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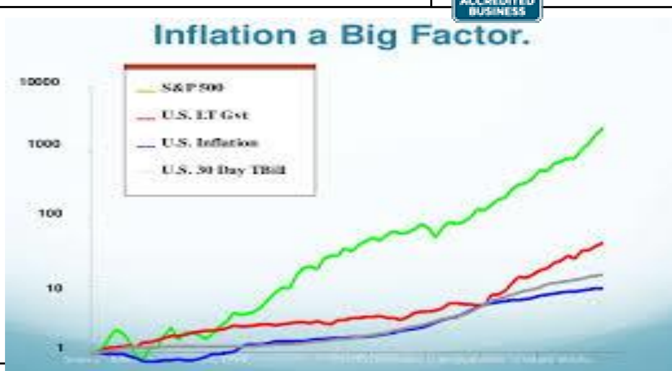

Inflation is a huge threat to the retirement planning of most Retirees or soon to be retirees. Many financial advisors use that as an excuse to leave inordinate amounts of funds at risk in the stock market. Contact us to find out how to beat the inflation problem without taking unnecessary risk!

WHAT 2015 TAUGHT US

Sometimes looking back at a past year teaches us very little. This year is the exception. Personally this year was one of major growth in perspective. All of us experienced the heady days of the stock market's historic rise. We also experienced the long, slow deterioration in the market until the collapse in August. Then we experienced a dramatic rally that never did overcome the losses.

While the market has its own priorities, none of which is 'how healthy is 'Main street', there were other issues at play that will affect retirees and soon to be retirees for a long time to come.

During this year I drove over 50,000 miles. I conducted 28 workshops on everything from Retirement Planning to Medicare Health Plans. I spoke to over 2500 people and met with more than 300 in private meetings. After reviewing my notes from the year, two things stand out. The first is the enduring concern people have for running out of money. The second was how the stock market would affect concern #1.

Running out Of Money

While the concern is never peripheral, people have different ways of thinking about this issue. Even in the face of Math, Science and Probability many people repeal the logic of inexhaustible income from their cognitive existence. Somehow they become convinced the stock market will provide enough growth to overcome any need for unrelenting reliable income.

"The Angel said to them, You have nothing to fear! I bring you tidings of great joy. This day in the city of David, a savior has been born to you, The Messiah and the Lord. Let this be a sign to you, in a manger you will find an infant wrapped in swaddling clothes." The Angels praised God, saying: "Glory to God on high in Heaven, peace on earth to those upon whom his favor rests"
Luke 2, 11-14

LOVE THE OPPORTUNITY
by Jim Rohn

Somebody said you have to love what you do, but that's not necessarily true. What is true is that you have to love the opportunity. The opportunity to build life, future, health, success and fortune. Knocking on someone's door may not be something you love to do, but you love the opportunity of what might be behind that door.

For example, a guy says, "I'm digging ditches. Should I love digging ditches?" The answer is, "No, you don't have to love digging ditches, but if it is your first entry onto the ladder of success, you say, 'I'm glad somebody gave me the opportunity to dig ditches and I'm going to do it so well, I won't be here long.'"

You can be inspired by having found something even though you are making mistakes in the beginning and even though it is a little distasteful taking on a new discipline that you haven't learned before. You don't have to love it, you just have to learn to appreciate America, appreciate opportunity and appreciate the person who brought you the good news; who found you. If you will embrace the disciplines associated with the new opportunity you will soon find that your self-confidence starts to grow, that you go from being a skeptic to being a believer. And soon when you go out person to person, talking to people, you will find it to be the most thrilling opportunity in the world. Every person you meet - what could it be? Unlimited! Maybe a friend for life. The next person could be an open door to retiring. The next person could be a colleague for years to come. It's big time stuff. And sometimes in the beginning when we are just getting started we don't always see how big it is..

So, before you are tempted to give up or get discouraged, remember all success is based on long term commitment, faith, discipline, attitude and a few stepping stones along the way. You might not like the stone you are on right now, but it's sure to be one of the stones that lead to great opportunities in the future.

What 2015 Taught us (cont'd)

Inflation and Other Issues

The other day I had a person in my office that showed me his portfolio. He was very happy about the large sum of money he and his wife had accumulated. He went on to tell me how great his financial advisor was. I asked him, "did you lose money in the 2007-2009 crash? He replied "yes, we lost 52%, but it came back." I paused. Then I asked him "what do you think the market is going to do next?" Without hesitation, "crash" he stated.
I interjected, "well that crash actually lasted for 5 years. Do you right now, getting ready to retire, have 5 years to wait for your funds to be back up to where they are now before you retire?"
Defensively, he answered "no, but my advisor keeps moving things around so we won't be affected."
"You have already been affected. You lost 5 years of purchasing power close to retirement. Tell me again how that advisor is looking out for you."

The lesson learned from 2015 is this. It doesn't matter what you have, it is what you have can do for you. Inflation is a pernicious tax on our savings. If we allow vital funds to be lost in the stock market, we have lost purchasing power. Compound that over a 5 year period and it doesn't matter what your funds 'zoom up' to, they have lost the mathematical potential that had before the correction. The crash of August 2015, though short lived, gave us insight into the potential disaster of leaving too much needed retirement assets at risk in the stock market.

