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## Cutting The Grass



Today I was cutting my grass. I don't have a large yard, but it still takes a little time. There are some nice parts of my yard where the grass is thick and rich, and it grows fast. There are other parts, where over the last 22 years I have tried to grow a decent crop, but the seeds never react to the care, and they atrophy. My efforts to 'even out' the results of my millions of blades of grass have not been successful.

After cutting my grass, I sat on the porch, overlooking my yard. It suddenly occurred to me; my yard was similar to the population of the United States. I don't know how many blades of grass are out there, but I'd suspect there are millions! Why do some prosper and others, despite my best efforts, fail?

It occurred to me that there are many people in this country. There are about **330 million** people in this land. Some are in the tall, hardy grass. Others are similar to the sections of my lawn that perennially struggle. It is also notable that my efforts to assist these struggling sections of lawn have often paid off in a bad result.

My job is to help people secure retirement income. That's it. It is a simple job. Why, then are there still brown and unproductive sections of lawn in the tapestry of the thousands of people I have met; and been unable to help? Contrast that with the people whom I have helped. They are in that tall grass, secured and prospering. (Cont'd page 2)

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### PROBLEM SOLVING

by Zig Ziglar

Fortunately, problems are an everyday part of our life. Consider this: If there were no problems, most of us would be unemployed. Realistically, the more problems we have and the larger they are, the greater our value to our employer. Of course, some problems are small, like opening a ketchup bottle. Others are monumental like a seriously ill or injured child or mate, which present ongoing, daily complications. Successful living comes when we learn to handle those business and personal problems with as little fanfare as possible.

The successful business executive can handle challenges and solve problems at a remarkable clip, making quick and final decisions. The homemaker with small children at home handles many "catastrophes" each hour with the same dispatch. Many people use counter-productive methods to deal with problems: They refuse to recognize them, deny responsibility for them, pretend they will go away if they ignore them, or are just flat insensitive to them.

The first step in solving a problem is to recognize that it does exist. Next, we determine whether the problem is our responsibility. If the answer is yes, we must determine how serious and/or urgent it is. When that last determination is made, we either take immediate action if the problem is simple and quickly solvable or develop a plan of action and prioritize it if the solution is more difficult and time-consuming.

Problem solving becomes a very important part of our makeup as we grow into maturity or move up the corporate ladder. I encourage you to take the time to define the problem correctly, learn the skill of quick analysis and remember, if it weren't for problems in your life, your position might not be necessary in the first place. Ironing out the wrinkles and solving the problems is what most jobs are about.

"Cease your cries of mourning; wipe the tears from your eyes. The sorrow you have shown shall have its reward, says the Lord

Jeremiah 31, 16-17

## Why People Buy Life Insurance

### **For the Death Benefit:**

- To replace earning power at death
- To pay for cash needs that arise at death

### **As a Disciplined Savings Program\*:**

- To help pay for educational costs
- To supplement retirement income
- To take advantage of business opportunities

- For financial emergencies

### **Because of the Risk of Waiting:**

- To replace earning power at death
- To pay for cash needs that arise at death

### **For the Tax Advantages:**

- Death proceeds are received free of income tax
- Cash value accumulations are tax deferred
- Cash value loans or withdrawals\* are free of tax, as long as the policy stays in force
- Accelerated death benefits are received free of income tax

### **In Recognition of Personal Responsibility to:**

- Family
- Banker
- Mortgage company

### **For the Flexibility:**

- Benefits may be available regardless of whether the policy owner lives, quits, dies or becomes disabled
- Life insurance is portable; benefits are not lost due to job changes

\* Withdrawals and loans will reduce the policy's death benefit and cash value available for use.

**Please call my office for an appointment if I can assist in evaluating your life insurance needs**

*"The Budget should be balanced, the treasury be refilled, and the public debt should be reduced, the arrogance of officialdom should be tempered and controlled.*

*Assistance to foreign lands should be curtailed lest Rome become bankrupt. The mob should work, and not rely on the government for assistance."*

- Cicero

## Cutting the Grass, (cont'd)

Why do some prosper and others fail? It is simple. Choices.



Most research on the demographics of retirement is mixed; the different textures of success mirror the consistency of my lawn. This is mostly due to financial choices, good and bad. These choices are magnified by circumstances beyond our control. They are also magnified by a basic comprehension of the financial field in which we play.

The studies of retirement show the happiest people are people who have guaranteed income greater than their fixed costs. It seems simple; save enough money, figure out your basic needs, and turn on the income stream. Yet, like caring for my lawn, of which I am no expert, many people get lost trying to care for their eventual retirement.

So they hire help. The problem with hiring help is this; who knows enough to really take care of this inevitable occurrence called retirement? Many stockbrokers and financial advisors are good; many are not. Some work for horribly expensive companies, more interested in their stock price than the actual client. Unlike hiring the wrong lawn care company, a person saving for retirement might have to wait years to find out the right financial treatments were not applied at the right time, hence: Brown Grass. Instead of Secure future, there is a dearth of assets and income just at the time when we can't back up and regrow the financial lawn.

There are 330 Million Blades of Grass. 45 Million 'blades of grass' are already 'using their resources'. Each day for the next 10 years 10,000 people a day will reach age 65. It is a staggering number. The amount of money required to fund the retirement of this generation is beyond comprehension. Yet, many believe the stock market will sustain the drain off of demand and the liquidation of funds to sustain lifestyles. They simply believe the hype; the spigot will never turn off. The remaining question is this: what can help us keep our 'retirement green'? My opinion is this; figure out how much income you need to live on. Subtract your social security income from the number you estimated you would need on which to retire. The next step is to find a person who can put you into the right plan for you to supplement your other income streams on a guaranteed basis. This is the skill of the planner.

