

FINANCIAL & ESTATE PLANNING 2006

Insights from Leading Financial
and Legal Advisors

To read the full report and related information, go to the link listed below or visit www.Finance-Insights.com

Distribution planning: The Overlooked Ingredient

Clients often come to us with a common dilemma. They have been advised to contribute large amounts into their IRAs, 401(k)s, and Non-Qualified Annuities during their working years. As they near retirement, many become concerned about the huge tax bill they have created for themselves. If you were a farmer, and were given a choice of when to pay taxes, which would you choose: on the acquisition value of the seed, or on the revenue from the harvest? Unfortunately, most clients have been advised by "accumulation specialists" to prolong the tax until the harvest. When they begin to realize the

impact of the deferred taxes on their retirement income, coupled with mandatory required minimum distributions, a new perspective arrives.

"...near retirement, many become concerned about the huge tax bill they have created for themselves."

Planning for the successful accumulation of assets for a healthy financial retirement should first start with a vision for the desired end game, and attention to detail. Without understanding

the goals and objectives in advance, and having a qualified advisor that can help you mold your desired financial future, you may be strictly focused on accumulation. That may be akin to having a 28-0 lead at the end of the third quarter, only to have your opponent shut you out in the fourth quarter by scoring 6 touchdowns (28-42 loss). What we do during the first three quarters is important, but the 4th quarter can win or lose the game. Good pre-game preparation (proper planning), will greatly improve your chance for success.

It is important to learn as much as you can about proper distribution planning! Find out about some common distribution oversights, and what you should look for, in our full report.

To read the full report, go to
www.finance-insights/assured.asp



Assured Concepts Group, Ltd. is a financial planning firm offering strategies for the development and retention of wealth. David W. Schlossberg has been providing services since 1980. Emphasis in the firm is placed on values based distribution planning (back to front planning), and tax efficiency. For additional information, call (866) 279-7900 or visit www.assuredgroup.com. The information provided herein is not intended as tax or investment advice. David W. Schlossberg is an Investment Advisor Representative of, and offers Securities through ING Financial Partners, member SIPC.

DRA: New Implications for Estate and Long-Term Care Planning

The Deficit Reduction Act of 2005 (DRA), signed by President Bush in February 2006, aims to reduce government spending by cutting federal Medicaid funding. Included in the DRA are provisions to tighten Medicaid's long-term care eligibility requirements, which shift the responsibility for paying long-term care costs away from the government and back onto the individual.

Where families will most likely feel the DRA's affect is in their bank accounts. Narrowed Medicaid eligibility guidelines will leave more people faced with paying long-term care expenses out-of-pocket at a time when nursing home costs continue to rise.

Retirement planning tools, such as long-term care insurance plans, may be appropriate for those concerned about draining their retirement savings and other investments. Consulting an insurance agent or financial advisor about these important changes is recommended.

Consumers also should be familiar with the DRA changes to eligibility guidelines for Medicaid nursing home benefits that affect asset transfers and the treatment of home equity and annuities.

The Medicaid penalty period, or look-back period, has been extended from three years to five years for individuals that transfer assets at less than

fair market value (divesting assets, giving cash gifts or transferring mortgage titles to family). The look-back period effective date now begins on the date of the Medicaid application, not the date of the asset transfer, which can limit transfers pre-planned solely to create a Medicaid qualification.

Under the DRA, treatment of home equity and annuity transfers are no longer exempt from penalty period consideration. Medicaid applicants with more than \$500,000 in home equity may now be ineligible for long-term care benefits, as determined by individual state guidelines. Asset transfers to annuities are currently prohibited during the look-back period except when the state is listed as the annuity's named beneficiary for at least the amount of the Medicaid benefits provided.

To read the full report, go to
www.finance-insights/bankerslife.asp



Established in 1879, Bankers Life and Casualty Company is a subsidiary of Consecro, Inc. Bankers is a leading provider of retirement planning solutions, focusing exclusively on the financial security needs of seniors. Bankers offers a broad product portfolio including Medicare Supplement, long-term care and life insurance, and annuities through career agents in more than 160 branch offices nationwide. For more information, visit www.bankers.com or call 1-800-231-9150.

