

Wealth Builder

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Objective Advice On The Road Of Life

Jan 2010



The year of the census... *be cautious...*

Be cautious about giving information to census workers. With the U.S. Census process beginning, the Better Business Bureau (BBB) advises people to be cooperative, but cautious, so as not to become a victim of fraud or identity theft. The first phase of the 2010 U.S. Census is under way as workers have begun verifying the addresses of households across the country. Eventually, more than 140,000 U.S. Census workers will count every person in the United States and will gather information about every person living at each address including name, age, gender, race, and other relevant data.

The big question is - how do you tell the difference between a U.S. Census worker and a con artist? The BBB offers the following advice

If a U.S. Census worker knocks on your door, they will have a badge, a handheld device, a Census Bureau canvas bag, and a confidentiality notice. Ask to see their identification and their badge before answering their questions. However, you should never invite anyone you don't know into your home.

Census workers are currently only knocking on doors to verify address information. Do not give your Social Security number, credit card or banking



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SEMINAR

*Please
join us*



Roth IRA opportunities
for 2010 and beyond!

Tuesday February 23, 2010

Learn:

- How to create a Roth IRA
- What is a designated Roth IRA
- Which Roth IRA distributions are tax-and penalty-free; and which are not
- How the minimum distributions rules apply to Roth IRAs
- How you may be able to fund a Roth IRA tax-free
- Beneficiary Roth conversions
- Whether a Roth IRA is right for you or not
- How to undo a Roth conversion and why you may want to
- The new laws for 2010 and beyond

This seminar will be one-hour long and will begin promptly at 6:30 p.m. Refreshments will be served. We anticipate holding this seminar in our office at 2715 Route 9, Suite 101 in Malta, New York. *Space is limited so please call to reserve your seat and one for a friend! The phone number is (518) 899-5544.*

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information to anyone, even if they claim they need it for the U.S. Census.

REMEMBER, NO MATTER WHAT THEY ASK, YOU REALLY ONLY NEED TO TELL THEM HOW MANY PEOPLE LIVE AT YOUR ADDRESS.

While the Census Bureau might ask for basic financial information, such as a salary range, **YOU DON'T HAVE TO ANSWER ANYTHING AT ALL ABOUT YOUR FINANCIAL SITUATION.** The Census Bureau will not ask for Social Security, bank account, or credit card numbers, nor will employees solicit donations. Anyone asking for that information is **NOT** with the Census Bureau.

AND REMEMBER, THE CENSUS BUREAU HAS DECIDED NOT TO WORK WITH ACORN ON GATHERING THIS INFORMATION. No Acorn worker should approach you saying he/she is with the Census Bureau.

Eventually, Census workers may contact you by telephone, mail, or in person at home. However, the Census Bureau will not contact you by email, so be on the lookout for email scams impersonating the Census Bureau.

Never click on a link or open any attachments in an email that are supposedly from the U.S. Census Bureau. For more advice on avoiding identity theft and fraud, visit www.bbb.org.



The content of this article was provided by Scott Burns of the Dallas Morning News. He said it so well, we just thought we'd pass along his article.

If there is a mythical god in charge of retirement, it would have to be Janus. Best known as the Roman god with two faces – one looking forward, one back – Janus was the master of beginnings and endings.

You and I see this every month in magazines: advertisements for luxurious retirement condos in Florida and Arizona, world-girdling cruises and mind-boggling automobiles being enjoyed by energetic silver-haired seniors.

Editorial content looks the other way. It warns us of dementia, incipient poverty and the inevitability of long-term care.

Is it possible that retirement – for most people most of the time – is somewhere in between?

To explore this, I read two studies – the 2007 Retirement Confidence Survey done by EBRI, the Employee Benefit Research Institute, and a study by the Social Security Administration, “Income of the Population 55 or Older, 2004.” The first is an interesting read. The second is only recommended for people whose idea of a good time is reading tide tables, but it contains good data. Here is what I culled from the two reports:

Most of us are clueless about retirement. EBRI is too polite to actually say clueless, but it notes that few workers are aware of the impact of receding pensions. Or of the rising age requirement for full Social Security benefits. Worse, only 66 percent of workers have saved money for retire-

ment. Only 43 percent have attempted to calculate how much money they will need in a nest egg. The best you can say is that collectively we are a cheery bunch, prone to believing that things will work out.

We're wrong about our sources of retirement income. Those still working expect personal savings to provide 50 percent of retirement income. They also expect employment to provide 11 percent and Social Security only 14 percent. But retirees report that Social Security provides 40 percent while savings provide only 24 percent. Employment is barely worth mentioning at 2 percent.

