



The Truth About How Your Money Really Works

Quick Links

Dear Gary,

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Horsing Around

- Wealth Strategies
- Investment Advisory
- Insurance Planning
- Business & Estate Planning



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On Saturday, May 6 the Kentucky Derby kicked off the 2017 horse racing season. Weather leading up to the derby was cold and wet. At the time of this writing, the race had not yet been run. However, the forecast was for rain and sloppy conditions.

Outdoor sporting events are always affected by weather. In the case of the derby, from 1875-2016, only 17% of the days included rain or thunderstorms creating a sloppy and/or muddy track. In 2013 Orb won with 6-1 odds because of his ability to navigate well on a muddy track. In 2009 Mine that Bird won with 50-1 odds on a sloppy, poor track.

With the possibility of rain in the picture for the horse races this season, the favorites aren't always the winners. The horses that can navigate the tough conditions have an excellent chance of winning.

Like weather, the Stock Market doesn't always have favorable conditions. Without proper alternatives in place, losses are inevitable.

Are you protecting a portion of your assets from the unexpected in market conditions? There is more to be gained by avoiding the losses than by picking the apparent winners.

Out of the Box Thinking on a Very Popular Subject - Money

1. Do you think your hospital stay is covered under Medicare?

Not so fast! If you put in the hospital as "Outpatient" Observation Status you may not be covered. Observation status is a hospital classification that can make a Medicare patient pay for the cost of their hospital stay, hospital prescriptions, and nursing home care.

What Keeps You Up at Night?

- Money for Retirement
- Paying for College
- Family Security
- Losing your Income
- Life Events
- Leaving a Legacy
- Business Succession
- Retaining Key Employees

What is Observation Status?

1. A. May be called "outpatient," but it has NOTHING TO DO with where a patient receives care or the kind of care received.
2. B. IT'S A BILLING CODE. Hospitals use it to protect from overzealous auditors and Medicare readmission penalties.
3. C. It may just seem like semantics, but for Medicare beneficiaries, IT CAN RUIN LIVES.
4. D. It saddles patients with increased out-of-pocket expenses. Patients who don't have Medicare Part B are responsible for the FULL COST of the hospitalization.

Let us help you with the answers.

Warning: If you go into the hospital make sure you are ADMITTED to the hospital and not under observation status!

2. Are you looking for your Social Security statement? Uncle Sam changed the procedures in January. If you are under 60 you will need to get it from the Social Security website. No more paper mailings. The government will send you your annual statement if you are over 60 years of age and are not collecting Social Security. To get your statement go to www.ssa.gov.

3. Longevity - the facts

How long will you live assuming you are 65 years old?

Men - 75% to age 78; 50% to age 85; 25% to age 93

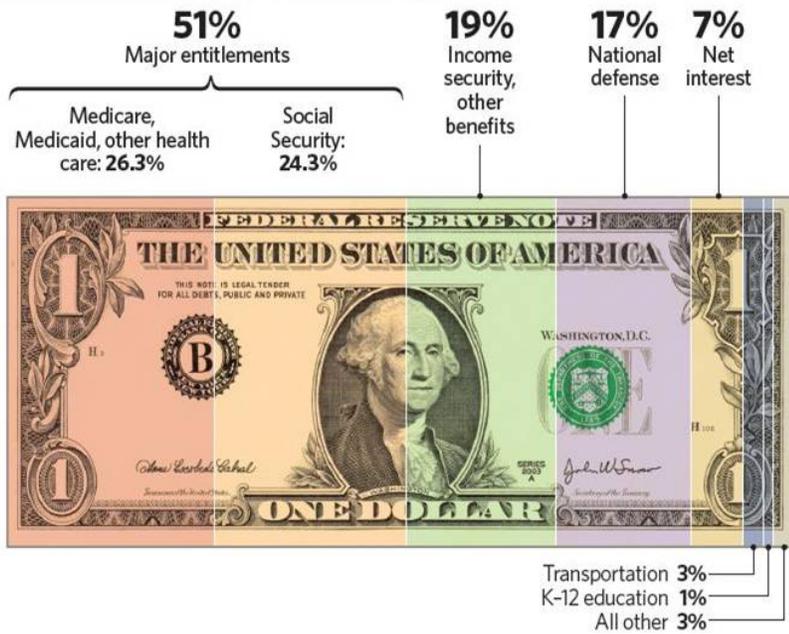
Women - 75% to age 81; 50% to age 89; 25% to age 95

Marriages - At least 50% of marriages have at least one spouse that lives to age 93

Recommendation - plan accordingly

Source: LIMRA Secure Retirement Institute analysis of the Human Mortality Database

4. The deadline for filing your tax return has passed. Where do your tax dollars go? Take a look:



5. When is the best time to buy life and disability insurance?

Many people believe they can buy life and disability insurance at anytime. Simply not true. You buy the insurance with your health, you pay for it by making premium payments. There is a time for all of us when we cross the line from Date of Insurability (DOI) to the Date of Un-insurability (DOU). All insurance companies assess their risk, and will decline coverage if significant health history is present.



6. Is your Estate Plan in order? The wealthy don't always get it right. There is a lesson to be learned from Joe Robbie, the former Owner of the Miami Dolphins, who died in 1990. Joe Robbie amassed a fortune during his lifetime and became a celebrity as owner of the Miami Dolphins. The team was fabulously successful, even completing the only undefeated season in NFL history in 1972-73. Still, when he died in 1990, family infighting among his children (he had 11) ensued. Then there was the matter of tax bill of \$45 million from the IRS. The only way to satisfy the IRS was to sell the team. With that went a major piece of Robbie's legacy. His name was even stripped off the stadium he helped build. Better estate planning could have headed off all the trouble.

7. Well designed permanent life insurance policies provide living benefits as well as the death benefit. It is an excellent place to park your money, and provides for immediate cash when an unexpected event occurs, or a financial opportunity becomes available. Compounding continues on your money regardless of the loan because you borrow the money from the insurance company, and use the cash value in your policy as collateral. Don't be without it!

8. Social Security raised the maximum one person could receive at full retirement age for 2017. The current cap is \$2,687 per month for people 66 years old. The amount increases to \$3,538 per month for those who delay taking benefits until age 70. This amount does not include Cost of Living increases. Married couples can each collect the maximum amount without penalty. Only 2% of the people eligible for Social Security collect it at age 70. When should you start collecting yours?

9. Is compounding the 8th wonder of the world? It is if it's in the right financial account. The cash must be in the account for a long period of time, and cannot be interrupted by withdrawals, including taxes and fees. These accounts are available, and if properly structured, can create a great source for accumulating long-term wealth. Do you know which financial accounts fit this criteria? Ask your advisor and see if they have the answer.

10. You need to set-up a line of credit if you have substantial liquidity in your house. Many people are reluctant to establish the line of credit. Unexpected events like natural disasters can happen at any time. It is important to acquire the loan when you don't need it.

Source: First Benefits Group 2017

Sincerely,

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