Service Planning Corporation
Insurance & Financial Services

4901 NW 17 Way ▪ Suite 403
Fort Lauderdale, FL 33309-3773
Tel: 954.492.0640
Fax: 954.492.0650
Email: Info@SPCFL.com
Web: www.SPCFL.com

"If you don't know where you are going, you might wind up someplace else." Yogi Berra

News To Note

Don't forget, the tax penalty for individuals do not have qualified health plan coverage increases each year. **The 2016 Individual Health Plan Open Enrollment ends 1/31/2016 (for a 3/1/2016 effective date).** Once the open enrollment ends, you will need proof of a qualifying event (ie involuntary loss of other qualifying coverage) or have to wait until the next open enrollment period (2017) in order to purchase or change individual health plan coverage. Please contact us for more detailed information on the penalty, individual health plan options, and government subsidies.

Most Retirement plan limits will remain the same for tax year 2016 but some Health Savings Account (HSA) plan limits have increased. You may also have until your tax filing deadline to take advantage of your maximum contribution limit for the prior tax year. Please contact us or your tax advisor for more detailed information.

When you reach age 70½, you may have to begin taking **Required Minimum Distributions (RMD)** from your IRA(s) &/or qualified retirement plan account(s) each year. For more information please request a copy of our **FREE BROCHURE**, *"70½!? What's the big deal?"*

Employers don't forget to comply with all of your Annual Requirements. This may include, but is not limited to, Marketplace Notices, COBRA, 5500s, and the new Self Insured & Applicable Large Employer (generally defined as averaging 50 or more full-time equivalent employees) reporting requirements. Please contact us if you have any questions.

New Year's Financial Resolutions

Staying fit and healthy is often the top New Year's resolution Americans make. This year, you should vow to get your finances in shape, too. "People who commit to making financial resolutions have better financial wellness," according to Lauren Brouhard, senior vice president of retirement at Fidelity Investments, citing the findings of their annual New Year's Financial Resolutions Study. "There's a certain power in actually creating a goal," she said. "There's even more power when you discuss that goal with someone else." Specific goals can be easier to pursue than goals that are too broad. Here some suggested New Year's resolutions.

1. Get Educated About Personal Finance

Only 57 percent of adults in major advanced economies like the U.S. are financially literate, according to Standard & Poor's Rating Services 2015 Global Financial Literacy Survey. That means nearly half are not. For a lot of people, taking this first step to get educated can be an important financial resolution.

2. Set Up and Stick to a Realistic Budget

Sticking to a budget can be tough. In fact, Americans said this was their biggest money challenge, according GOBankingRates' 2015 Life + Money Survey. You can start by thinking of your budget as a spending plan, list your priorities for spending rather than ways to restrict your spending. Focus first on necessary expenses, such as bills and debt, then include a certain amount for retirement savings in your plan. With the remaining money that you have coming in each month, make sure you set aside a little for something you enjoy doing. It's important to have rewards in your budget.

3. Stop Spending Money Recklessly

One of Americans' top financial resolutions for the past six years has been to spend less, according to Fidelity Investments' New Year Financial Resolutions Study. There are plenty of reasons to want to get your spending under control — most importantly, to improve your overall financial well-being. And one of the best ways to stop spending recklessly is to track where your money is going each month so you know how much you're shelling out for unnecessary things.

4. Boost Your Income

You can only cut your spending so much. If you've eliminated all the unnecessary expenses that you can, you should resolve to find ways to boost your income to improve your financial well-being. Making more money means doing something different than you are doing right now. It could mean working more or taking more risk or investing more time in yourself through either self-education or formal education.

5. Build an Emergency Fund

A 2015 GOBankingRates survey found that 62 percent of Americans have less than $1,000 in their savings accounts. This lack of savings suggests that the majority of people likely don't have enough money set aside to cover unexpected expenses or emergencies. If you're among those without cash reserves, you should resolve to build an emergency fund or add to the one you have. Experts recommend setting aside enough in an interest-bearing savings or money market account to cover six months' worth of expenses in case of job loss, maternity leave, or a medical or other emergency. You don't have to save it all at once, though. Start by looking for leaks in your budget that quickly add up but can be easily eliminated, such as dining out. Or, you can let an online tool monitor you bank account and automatically move small amounts of money to a savings account for you.

