
Debunking Common Retirement Assumptions

Weekly Educational Update – November 20, 2019

Financial generalizations are as old as time. Some have been around for decades, while others have only recently joined their ranks. Let's examine a few.

Retirement means I can stop investing. In the past, retirement was viewed as an "end" in many ways. These days though, retirement is often seen as an opportunity to return to one's passions or just another of life's many chapters. That doesn't mean you should stop investing, however.

My taxes will be lower. That depends on your situation. Some may earn less in retirement, which could lower their tax bracket which may reduce overall taxes. On the other hand, some retirees may end up losing the tax breaks they enjoyed while working. For more insight into your tax situation in retirement, speak with a tax or financial professional. They can help you manage withdrawals from your qualified retirement accounts.¹

I started saving too late, and now retirement is impossible. No matter how far behind you feel you are, don't lose hope. Remember, you can make larger, catch-up contributions to your Individual Retirement Accounts (IRAs) after age 50. In fact, if you are 50 or older this year, you can put as much as \$25,000 into a 401(k) plan.²

Withdrawals from traditional IRAs and distributions from 401(k) plans are taxed as ordinary income and, if taken before age 59½, may be subject to a 10% federal income tax penalty. Generally, once you reach age 70½, you must begin taking required minimum distributions.

Medicare will take care of me. Unfortunately, Medicare doesn't cover extended care, if that's the only care you need. Instead, extended care insurance is often the best choice when preparing for retirement.³

I'll live on less when I'm retired. Maybe. This one depends on how you approach retirement. In the later phase of retirement, people often choose to live on less. But for many, the first few years of retirement mean traveling and new adventures. In other words, taking a realistic look at where you would like to be in retirement makes all the difference when it comes to retirement costs.

At the end of the day, there is no "one-size-fits-all" retirement strategy. Every individual, couple, or family needs a strategy tailored to their situation, risk tolerance, and financial objectives. With proper preparation and the help of a trusted financial professional, there's no reason you can't create a strategy tailored to whatever life has in store.

QUOTE OF THE WEEK



"Life isn't about finding yourself. Life is about creating yourself."

- George Bernard Shaw

RECIPE OF THE WEEK



The World's Easiest Fish Tacos



Who says it needs to be summer to enjoy some delicious fish tacos? Bring the beach in with these tasty treats!

[4 servings]

Ingredients

- Frozen, prepared fish sticks (8 pieces)
- 8 small tortillas (flour or corn)
- Lettuce
- Avocado

For the sauce:

- $\frac{1}{3}$ cup sour cream
- $\frac{1}{3}$ cup mayo
- 1 Tbsp. taco seasoning

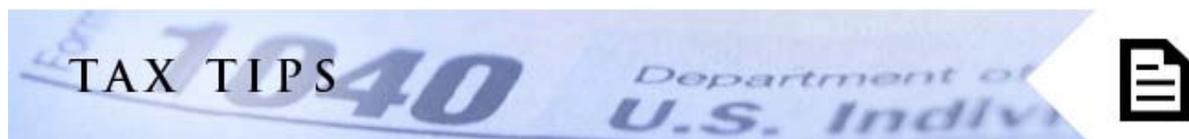
For the bean salsa:

- 1 can black beans
- 1 can sweet corn
- 2 large tomatoes, diced
- ½ cup red onion, diced
- Cilantro to taste
- 2 limes
- Salt and pepper, to taste

Directions

1. Cook fish sticks according to the package instructions.
2. While the fish is cooking, mix all the sauce ingredients together.
3. For the bean salsa, mix all the ingredients together.
4. To assemble, place one piece of fish onto a tortilla and top with bean salsa, taco sauce, lettuce, and avocado. Garnish with the remaining cilantro.

Recipe adapted from Lauren's Latest⁴



It's Never Too Early to Start Thinking About 2020 Taxes

Even though it's only November, it's never too early to start thinking about your 2020 taxes in April. There are a few things you can do to prepare early, including:

- Doing a paycheck checkup. We've recently talked about the importance of making sure your withholding status is correct, and if you haven't already done so, now's the time.
- Gathering your documents. You'll need your W-2 and Form 1099 from any other payer (and if you're self-employed).
- Confirming that your employer and bank have the accurate addresses. You should start to receive tax documentation in January.
- Setting up an e-Filing profile and signing up for direct deposit for a faster refund.

