

RETIREMENT IN SIGHT



MONTHLY NEWS AND INFORMATION FOR CURRENT AND FUTURE RETIREES
PRESENTED BY SCOTT E. HOLSTEIN, CPA, PFS, CFP® - MARCH 2021

QUOTE OF THE MONTH

“The life you have led doesn't need to be the only life you have.”

ANNA QUINDLEN

NEED CASH? AVOID TAPPING YOUR RETIREMENT ACCOUNT

Imagine if your 35-year-old self magically appeared in front of you one day and asked for a percentage of your retirement savings or a bit of your retirement income. While this would never happen, something financially analogous happens in the lives of too many people. They withdraw assets from their retirement accounts in mid-life, which can hurt their lifetime retirement savings potential (and possibly, their retirement income potential as well). In effect, they borrow from their future selves when they take retirement plan distributions too early.

Most people who turn to retirement savings for cash do so in response to a pressing financial need, perhaps not fully realizing the negative effect the drawdown could have on tax-advantaged compounding. Loans can be another negative. Is it possible to borrow up to 50% of the invested assets in some retirement accounts, and even more under certain hardship circumstances declared by the federal government in response to a disaster or emergency? Usually, retirement plan loans do not trigger the penalties and taxes common to early retirement plan distributions, but they handicap your potential to amass retirement savings in the same way, by taking money out of a vehicle where it might grow and compound minus annual taxation. Fail to pay such a loan back to the plan on time, though, and you might face a 10% early withdrawal penalty and taxes on the amount not repaid soon enough.¹



GOLF TIP

You ultimately play against the course, not the rest of your foursome

This is good to remember whether you find yourself in a tournament, or just paired up with friends on the weekend. Your real opponent is the course, and focusing on what you need to do on each hole helps you avoid getting too excited or too demoralized by what your playing partners are doing.

Source: PrecisionProGolf.com, February 16, 2021²

IS THIS THE YEAR OF RENEWED TRAVEL?

The hospitality sector certainly hopes travel comes back with a vengeance, but travelers look like they will avenge the boredom of 2020 with more than a little caution and care. This winter, global marketing firm Simon-Kucher & Partners (SKP) surveyed more than 3,900 Americans and Europeans to gauge their travel readiness. Overall, 57% of those polled said they would start taking trips again in 2021, with the majority planning to travel during the second half of the year. Fourteen percent said they would travel only after significant worldwide levels of vaccination. Stateside, SKP found that just 7% of Americans planned to boost leisure travel spending in 2021; 54% of that small group indicated that they would likely opt for multiple shorter trips rather than one or two week-plus jaunts. SKP forecasts a 26% increase in U.S. domestic travel this year, and a 49% drop in foreign travel for Americans.³



DID YOU KNOW?

The Ed Sullivan Show didn't introduce Americans to the Beatles

The Beatles were actually seen on U.S. television months before that iconic February 9, 1964 performance. In November 1963, both The Huntley Brinkley Report (NBC) and the CBS Morning News aired stories 4-5 minutes long on the band, and Beatlemania in the United Kingdom.⁴

ON THE BRIGHT SIDE

Certain Medicare Part D plans (and certain Part C plans with prescription drug coverage) are participating in the Part D Senior Savings Model, which caps monthly insulin copays at \$35 in the 2021 plan year. As an effect of this, the Centers for Medicare and Medicaid Services (CMS) says that Medicare beneficiaries within these plans could see average out-of-pocket savings of \$446 on insulin this year.⁵



BRAIN TEASER

$$1\ 2\ 3\ 4\ 5\ 6\ 7\ 8\ 9 = 100$$

Can you write out a math problem where the single digits 1 through 9 all stay in numerical order (as above), where the solution is 100?

STUMPED? CALL 800.458.9330 FOR THE ANSWER!

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CITATIONS.

- 1 - Forbes, February 8, 2021
- 2 - PrecisionProGolf.com, February 16, 2021
- 3 - Business Traveler, February 5, 2021
- 4 - Mental Floss, February 9, 2021
- 5 - Centers for Medicare & Medicaid Services, May 26, 2020