6. Increase Retirement Savings

Overall, Americans are undersaving. Ideally, people should be setting aside 15 percent of their income to have enough for a comfortable retirement. You can increase the amount you're saving for retirement in several ways. Start by making sure you're contributing enough to your 401k plan to get the full matching contribution from your employer. That's free money that can get you closer to the 15 percent goal. You also should aim to increase the amount you set aside each year even if it's just by 1 percent. If you get a raise, consider putting some of that extra money automatically into your retirement account. You're already used to making ends meet on your old salary, so you likely won't miss the extra cash you'll get with your raise but your retirement account will greatly benefit from the boost.

7. Pay Off High-Interest Debt

According to the Fidelity survey, paying down credit card debt is one of the most popular short-term goals. One method you could try is to focus on paying off your high-interest credit card debt before other debts, such as your mortgage and student loans, because it is the most expensive. If you're motivated by seeing results, you could start by paying off your card with the lowest balance first so you can feel a sense of accomplishment and gain momentum for tackling the rest of your high-interest debt. If you're concerned about minimizing the interest you pay and saving the most money in the long term, focus on your highest-rate card first. The process that is most motivating is the one that you should go with.

8. Create a Plan to Tackle Other Debt

If you don't have credit card debt, you can resolve to tackle other debt that might be weighing on you. Even though you can claim a federal tax deduction for your student loan interest if your income falls below a certain level, you might want to pay if off quickly so you can put more of your money toward saving for your future.

9. Start a College-Savings Fund

Saving for retirement should be one of your highest priorities. But if you're contributing the maximum to a workplace or individual retirement plan, you should consider building an education fund for your children. 529 plans can be a good option because you can withdraw the money tax free to pay for qualified education costs.

“Once you replace negative thoughts with positive ones, you'll start having positive results.”
Willie Nelson

10. Create an Estate Plan

You should resolve to start the New Year with any financial loose ends tied up, especially your estate plan. It's human nature to think nothing bad will happen to you, but it likely will. You need to have the right documents in place so your loved ones aren't left scrambling to pick up the pieces. Make sure you have a will or trust to designate who gets your assets; otherwise, the state will decide for you. You also can name a guardian in your will so the court system doesn't decide who will raise your children. Additionally, you can designate who will make financial and healthcare decisions for you if you can't with power of attorney and power of attorney for healthcare documents.

11. Develop Common Goals With Your Significant Other

Money can be the biggest source of conflict between couples. It's often because they aren't on the same page. So if you're married or in a long-term relationship, you should resolve to develop a financial plan as a couple. It's important that couples sit down and create a plan and figure out goals. When couples try to manage their finances separately, it usually doesn't work out.

12. Help Your Kids Use Money Responsibly

Less than half of kids said their parents are doing very or extremely well teaching them about money and finances, according to T. Rowe Price's 2015 Parents, Kids & Money Survey. But taking the time to help your children learn to be responsible with money can help set them up for financial success in life. Start by taking advantage of everyday teachable moments, such as trips to the supermarket where you can explain the importance of making smart financial choices and how to compare prices. Teach your kids to manage money on their own and how to avoid making common money mistakes.

Any of these resolutions can help improve your financial well-being in the new year. Writing them down can increase your chances of actually achieving your goals. And if you want to make several of these financial resolutions your own, we suggest tackling one each month so you don't get overwhelmed and can achieve your goals. When people get something done, they usually feel good about it and are more ready to take another small step. Success helps breed success.

Now is the time to take action. Let's get together and review your situation. If you haven't started your financial planning for 2016, 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. Of widows and widowers whose spouses died prematurely (between the ages of 30 and 55), only 25% felt their spouses had adequate life insurance.

2. Generally when interest rates increase, bond prices also increase.

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

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.

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"*.

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***".

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*".

A generation ago, a savings account may have been all the future security anyone needed. Today, things are different. Saving isn't enough. Now it's vital that you invest wisely to get the most from every dollar set aside. "***Timeless Investment Techniques – Four simple strategies designed to help reduce risk***", is our **FREE BROCHURE** designed to help manage the risk your portfolio will experience. Simple in nature, these strategies may help you feel more comfortable with the natural ups and downs of the financial markets.

If something happened to you today, would your family know where to begin looking for important information? Call us for a **FREE** copy of our "***Financial Inventory Review Sheet***". It lists names, locations, phone numbers, account number, etc. of important documents.

Quiz Answers

(Call Us For More Complete Answers)

1. True.

2. False. Generally bonds prices move inversely to interest rates

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

Insurance & Financial Services offered by Rick Magill, LUTCF, ChFC, CASL, REBC ▪ RMagill@AICInvest.com
Registered Representative offering Securities through Ameritas Investment Corp. (AIC) ▪ Member FINRA/SIPC
AIC & Service Planning Corporation (SPC) are not affiliated.