



## Financial Strategies For Your Future

### February Newsletter

Hello Eric,



2021 may not have produced a lot of snow so far, but that doesn't mean the mountains don't have it! Besides **skiing** (which you know I am doing every chance I get) there are a number of other great ways to get out and enjoy the winter.

**Snow tubing, skating, snow-shoeing, and going for hikes** are some of my favorites. What other ways have you found to enjoy the colder months?

Please give me a call anytime at:  
**(603) 343-4515** anytime to schedule a meeting, or just to say hello.

**I am available for meetings over the phone, virtual or in person.**

## Did you know...

SNOW TUBING is rumored to date as far back as the 1820s to the Alpine Mountains? They're believed to have started as a means to transport materials and people across large swaths of territory, then evolving to more entertaining ways of playing in the snow by riding them downhill.

<https://www.airhead.com/blogs/news/snow-tubing-the-evolution-of-a-new-trend-for-all-ages>

## Events & Resources

### Join our Taiji, Qigong & Yoga classes online!

**Where:** Both in-person and  
online

875 Islington Street,  
Portsmouth, NH

**Date(s):** Join Anytime!

**Cost:** Varies

**Taiji pronounced 'Tai Chi'**

- Better Balance
- No More Pain
- A Sharper Mind
- A Boost in Mood
- Less Stress
- A Healthier Heart

### Guided Nature Walks

**Where & When:** Sunday,  
February 7th

-Bauneg Bog Mountain  
Conservation Area, North Berwick,  
ME (GWLT)

**Saturday, February 20th**

-Tucker & French Family Forest,  
Kingston, NH (SELT)

**Time:** 10am – Noon

**Cost:** \$5 holds your spot for the  
walk.

**-Additional donations are  
appreciated, but not required.**

Looking to get outside and wanting  
to enjoy a little company? Our  
guided nature walks are for you!

## **Qigong pronounced 'Chee Kung'**

- Trains the mind to concentrate and focus
- Improves the body's metabolism
- Loosens and exercises the joints
- Strengthens the tendons and ligaments
- Builds root, center and balance

## **Yoga**

- Increase flexibility
- Strength
- Balance
- Range of motion
- Stability

[More Information](#)

Designed for children age 12 to adults, these adventures are low-impact opportunities to be in nature alongside our caring Educators. We will explore various local preserves, observe seasonal change, wildlife habitats, share naturalist knowledge and more.

- Learn to notice natural phenomenon
- Gain new naturalist knowledge
- Learn new ways to observe and question unknown specimens
- Connect with other like-minded, environmentally-focused individuals

[More Information](#)



## **Comedy Night at the Strand!**

**Where:** The Strand Theater  
20 Third Street  
Dover, NH

**Date & Time:**  
Feb. 13th @ 8pm

**Cost: 15-20**

Join us for belly-aching laughter with Mark Scalia and Tim McKeever. Mark has been a comedy favorite with audiences for over 30 years. From comedy clubs to Comedy Central, cable programs to hosting live events.

Tim hails from Western Mass. He has been performing stand up for seven years. He has performed at

## **Real Women Sharing stories of survival and elevating awareness.**

**Where:** Digital

**Date & Time:** Thursday,  
February 18, 12:00noon – 1:00pm  
**Cost: Free**

- Providing women with opportunities to prioritize and take charge of their own health;
- Building communities that support and provide access to healthy choices;

clubs and colleges all over New England including the Funny Bone, Comix, Broadway Comedy Club, Jokers Wild and Hu Ke Lau.

[More Information](#)

- Demanding equal access to healthcare for all women and their families;
- Increasing women in STEM in upcoming generations.

[More Information](#)

## Best Vacations: By Car, By Ship, By Foot, Once in a Lifetime



**“Travel is the only thing you buy that makes you richer.”<sup>1</sup> – Unknown**

If travel for you is less about escaping life and more about living it, then consider these vacation ideas:

### **By Car**

East Coast of Australia: There may be no better way to experience this amazing continent than by driving along its east coast, stretching from Melbourne in the south to Cairns to the north. This 2,500-mile drive carries you through rainforests, cities, mountains, and the outback, with the blue waters of the Pacific as a constant companion. Be sure to carve out time for the Great Barrier Reef, snorkeling, kayaking, and hiking along the way.

### **By Ship**

Northwest Passage: For hundreds of years explorers tried, and failed, to find the fabled Northwest Passage. Travelers can now discover what eluded so many brave adventurers. Begin your journey in Greenland, sail past its fjords, and you're on your way. As you penetrate deep into the Arctic, you'll scrape against icebergs and marvel at the harshness and sublime beauty at the top of the world. But, it's not just ice. See the remains of explorations that came before you and the polar bears that call this home.

## **By Foot**

Camino de Santiago, Spain: Sometimes adventure is a journey to discover ourselves. This medieval pilgrimage through France, Spain, and Portugal to the Cathedral of Santiago de Compostela in northwest Spain can take you weeks or months. Travelers can recover from a day's walk at one of some 300 refugios that offer food, drink, and a clean place to sleep. It's a mystical experience that gives you time to reflect on life, learn about yourself, and connect with kindred spirits.

## **Once in a Lifetime**

Botswana, Africa: One of the most sparsely populated nations on earth, Botswana is dominated by the Kalahari Desert and the Okavango Delta, the world's largest inland delta and now a UNESCO World Heritage site. The Okavango is the ideal spot to safari as its waters attract a richness of wildlife that is unmatched on the continent. The country's focus on minimizing human impact means that your African experience will be both primal and transcendent.