*At Scheiber & Associates that's what we do. We preserve the 'green'; the income you will need throughout your retirement years. 330 Million Blades of Grass. Be the ones who stay in the green no matter what the stock market brings.*

## **BECOME YOUR BIGGEST CHEERLEADER**

by Sheila Murray Bethel

Of all the communication you do, none is more important than how you talk to yourself. Your internal dialogue has more to do with your success in life than any other factor. Every minute you are awake, you engage in 800 to 1,200 words of self-dialogue. In these conversations, you solve problems or create them, make decisions or avoid them, judge, praise, disparage or motivate yourself. You can dwell on past mistakes or plan future achievements. Obviously, the more positive your self-talk, the stronger and better prepared you become to face your daily challenges. What you talk to yourself about directly affects how you live your life. Saying the right words to yourself will create a positive mental picture in your mind. That picture will encourage and motivate you to take the right actions that will lead to your personal success. Whenever you catch yourself engaging in negative self-talk, try the following:

1. Choose one thing for which you are grateful and talk to yourself about it. This blocks out your negative self-talk. Gratitude is one of the most powerful emotions you possess to have the rich fulfilling life you deserve.
2. Choose something you like about yourself. Describe it. How does this enhance the things you do? How does it advance and enrich others? What is its impact on your family, or community?
3. What future event are you most looking forward to? Describe it to yourself in vivid detail. All your accomplishments are first a thought, or goal pulling you toward it.
4. Keep an inspirational book, tape or CD handy to reinforce your positive self-talk. Use them when you are feeling negative. Being your own biggest booster doesn't mean you're immodest. It means you're smart. Life is a do it yourself job, and if you don't motivate yourself, who will? Remember: five years from now, you'll be the same person you are today -- except for the people you meet, the situations you've encountered and the thoughts you've thought.

## UPCOMING EVENTS:

1. July 19<sup>th</sup> & 21<sup>st</sup>, Retirement Planning Workshop, Dangerfield's Restaurant, Shakopee, 5pm
2. August 2<sup>nd</sup> & 4<sup>th</sup>, Retirement Planning Workshop, Spassos, Minnetonka, 5pm
3. August 18,19, Retirement Planning Workshop, Lakeside Supper Club, New Prague, 5pm
4. September 13,15,19, Social Security Education Workshops, Chanhassen Community Center, 630pm
5. September 27, 29 Retirement Planning Workshop, Buca's, Eden Prairie, 5pm

Contact us through our website at [www.srins.com](http://www.srins.com) to register.

## **TOOLS FOR THOUGHT**

*There is something to be said for camaraderie. Camaraderie is an experience that once had, leaves us wanting more of it; and in its absence a void.*

*Most people who have been in the service have had this experience. Even years after serving in the same unit, or aboard ship, veterans still speak of their comrades as 'my buddy', or my shipmate. Photographs of unit assemblies, or crews gathered by their ships or aircraft show a uniqueness of connection that is derived from shared experiences, both good and bad.*

*Units and Ships from WWII still have reunions! One of my regiments has its own Facebook page, and sponsors a reunion somewhere each summer. I have not been to one, but it is on my list.*

*Since leaving active duty, I have not experienced that level of 'brotherhood' that I had with whom I served. I still reach out for that connection, through Facebook Posts, emails to colleagues, and infrequent visits. That sense of security and singlemindedness of purpose is hard to maintain. If you have that with your friends or spouse, do everything you can to maintain that 'I've got your back' feeling. If you have it, keep it. If you don't pray you get it someday.*

## **2016 Qualified Plan Contribution/Benefit Limitations:**

### **Type of Plan Maximum Deductible 2016 Contributions/Benefits**

(only the first \$265,000 of compensation can be used in applying these limits)

**Money Purchase Pension Plan**  
Annual additions cannot exceed the lesser of 100% of the participant's compensation or \$53,000.

**Profit-Sharing Plan**  
Annual additions to individual plan participants cannot exceed the lesser of 100% of the participant's compensation or \$53,000.

**401(k) Plan**  
Employer contributions: Up to 15% of covered payroll. Elective employee deferrals: \$18,000 (\$24,000 if age 50 or older)  
Allocation limits: Total of employer contributions and elective employee deferrals cannot exceed the lesser of 100% of a participant's compensation or \$53,000.

**Simplified Employee Pension (SEP) Plan**  
Annual additions cannot exceed the lesser of 25% of the participant's compensation or \$53,000.

**SIMPLE Plan (401(k) or IRA)**  
Maximum annual salary reduction deferral: \$12,500 (\$15,500 if age 50 or older)

**Target Benefit Pension Plan**  
Annual additions cannot exceed the lesser of 100% of the participant's compensation or \$53,000.

**Defined Benefit Pension Plan**  
Benefit provided cannot exceed the lesser of 100% of the average of the participant's highest three consecutive years of compensation or \$210,000.

**Tax-Sheltered Annuity**  
Maximum annual salary reduction: \$18,000 (\$24,000 if age 50 or older)

**Section 457 Plan** Maximum annual deferral: \$18,000 (\$24,000 if age 50 or older)

**NOTE:**  
Withdrawals from a qualified plan prior to age 59-1/2 may be subject to a 10% early withdrawal penalty, as

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