We help you, and you help us.

Free Information

Welcome Back Volatility. Despite recent market turbulence, history reminds us that declines are a relatively routine event. Request a FREE copy of the Quarterly Outlook, "Take on Near-Term Volatility With a Long-Term Focus" for perspective on the latest developments facing investors today.

Do you know your Individual Retirement Account (IRA) options? Request a copy of our **FREE REPORT**, "*Know Your IRA Options*".

Long-term care insurance can provide financial protection and peace of mind; without it, Americans could see their retirement savings and assets depleted by long term care illness. For more information, request a copy of our **FREE REPORT**, "*What You Should Know About Long-Term Care Insurance*".

Like most people, you've probably heard a lot about **changes to our estate tax laws** – that taxes have been eliminated or dramatically reduced. But what's fact and what's fiction about estate planning with the new legislation? And more importantly, how do these changes affect you and your family? To find out, request a copy of our **FREE REPORT**, "*What You Need to Know Now About Estate Planning*".

Want to know five steps to a successful college savings program? Then request a copy of our **FREE REPORT**, "*Invest in Your Child's Future*".

Would you like to reduce your taxes, build vital retirement savings, or provide an attractive benefit to recruit, reward, and retain valuable employees? "***Retirement Solutions For Your Business***" is our **FREE**, easy to understand brochure that compares various retirement plan options available to businesses and self-employed individuals.

When it comes to making basic decisions about the medical and healthcare services you receive, make your wishes known. Request a copy of our **FREE REPORT**, "***Living Wills & Health Care Surrogate Designation***". It provides information for patients and their families about advance directives for medical care.

How about a **FREE REPORT** from our "***Insurance and Investment Comparison Service***"? Stop confusion once and for all. We track rates, coverages and financial stability ratings for over 400 leading insurers in a huge, continually updated database. We also track over 4,000 investments.

Do your parents have an adequate retirement income? Will that income continue to be paid if one of them dies? Do they have a living will? Would they be able to pay for medical expenses related to a long-term illness? Do they have a will? Have they done any estate planning? Call us for a copy of our **FREE REPORT**, "***Some Questions Are Too Important Not To Ask***".

If you're going on a trip you plan ahead, but do you know how much you need to save for a comfortable retirement? Request a **FREE** copy of our "***Retirement Plan Estimator***".

If you would like to order any of our **FREE INFORMATION**, or would like some of your friends, coworkers, relatives, business acquaintances, etc. to receive a **FREE SUBSCRIPTION** to this newsletter, please fill out the info on the reply card, and we'll add them to the mailing list.

Quiz Answers

(Call Us For More Complete Answers)

1. False. This was the minimum penalty for not having coverage in 2014 (it was the greater of this amount or 1.0% of family income) and increases each year. The penalty for 2015 is \$325 per adult and \$162.50 per child (up to \$975 for a family) or 2.0% of family income, whichever is greater. The penalty for 2016 is \$695 per adult and \$347.50 per child (up to \$2,085 for a family) or 2.5% of family income, whichever is greater. After 2016, the penalty amounts may be increased annually by the cost of living.
2. True. A credit score in the mid-700s usually will allow you to qualify for the best rates (a quarter of adults have scores from 750 to 799). This numerical summary of how much you owe and how promptly you pay your bills affects not only your ability to get a loan -- and at what interest rate -- but also can play a role in how much you'll pay for insurance.

This information is solely advisory, and should not be substituted for professional advice. Any and all decisions and actions must be done through the advice and counsel of a qualified professional. We cannot be held responsible for actions you may take without proper financial, legal, or tax advice!

For questions or a free report, please contact us or return the enclosed card!

Providing Service, Knowledge & Solutions Since 1990

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