Remember, even though the filing deadline is April 15, you can always file your taxes before then as soon as you have all your documentation. The sooner you file, the sooner you will receive your tax refund. How early do you plan for the next year's filing?

* This information is not intended to be a substitute for specific individualized tax advice. We suggest that you discuss your specific tax issues with a qualified tax professional.

Tip adapted from IRS.gov⁵



This Simple Trick Will Help You Eliminate Half of the Hole

Whether you tend to slice or hook your drives, where and how you set up your ball matters. You may not put much thought into where and how you tee up, but this tip will encourage you to think more about your setup.

To eliminate half the hole and improve your chances of hitting a good shot, play off the tee in a way that will compensate for your swing trend. In other words, if you tend to hit a slice, tee your ball up near the right tee marker and address the ball so that both your stance and clubface point to ten o'clock. This effectively opens up the left side of the fairway visually for you and orients you toward that direction. Before you employ this tip, know your shot trend for the day. On the practice tee, for example, were you tending to slice or hook today? This way, you'll have an idea of which side to set up on. It's also important to note that with this tip, you're not trying to force a different swing (aka stop slicing). You are recognizing your swing trend for the day and wisely playing to that.

Tip adapted from Golf Tips Magazine⁶



Healthy Holiday Eating: Part 1

With Thanksgiving right around the corner and Christmas close behind, it's that time of year to think about healthy holiday eating. It seems like everywhere you turn there's a

dessert tray, beautiful spread, or cocktail waiting to be enjoyed. During the holidays, it's important to enjoy yourself and spend quality time with friends and family, but not overindulge. These tips can help!

- Budget wisely. If you think about calories like a budget, you'll better understand when to splurge and when to save. If you have a dish you absolutely love, save your calories and indulge in the dishes you really enjoy.
- Distance makes the stomach grow stronger. If you're at a holiday party, try not to position yourself right next to the food station. Standing too closely to a display of delicious holiday delights makes it easier to mindlessly eat. Instead, stand farther away and make a trip to the food only once or twice, filling most of your plate with healthier choices (like fresh fruit or raw vegetables) and only a couple small treats. This extra effort will help you to not overeat.

We'll have more holiday eating tips coming your way in the next few weeks!

Tip adapted from Harvard Medical School⁷



DIY Rain Harvesting

Did you know that about 600 gallons of rainwater can be harvested from about one inch of rain if it falls on a thousand square foot roof? Harvesting rainwater is a great way to save water and take full advantage of Mother Nature this fall. Plus, you don't even need fancy equipment to get started. [This article](#) shares some DIY options. Here's what you need to know:

- You can calculate how much rainwater you'll harvest by using data points like how much it rains where you live and the length and width of your roof.
- Rainwater tanks can be as small as 55 gallons.
- Make sure to place your rainwater reservoir underneath a downspout.
- The main components of a rainwater harvesting system are a barrel, a transportation system for the water, and a filter.
- Even if you're not the handiest, some rain catchers are as simple as a garbage bin, a lid, and a filter.

Tip adapted from Morning Chores⁸

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*Please share this educational update with family, friends, or colleagues.
We love being introduced!*

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¹ money.usnews.com/money/retirement/iras/articles/2017-04-03/5-new-taxes-to-watch-out-for-in-retirement

² <https://www.irs.gov/newsroom/401k-contribution-limit-increases-to-19500-for-2020-catch-up-limit-rises-to-6500#:~:text=The%20contribution%20limit%20for%20employees.increased%20from%20%24%2C000%20to%20%24%2C500.>

³ <https://www.medicare.gov/coverage/long-term-care>

⁴ <https://laurenslatest.com/the-easiest-fish-tacos/>

⁵ <https://www.irs.gov/newsroom/not-too-early-here-are-steps-taxpayers-can-take-now-to-get-ready-to-file-their-taxes-in-2019>

⁶ <https://www.golftipsmag.com/video/driving/eliminate-half-the-golf-hole/>

⁷ <https://www.health.harvard.edu/blog/12-tips-for-holiday-eating-201212245718>

⁸ <https://morningchores.com/rainwater-harvesting/>