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“This Group, this Group, the 918th, is your only reason for living, your only obligation. Forget about going home. Focus on your job. Focus on your obligation.” General Frank Savage, Twelve O’Clock High

“If I tell the wicked man that he shall surely die, and you do not speak out to dissuade the wicked man from his way, the wicked man will die for his guilt, but I will hold you responsible for his death. But if you warn the wicked man, trying to turn him from his way, and he refuses to turn away, he will die for his guilt, but you shall save yourself.
Ezekiel 33,8-9



TEAMWORK – THE B-17 EXAMPLE

12,000 B-17s were built. Now only a handful survive in flyable condition. It took 10 men to put the B-17 into combat action. The ship also required uncounted ground crew specialists to keep it flying. The flight crew was composed of 10 men. The B-17 flew in every theatre of WWII. It also served in peacetime in various roles.

The B-17 was, in itself, for its time, a technological marvel. Yet, it took the teamwork of many men to put her in the air. They succeeded as a team, and failed as a team. And there were many ships that failed. In one mission alone in October 14, 1943, over 100 B-17s were shot down or landed, unsalvageable.

Just as the crew of the B-17 relied on its Ship Commander and primary pilot, the co-pilot, and all of the other skilled personnel were required to ensure a successful completion of a mission.

Similarly, our financial lives sometimes mirror the success and failure of the B-17 Crew. We are the pilots of our financial lives. We also rely on accountants for taxes, lawyers for our wills and powers of attorney, advisors on where to invest for retirement, real estate agents and bankers to fund our homes, and insurance agents for advice and coverage on our homes, autos, and businesses.

The fact is, we are our own Pilots. We rely on others, yet we are responsible for the well-being of the other crewmembers on our Ship. Good planning helps us all land safely. It takes a team. It did then. It does now.

THE DEMOGRAPHIC TIME BOMB

Recently I read an article for Tom Hegna, one of the great students and teachers of retirement issues. In this article, Debt, Deflation and Demographics, Tom outlines a very real threat to those who continue to rely on the stock market to fund their retirement income.

Reinforcing my themes from my article 'Headwinds and Tailwinds', Tom details the unspoken truth about an unavoidable threat to 'conventional' retirement planning.

One thing a stockbroker will never talk about is the fact that as a nation, we are getting older. From 2010 until 2034 78 MILLION baby boomers will retire. The impact on the markets will be extreme; because retiree's don't spend money the way they did when they were working. They need income.

Income consumes assets. Income to pay for long term care needs, or a critical illness consumes assets. This isn't based on opinion, it is based in math and science. I might hear a news program or an advertisement about investing or stock picking. Who are the ads aimed at? Not the young. They are in debt up to their eyeballs in student debt, and they are not making the money they thought they would make. The ads are aimed at Boomers. Yet, the ads don't discuss the deflationary pressure the markets will have when the fulcrum tips and there are more people taking money out of the market than putting money in!

For most people worried about guaranteed retirement income, the demographic time bomb can be defused. As Mr. Hegna points out, right now life insurance and annuities can offer solutions that other strategies cannot. He goes on to remind us these companies are built for hard times. He explains; "who pulled this country out of the great depression? The Banks? No. They were failing. Brokers? No. They were going under. It was the life insurance industry that pulled this country through the Great Depression. Why? Because our products are built for times like these. ***Guaranteed products will allow people to retire with peace of mind.***" Well said, Mr. Hegna, Well said.

A NO-OBLIGATION CULTURE

There is an election coming. You can't get away from it. TV ads, radio ads, newspaper ads, news programs, and just getting coffee at my local donut shop all invade my attempts to keep a rational thought process.

This election is important. It is probably an election that will determine, in the long run, what kind of liberty and political process our children and grandchildren will enjoy.



One of the consistent themes is cultural in nature. Every politician is going to 'give' us something. Whether its free college, free healthcare, a border fence, or a tax cut, I'm overwhelmed by the generosity of the political class. I wonder what I did to deserve this attention and largesse. For the first time in my life, I feel like a billionaire heir. Out of nowhere I get free stuff and don't have any obligation to do anything!

Of course this is fraud. What I don't hear from anyone is this: 'here is what I'm going to do on your behalf, ***and here is your obligation.*** I keep listening for the 'Obligation' part. It seems that somewhere out there in the ether 'someone else' is going to 'pay'.