FINANCIAL & ESTATE PLANNING 2006

For in-depth reports on these
and other financial topics, visit
www.finance-insights.com



To read the full report and related information, go to the link listed below or visit www.Finance-Insights.com

Retirement Income: Uncommon Approach To Common Question

For many retirees and near-retirees, the “golden years” often give rise to an unexpected question:

Just how do I turn my retirement savings into retirement income?

They're not alone in wondering. Seventy-eight percent of retirees have no income plan, according to LIMRA International's Retirement Planning Study, 2003.

Two common answers to that question often raise reservations. Retirees can opt to invest their nest eggs in mutual funds and draw on them year after year, but some worry that they might outlive their savings. Alternatively, they can purchase a lifetime annuity

with a lump sum payment, but some worry that they are giving up flexibility to address future needs.

Now, however, a new approach provides a balance of security, control and flexibility by giving retirees a way to turn tax-qualified retirement savings (e.g. 401(k) and IRA accounts) into inflation-adjusted monthly payouts that last their lifetime -- like a pension, in some respects.

Here's how it works: Working with an advisor, a retiree rolls over tax-qualified retirement savings into an IRA, where the money is invested in mutual funds (whose value will fluctuate with the market over time). A special calculator determines the hypotheti-

cal amount of lifetime monthly income those savings can sustain based on such factors as life expectancy, investment amount and survivorship needs.

The retiree then decides how much of that monthly income he or she wants to guarantee through the purchase of an income annuity within the same IRA. Retirees can purchase the guarantee in a lump sum, or, more likely, transfer assets in smaller increments over a number of years from a mutual fund model portfolio to the income annuity. They can stop, speed up or slow down the transfers at any time.

With this program, currently available only through certain investment advisors, the retiree gets the convenience of a single IRA account, a single statement, and a single income check that includes mutual fund withdrawals and annuity payments.

To read the full report, go to
www.finance-insights/massmutual.asp



MassMutual Financial Group is the fleet name for Massachusetts Mutual Life Insurance Company (MassMutual) and its affiliates, with more than 13 million clients and over \$395 billion in assets under management at year-end 2005. Founded in 1851, MassMutual is a mutually owned financial protection, accumulation and income management company headquartered in Springfield, Mass. MassMutual is on the internet at www.massmutual.com.

Asset Allocation: Minimizing Risk, Maximizing Return

Asset allocation is the wise investor's response to the commonsense notion that putting your eggs in one basket risks losing them all. It refers to the strategy of dividing your total investment portfolio among various asset classes to effectively diversify it.

That's why asset allocation may be the investor's most important strategy for investing money and helping to minimize loss.

The concept is straightforward although its application is complex: By mixing or blending multiple classes of different assets according to their personal circumstances and financial objectives, investors seek to minimize their risk while maximizing their returns.

Asset classes include, among others, stocks (large, medium-, small-cap, domestic and foreign), fixed-income solutions (bonds, T-bills, for example), pre-

“History shows us that asset allocation accounts for 90 percent of a portfolio's return over time.”

cious metals, real estate, and cash. Asset classes generally show different levels of return and behave unpredictably.

To make good asset allocation decisions, investors must first understand their tolerance for risk, their financial resources and their overall financial objectives and circumstances, including age.

Younger investors typically prefer a mix that carries more potential earnings but also greater risk, such as emerging market equities. Conversely, retirees generally require a more conservative blend of bonds and T-bills. People between the two groups may strike a balance between large-cap American stocks, international stocks and high-yield corporate bonds. High net-worth investors with a greater appetite for risk, on the other hand, might prefer to include investments in more aggressive alternatives.

Because each individual's goals and circumstances are unique, consulting a financial advisor can help tailor a customized allocation strategy. Asset allocation usually changes with different stages in the investor's life, as their goals also change along with shifts in lifestyle.

To read the full report, go to
www.finance-insights/taggerutherford.asp



Tagge * Rutherford Financial Group is a comprehensive financial services firm committed to helping our clients improve their long-term financial success. Our customized programs are designed to grow, and conserve our clients' assets by delivering an unprecedented level of personalized service. To learn more go to, www.tagge-rutherford.com or contact Scott Norvell, Vice President at 402-334-6282. Scott Norvell is also a registered representative with Multi-Financial Securities Corporation, member NASD/SIPC, which is not affiliated with Tagge-Rutherford Financial Group.