1. TravelGoalGetter.com, 2017

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# **Choices for Your 401(k) at a Former Employer**



One of the common threads of a mobile workforce is that many individuals who leave their job are faced with a decision about what to do with their 401(k) account.<sup>1</sup>

Individuals have three basic choices with the 401(k) account they accrued at a previous employer.

### **Choice 1: Leave It with Your Previous Employer**

You may choose to do nothing and leave your account in your previous employer's 401(k) plan. However, if your account balance is under a certain amount, be aware that your ex-employer may elect to distribute the funds to you.

There may be reasons to keep your 401(k) with your previous employer —such as investments that are low cost or have limited availability outside of the plan. Other reasons are to maintain certain creditor protections that are unique to qualified retirement plans, or to retain the ability to borrow from it, if the plan allows for such loans to ex-employees.<sup>2</sup>

The primary downside is that individuals can become disconnected from the old account and pay less attention to the ongoing management of its investments.

### **Choice 2: Transfer to Your New Employer's 401(k) Plan**

Provided your current employer's 401(k) accepts the transfer of assets from a pre-existing 401(k), you may want to consider moving these assets to your new plan.

The primary benefits to transferring are the convenience of consolidating your assets, retaining their strong creditor protections, and keeping them accessible via the plan's loan feature.

If the new plan has a competitive investment menu, many individuals prefer to transfer their account and make a full break with their former employer.

### **Choice 3: Roll Over Assets to a Traditional Individual Retirement Account (IRA)**

The last choice is to roll assets over into a new or existing traditional IRA.<sup>3</sup> It's possible that a traditional IRA may provide some investment choices that may not exist in your new 401(k) plan.

The drawback to this approach may be less creditor protection and the loss of access to these funds via a 401(k) loan feature. Remember, don't feel rushed into making a decision. You have time to consider your choices and may want to seek professional guidance to answer any questions you may have.

1. Under the SECURE Act, in most circumstances, you must begin taking required minimum distributions from your 401(k) or other defined contribution plan in the year you turn 72. Withdrawals from your 401(k) or other defined contribution plans are taxed as ordinary income, and if taken before age 59½, may be subject to a 10% federal income tax penalty.
2. A 401(k) loan not paid is deemed a distribution, subject to income taxes and a 10% tax penalty if the account owner is under 59½. If the account owner switches jobs or gets laid off, any outstanding 401(k) loan balance becomes due by the time the person files his or her federal tax return. Prior to the 2017 Tax Cuts and Jobs Act, employees typically had to repay loans within 60 days of departure or face potential tax consequences.
3. Under the SECURE Act, in most circumstances, once you reach age 72, you must begin taking required minimum distributions from a Traditional Individual Retirement Account (IRA). Withdrawals from Traditional IRAs are taxed as ordinary income and, if taken before age 59½, may be subject to a 10% federal income tax penalty. You may continue to contribute to a Traditional IRA past age 70½ under the SECURE Act as long as you meet the earned-income requirement.

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# Catch-Up Contributions



**A recent survey found that 23% of people were very confident about having enough money to live comfortably through their retirement years. At the same time, 33% were not confident.<sup>1</sup>**

Congress in 2001 passed a law that can help older workers make up for lost time. But few may understand how this generous offer can add up over time.<sup>2</sup>

The “catch-up” provision allows workers who are over age 50 to make contributions to their qualified retirement plans in excess of the limits imposed on younger workers.

## How It Works

Contributions to a traditional 401(k) plan are limited to \$19,500 in 2019. Those who are over age 50 – or who reach age 50 before the end of the year – may be eligible to set aside up to \$26,000 in 2019.<sup>3</sup>

Setting aside an extra \$6,500 each year into a tax-deferred retirement account has the potential to make a big difference in the eventual balance of the account. And by extension, in the eventual income the account may generate. (See accompanying chart.)

## Catch-Up Contributions and the Bottom Line

This chart traces the hypothetical balances of two 401(k) plans. The blue line traces a 401(k) account into which the maximum regular annual contributions are made each year, but no catch-



up contributions. The green line traces a 401(k) account into which the maximum regular and full catch-up contributions are made each year.

Upon reaching retirement at age 67, both accounts begin making payments of \$4,000 a month.

The hypothetical account without catch-up contributions will be exhausted by the time its beneficiary reaches age 83.

This hypothetical example is used for comparison purposes and is not intended to represent the past or future performance of any investment. Fees and other expenses were not considered in the illustration. Actual returns will fluctuate.

Both accounts assume an annual rate of return of 5%. The rate of return on investments will vary over time, particularly for longer-term investments. Contributions to and withdrawals from both accounts have been increased by 2% each year to account for potential 2% inflation.

Under the SECURE Act, in most circumstances, you must begin taking required minimum distributions from your 401(k) or other defined contribution plan in the year you turn 72. Withdrawals from your 401(k) or other defined contribution plans are taxed as ordinary income, and if taken before age 59½, may be subject to a 10% federal income tax penalty.

1. EBRI, 2019 Retirement Confidence Survey
  2. Economic Growth and Tax Relief Act of 2001
  3. Forbes, 2020. Catch-up contributions also are allowed for 403(b) and 457 plans.
- Distributions from 401(k) plans and most other employer-sponsored retirement plans are taxed as ordinary income and, if taken before age 59½, may be subject to a 10% federal income tax penalty. Under the SECURE Act, in most circumstances, you must begin taking required minimum distributions from your 401(k) or other defined contribution plan in the year you turn 72.

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