The salient lessons from 2015 are this:

a. Protect the funds you need for income.
b. Inflation is a key concern.
c. Have an income plan, and fund it.
d. The Government can change the rules at any time.

You need someone on ***YOUR*** side. Yes, we do that.

he scarlet thread running through the thoughts & tions of people all over the world is the legation of great problems to the all-absorbing viathan – the State. Every time we try to lift a oblem to the government, to the same extent we e sacrificing the liberties of the people."
hm F Kennedy

“Stretch”IRA Advantages **and Disadvantages**

If you will have no need to take money from your IRA above and beyond the required minimum distributions, evaluate these advantages and disadvantages in deciding if a "stretch" IRA is right for you.

- The possibility of providing income to one or more generations.
- The ability to continue the tax-deferred growth of IRA assets during the period of time that distributions are being made.
- The opportunity to minimize income tax liability by spreading it out over a period of years instead of paying it all at once.
- The potential expense involved in structuring and administering a "stretch" IRA.
- Future tax laws and/or regulations may make IRA growth and/or taxation less advantageous to the beneficiaries.
- Inflation and/or poor investment returns may erode the value of future IRA distributions.
- An IRA beneficiary may elect to "take the money and run," opting for a lump-sum distribution at an IRA owner's death.

It is strongly recommended that you obtain professional tax and legal guidance in structuring a "stretch" IRA in order to fully evaluate:

- The fees and expenses associated with a "stretch" IRA and its underlying investments.
- Any tax limitations or withdrawal restrictions in the investment(s) used to fund the IRA.
- How to protect inherited IRA assets from creditors in the event of bankruptcy.
- The possibility that future changes in tax laws and/or IRS rules may impact required IRA distributions and/or IRA taxation.
- The impact of inflation, which will erode the future purchasing power of an IRA.
- The inability to accurately project future investment results over a long period of time, as well as the market risk inherent in exposing IRA assets to a lengthy distribution period.
- The impact of a "stretch" IRA on your overall estate plan.

UPCOMING EVENTS:

1. January 19 and 21 Retirement Planning Seminar, Wiederholts, Miesville, 5pm.
2. January 26th and 28st, Retirement Planning Seminar, Chart House, Lakeville, 5PM
3. February 9th and 11th, Retirement Planning Seminar, Bucas, St. Paul, 5pm

Contact us through our website at www.srins.com to

FINAL THOUGHTS ON 2015

The biggest lesson I learned this year was to have gratitude. To make this endeavor purposely serve my clients it takes quite a few people. The first person is my wife, Leanne without whom nothing would happen. I am always grateful for the help of my advisors, Eugene Coyle and John Amatulli. I also don’t want to forget my administrative assistant, Marilee Morrow, who keeps my workshops running and databases up to date.

I am also grateful to have served all of my clients and workshop attendees. You all have taught me a great deal this year. When I look at the responsibility and trust you have given me I am honored and humbled. Even people who chose not to be my clients have taught me something that enables me to better serve those who choose to work with me.

This year also brought about some changes here in the business. A huge achievement was obtaining the A+ seal from the Better Business Bureau. This is a big step for an organization the size and scope of Scheiber & Associates. The second was the opening of a new office in the Northland Plaza building in Bloomington. We attended workshops in Chicago the importance of providing guaranteed income for life. This two day workshop was completely focused on retirement failures and successes. Another training session in San Diego was hosted by Ed Slott, who spent two days training us on IRAs, Roth IRAs, with a focus on tax planning and estate planning.

It was a year of improvements to serve you. I am grateful you are my clients and friends.

IRA Rollover Methods **Indirect Rollover**

In an indirect rollover, the distribution is first paid to the employee, who then has 60 days following receipt of the distribution to roll the funds over to the trustee of the new employer sponsored retirement plan or to a traditional IRA. Under federal tax rules, however, if the distribution is first paid to the employee, the plan administrator is required to withhold 20% of the distribution. This requirement can cause problems:

- While you receive only 80% of the distribution, you are required within 60 days to roll over 100% of the distribution to a new qualified retirement plan or to a traditional IRA in order to avoid income and, possibly, penalty taxes.
- This means that you must make up the 20% that is withheld out of other funds.
- When you file your tax return for the year, you can then request a refund of the 20% that was withheld at the time of the distribution. In order to avoid the mandatory 20% withholding requirement, a direct rollover should be used.

Direct Rollover

With a direct rollover, the funds are transferred directly from the trustee of the original qualified retirement plan to the trustee of the new qualified retirement plan or to the traditional IRA trustee (a trustee-to-trustee transfer). By arranging for a direct transfer of funds between qualified plan trustees, you avoid the 20% federal income tax withholding requirement.

Bankruptcy Protection

The funds in an employer-sponsored retirement plan are protected from the reach of creditors in the event of a bankruptcy. With passage of the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005, however, effective October 17, 2005, up to $1 million of traditional and Roth IRA assets in the aggregate became protected from an IRA owner's bankruptcy creditors. The $1 million exemption does not apply to rollover IRA assets, which retain their unlimited exemption it is generally preferable to segregate rollover IRA assets in a separate IRA account.

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