In spite of this, retirement meets or exceeds expectations. Only 6 percent of workers expect to feel well-off in retirement, but 8 percent of retirees feel well-off. Retirees discover that their post-retirement spending compares favorably with their pre-retirement spending. While 20 percent of workers expect and 20 percent of retirees experience large declines in spending, 55 percent of retirees spend the same, or more.

In retirement, income falls steadily. The Social Security study figures show that income falls dramatically as people age. The median income for married couples declines from \$68,612 at ages 55 to 61 to \$28,490 for couples 80 and older. For singles, the decline is less severe.

For a variety of reasons, these figures understate actual living standards. Taxes tend to take a smaller bite in retirement. Also, many seniors have no payment obligations and own their homes mortgage-free. And retirees are likely to spend down their principal as well as the income from their savings as they get older.

Social Security is very important for all but the rich. When you examine the sources of cash income for people 65 and older, income from assets is a much smaller percentage than readers of financial publications would expect. Even for those in the second-highest income quintile (incomes higher than 60 percent of all households but lower than 20 percent of all households), Social Security is usually the largest single source of income. In 48 percent of those households, it accounts for 50 percent or more of all income.

Income from assets, on the other hand, plays a small role for most people. In the bottom 80 percent of all households, income from assets accounts for 50 percent or more of income in less than 4 percent of households. Even in the top 20 percent of all households, asset income accounts for 50 percent or more of all income in only 12 percent of households.

Does that mean we shouldn't save and invest? Hardly. It's simply a reminder that retirement income is primarily a political and social contract event.

Scott Burns' columns appear on Sundays and Thursdays in the Dallas Morning News.

As this article so aptly points out, the reality of retirement is oftentimes very different from the expectations of retirement. We'd be happy to help you be sure your reality matches your expectations! **Give us a call.**

We are pleased to announce our new Facebook page!

facebook

Name:

Roback, Kumlander & Pehl,
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Come Take a Look!

This will be a useful tool for us to provide updates on current events and how they impact your life and wallets; we'll have some famous quotes, some funny quotes, some thoughts to ponder, as well as tax planning ideas, personal financial planning ideas, profit enhancement ideas and much more. We hope to make this an interactive tool and one that you'll want to visit regularly.

If you like what you see and find it helpful, invite your "friends" to join in. Our goal is to provide informative and educational information that will enhance the lives of all who visit.





Treasury Securities that have Stopped Earning Interest

Do you have savings bonds that have matured and stopped earning interest? If so, it's time to cash them in, or reinvest them, and have your money start working for you again.

It's important to check your savings bonds periodically to determine if they're still earning interest, and if they're not, they should be redeemed. Use the tables below to determine whether your bonds have stopped earning interest, or for how long you can expect them to earn interest.

You can also check [Treasury Hunt](http://www.savingsbonds.gov/indiv/tools/tools_treasuryhunt.htm), if you're not sure whether you own any bonds that have matured. (go to http://www.savingsbonds.gov/indiv/tools/tools_treasuryhunt.htm)

Also, marketable securities are subject to bond calls, cases where the Treasury stops paying interest on bonds before the scheduled maturity date. Be sure to note your securities maturity date and check the website for bond calls.

NOTE: Marketable securities, such as U.S. Treasury bills, notes, bonds and Treasury Inflation-Protected Securities (TIPS) have maturities ranging from a few days to 30 years.



The following savings bonds no longer earn interest:

| SERIES | ISSUE DATE |
|------------------------|------------------------------------|
| E | May 1941 through December 1979 |
| H | June 1952 through December 1979 |
| HH | January 1980 through December 1989 |
| Savings Notes | May 1967 through October 1970 |
| A, B, C, D, F, G, J, K | All issues |

How long bonds earn interest based on issue date:

| SERIES | ISSUE DATE | NUMBER OF YEARS BONDS EARN INTEREST |
|---------------|------------------------------|-------------------------------------|
| E | May 1941- November 1965 | 40 years |
| | December 1965 - June 1980 | 30 years |
| EE | All issues | 30 years |
| H | June 1952- January 1957 | 29 years, 8mos. |
| | February 1957- December 1979 | 30 years |
| HH | All issues | 20 years |
| I | All issues | 30 years |
| Savings Notes | - All issues | 30 years |

If you are holding on to bonds that have matured and are no longer earning any interest, you may want to consider cashing them in and getting your money to work for you!

Source: http://www.savingsbonds.gov/indiv/research/securities/res_securities_stoppedearninginterest.htm