

## PRISM PLANNING &amp; SOLUTIONS GROUP, LLC

*Retirement Security Awareness Month***FROM YOUR ADVISOR**

Happy Fall! As I write this, we are seeing interest rates for all maturities higher than they have been in years. I believe this is a major shift in the structure of our economy and an indication that it has successfully recovered from the damage done by the 2007 - 2008 housing crisis (and ultimately a positive development.) Notable is that this economic healing has occurred without a deep depression, which has not been the usual case. We do have distortions that are well-known, such as an increased concentration of wealth and a decrease in purchasing power for most Americans, but these seem less severe than in previous cycles and there are signs of those extremes having peaked. We are seeing concentrations in equity markets last seen in the late 1990s and the mid-1970s, as a handful of companies enjoy very high profit margins by historical standards. Financial markets have served as the great equalizers in past cycles, and there's no reason to think they won't again.

**UPCOMING EVENTS**

Join us for our monthly zoom call,  
Thursday October 26th 2023 at  
6PM.

Click here to register

[Sharon@PPSgrp.com](mailto:Sharon@PPSgrp.com)

Include in the subject line:

Oct 26 Call

Click here to be invited to future  
monthly zoom calls

[Sharon@PPSgrp.com](mailto:Sharon@PPSgrp.com)

Include in the subject line:

Future calls

**RETIREMENT SECURITY AWARENESS MONTH**

The "three-legged stool" for retirement income is Social Security, pensions and savings. Today, you should assume that your savings will have to do most of the work in planning for your long-term financial security. (Read more about the history of Social Security and pensions [here](#).)

Most pensions have been replaced by Defined Contribution plans, which means certainty about the income you will get when you retire has been replaced by certainty about how much you may save today. There are tax advantages for savings earmarked for retirement, and it is important that you understand your choices and take maximum advantage today if you want to retire comfortably and stay comfortably retired.

No surprise that the sooner you start saving the more you'll have later. But do you know how much savings it will take to allow you to live as you'd like in retirement? The article [here](#) has some tables based on age and income you may find useful. As one example, let's assume you are 35 years old with a salary of \$100,000. Using the assumptions listed in the article mentioned, if you want to be on track to retire at 65 and maintain your current standard of living, you should have accumulated about \$150,000 in retirement savings and be contributing 18% of your salary to a retirement account. Now these are very broad targets with many assumptions that may or may not apply to you, which is why you should consider speaking with a CFP® professional.



## RETIREMENT SECURITY AWARENESS MONTH

Does your employer offer a retirement savings plan such as a 401(k), 401(b), Thrift Plan or SIMPLE? Does it include “matching contributions?” Deferring some of your income into plans like these, especially up to the limit for getting a “matching contribution” is the first step to consider when thinking about saving for the long-term. These plans have specific rules, including limits on accessibility to the money while you are employed, so read your company’s website, find more information [here](#) and consider speaking to a CFP® professional who will help you review your financial situation in detail, including what’s available to you in employer sponsored retirement savings plans. A CFP® professional will help you develop and implement a financial plan specific to you, and help you understand the financial trade-offs specific to your situation.

Regardless of yesterday’s savings habits, you can decide to make changes tomorrow that can have a powerful impact on your financial future.

## “ALL THINGS IRA” CORNER

Avoiding 60-day rollover mistakes:

What is a 60-day rollover? A 60-day rollover is the distribution of funds from a qualifying retirement account payable to the account owner who then has 60 days to redeposit the funds into another qualifying retirement account.

- Do a trustee-to-trustee transfer instead (this will also avoid the mandatory 20% withholding requirement when moving funds from a 401(k) or another qualified plan to an IRA).
- Make checks payable to a new IRA custodian (if you have to take a distribution by check, have it made out to the new IRA, for example “Custodian X f/b/o (for benefit of) Jane Doe IRA”).
- Keep track of key dates - the 60 day clock begins when you receive the distribution.
- Double check the deposit - if you have more than one account at the same financial institution, they may mistakenly deposit your check into the wrong account. The error can be fixed if you catch it within the 60 day window.
- Know the once-per-year IRA rollover rule - 60 day rollover from IRA to IRA or Roth IRA to Roth IRA are limited to once every 365 days, and are counted together.

Julia Peloso-Barnes, CFP® is a member of Ed Slott’s Master Elite IRA Advisor Group™. For more information on anything mentioned in the “All Things IRA” Corner please email Julia at [Julia@PPSgrp.com](mailto:Julia@PPSgrp.com) or schedule a call/zoom [here](#).

Prism Planning & Solutions Group is a dba of Insight Advisors, a Registered Investment Adviser. Advisory services are only offered to clients or prospective clients where Insight Advisors and its representatives are properly licensed or exempt from licensure. This material is solely for informational purposes. No advice may be rendered by Insight Advisors unless a client service agreement is in place. Prism Planning & Solutions Group does not offer tax or legal advice.

Certified Financial Planner Board of Standards, Inc. (CFP Board) owns the CFP® certification mark, the CERTIFIED FINANCIAL PLANNER™ certification mark, and the CFP® certification mark (with plaque design) logo in the United States, which it authorizes use of by individuals who successfully complete CFP Board’s initial and ongoing certification requirements.

[www.ppsgrp.com/meet-the-team](http://www.ppsgrp.com/meet-the-team)

## KEY POINTS

- The “three-legged stool” of financial security is out of balance and your savings will need to bear most of the weight.
  - You have choices with tax advantages offering incentives for you to save for your own retirement.
- Defined Contribution Plans have replaced Defined Benefit Plans, shifting both risk and responsibility from employers to employees.
  - Learn how to maximize use of DC plans for your own financial security.
- Know your numbers - are you on track with savings balances and annual savings to have the financial future you want?
  - Everyone’s situation is different so start with the baseline assumptions.
- Take maximum advantage of employer-sponsored plans and know the rules.
  - There are always trade-offs for every benefit. Know what they are and choose what is best for you.

A CERTIFIED FINANCIAL PLANNER™ will help you review your financial situation in detail, including what’s available to you in employer sponsored retirement savings plans, and help you develop and implement a financial plan based on you and your needs. Click [HERE](#) for more resources related to saving for retirement.