It disturbs me. Even the funeral of Antonin Scalia, a giant of a Supreme Court justice, was missing the obligation of attendance by one key person. For young men, there used to be an obligation to serve your country. I hear no politician saying that if you are on public assistance there is an 'obligation' to obey the law, to be substance abuse free, and to search for work. The idea of 'what about my rights' has not been supported by teaching about the responsibilities and obligations that go with those rights. Too often the concept of 'rights' has been diluted into a 'want' requiring something of someone else. In a free and just culture, this is apostasy.

My belief is we'd all be better off if we spent more time describing the miracle of life, and what is expected of us to do with it. Being alive is a gift. Being alive in these United States is an even greater gift. Imagine this; a culture where gratitude, a sense of life mission, and knowing WE owe a debt that can never be repaid provides the ballast to a free and just people.

Only then can a culture truly address those 'promises' our politicians keep yakking about.

WHAT IS A QUALIFIED RETIREMENT PLAN?

A qualified retirement plan is a program implemented and maintained by an employer or individual for the primary purpose of providing retirement benefits and which meets specific rules spelled out in the Internal Revenue Code. For an employer-sponsored qualified retirement plan, these rules include:

- • The plan must be established by the employer for the exclusive benefit of the employees and their beneficiaries, the plan must be in writing and it must be communicated to all company employees.
- • Plan assets cannot be used for purposes other than the exclusive benefit of the employees or their beneficiaries until the plan is terminated and all obligations to employees and their beneficiaries have been satisfied.
- • Plan contributions or benefits cannot exceed specified amounts.
- • The plan benefits and/or contributions cannot discriminate in favor of highly-compensated employees.
- • The plan must meet certain eligibility, coverage, vesting and/or minimum funding standards and provide for distributions that meet specified requirements.
- • The plan must prohibit the assignment or alienation of plan benefits.
- • Death benefits may be included in the plan, but only to the extent that they are "incidental," as defined by law.

UPCOMING EVENTS:

1. March 10th, and 15th, Retirement Planning Seminar, Redstone Restaurant, Eden Prairie, 5pm.
2. March 30th, 31st, Retirement Planning Seminar, Lakeside Supper Club, Montgomery, 5pm
3. April 1st. Client Appreciation Event, Chart House, Lakeville. 6pm.
4. April 26th & 28th, Retirement Planning Workshop, 5pm, Pier 500 Hudson WI

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

TOOLS FOR THOUGHT.

Tire Kickers."

We all know them. These are people who go to all kinds of events. They go to Home & Garden Shows, Boat Shows, Auto Shows, Parade of Homes, and a variety of other shows, etc. They attend Financial Presentations like the ones I do here at Scheiber & Associates.

I have been thinking about these 'tire kickers.' They attend a workshop, and then when offered a consultation, they all answer the same: "we're just getting started. We need to get things together before we schedule anything,"

My advice: don't be that couple. In 2007 I heard the same thing. They lost their proverbial body parts in the market. Now they are saying the same thing, 'I'm just starting.'

What they are saying is they are not grown up enough to make adult decisions. They are tire kickers, afraid they might choose one thing when something better might be just over the hill. They are fearful of sharing information that might force them, out of logic to choose, make a decision.

This is irresponsible and childlike behavior. In this market, at this precarious time, to choose to not even obtain competent counsel is a dereliction of family duty.

These B-17 pilots will crash.

WHAT IS A QUALIFIED RETIREMENT PLAN? (con't)

Qualified Retirement Plan Tax Advantages:

In order to encourage saving for retirement, qualified retirement plans offer a variety of tax advantages to businesses and their employees. The most significant tax breaks offered by all qualified retirement plans are:

- • Contributions by an employer to a qualified retirement plan are immediately tax deductible as a business expense, up to specified maximum amounts.
- • Employer contributions are not taxed to the employee until actually distributed.
- • Investment earnings and gains on qualified retirement plan contributions grow on a tax-deferred basis, meaning that they are not taxed until distributed from the plan.

The bottom line is that the primary qualified retirement plan tax advantages - before-tax contributions and tax-deferred growth - provide the opportunity to accumulate substantially more money for retirement, when compared to saving with after-tax contributions, the earnings on which are taxed each year.

At Scheiber & Associates we help people roll these qualified plans into IRAs that are guaranteed and provide lifetime income

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