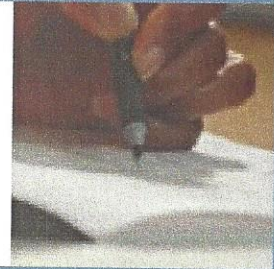




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## AZTEC Financial Group Newsletter

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Have you had a chance to browse our new and improved website? You will find links to access your accounts online, as well as information about LPL Financial and our team. We also have hundreds of articles, videos, calculators and presentations on many different subjects! Take a few minutes to check it out at [www.aztecfcg.com](http://www.aztecfcg.com)!

I would like to thank everyone who submitted answers to our question last month. The winner of the drawing for April is (not picked yet). Congratulations (xxx)!!

This month's drawing will be for a \$25 gift certificate to The Weathervane Seafood Restaurant. Founded in Kittery, Maine, in 1969 by Raymond and Bea Gagner, the chain has since expanded to 17 locations throughout Maine and New Hampshire. For more information click [HERE](#).

And the question is...

Why is it important to review your homeowners insurance before undertaking a home improvement project?

[Click here](#) to submit your answer by email. Good luck!



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### Did You Know?

May 1st, often called May Day, just might have more holidays than any other day of the year. It's a celebration of Spring. It's a day of political protests. It's a neopagan festival, a saint's feast day, and a day for organized labor. In many countries, it is a national holiday. However, did you ever wonder where distress term "Mayday" comes from? Many recognize it as a way of indicating that a person is in trouble and needs immediate assistance. This term derives from the French "m'aidez", pronounced "mayDAY," and means literally "help me."

### Local Events!

**Somersworth Spring Craft Fair:** Saturday April 30 from 9-3 at Somersworth High School. For more information click [HERE](#).

**Cycle the Seacoast:** Sunday May 1 starting at Red Hook Brewery in Portsmouth. For more information, click [HERE](#).

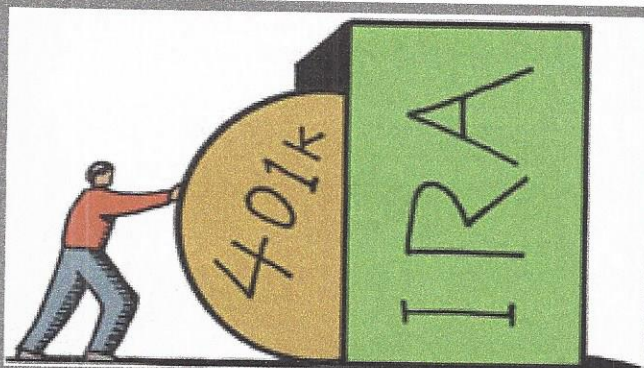
**Wine Expo NH:** Tuesday May 3, 2016 from 5:30 - 7:30 at Portsmouth Harbor Events Center at Portwalk Place. For more information click [HERE](#).

**Greater Dover Chamber of Commerce 15th Annual Sweepstakes & Auction:** Friday May 6 from 6:00 to 11:30 at the Garrison Wing Conference Center of Wentworth-Douglass Hospital. For more information click [HERE](#).

**7th Annual Mothers' Day Weekend Craft Festival:** Saturday, May 7 and Sunday, May 8 at the scenic Town Common in Hampton Falls. For more information click [HERE](#).

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### What's So Great About a Rollover?



Changing jobs can be a tumultuous experience. Even under the best of circumstances, making a career move requires a series of tough decisions, not the least of which is what to do with the funds in your old employer-sponsored retirement plan.

Some people choose to roll over these funds into an Individual Retirement Account, and for good reason. About 30% of all retirement assets in the U.S. are held in IRAs, and 87% of traditional IRA owners funded all or part of their IRAs with a rollover.<sup>1, 2</sup>

Generally, you have three choices when it comes to handling the money in a former employer's retirement account.

First, you can cash out of the account. However, if you choose to cash out, you will be required to pay ordinary income tax on the balance plus a 10% early withdrawal penalty if you are under age 59½.

Second, you may be able to leave the funds in your old plan. But some plans have rules and restrictions regarding the money in the account.

Or third, you can roll the money into an IRA. Why do so many people choose an IRA rollover? Here are a few of the major benefits:

**Rollovers may preserve the tax-favored status of your retirement money.** As long as your money is moved through a direct "trustee-to trustee" transfer, you can avoid a taxable event.<sup>3</sup> In a traditional IRA, your retirement savings will have the opportunity to grow tax-deferred until you begin taking distributions in retirement.

**An IRA rollover may open up your investment choices.** When you stick with your former employer's retirement plan, you are typically limited to the investments offered by the plan. With an IRA, you may have a much broader range of choices, giving you greater control over how your assets are allocated.

**Rollovers can make it easier to stay organized and maintain control.** Some people change jobs several times during the course of their careers, leaving a trail

of employer-sponsored retirement plans in their wake. By rolling these various accounts into a single IRA, you might make the process of managing the funds, rebalancing your portfolio, and adjusting your asset allocation easier.

An IRA rollover may make sense whether you're leaving one job for another or retiring altogether. But how your assets should be allocated within the IRA will depend on your time horizon, risk tolerance and financial goals.

1. 2015 Investment Company Factbook
2. Distributions from traditional IRAs 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. Generally, once you reach age 70½, you must begin taking required minimum distributions.
3. The information in this material is not intended as tax advice. It may not be used for the purpose of avoiding any federal tax penalties. Please consult a tax professional for specific information regarding your individual situation.

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## The Most Overlooked Item of Any Home Improvement



If you are like most homeowners, you love selecting the fixtures, fabrics, and paint colors of your home improvement project. But there is one very important item that you may overlook-making certain you are properly insured.

### Why Proper Insurance Matters

You may need to review your insurance before beginning any home improvement project since it can expose you to additional financial risks.

If you choose to act as your own general contractor (in other words, you organize and order supplies while hiring sub-contractors to do the work), you may be

opening up yourself to additional liability (such as an injury to a worker or third party) that may not be fully covered by your current homeowners insurance policy.<sup>1</sup>

Whether it's an extra room or an updated bathroom, many home improvement projects will increase the value of your home. However, too many homeowners fail to review the policy's replacement value limits, which may no longer be high enough to cover any losses that occur after your home improvement.

Obtaining additional coverage shouldn't wait until you've completed the remodeling. After all, at any point in the process, you will have supplies and completed work that may not be covered under your existing policy.

To ensure that you are properly covered, meet with your insurance agent about your projects and discuss with him or her any need for modifying your current insurance coverage.

1. The information in this material is not intended as legal advice. Please consult legal or insurance professionals for specific information regarding your individual situation.

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## Succeeding at Business Succession



Inc. magazine reported that 66% of small-business owners have no formal succession plan.<sup>1</sup> While the number may shock you, it is not surprising that many small business owners are consumed by the myriad responsibilities of running their businesses.

Nevertheless, owners ignore succession planning at their peril, and possibly at the peril of their heirs.

There are a number of reasons for business owners to consider a business

succession plan sooner rather than later. Let's take a look at two of them.

The first reason is taxes. Upon the owner's death, estate taxes may be due that a proactive strategy may help to better manage.<sup>2</sup> Failure to properly plan can also lead to a loss of control over the final disposition of the company.

Second, the absence of a succession plan may result in a decline in the value of the business in the event of the owner's death or unexpected disability.

The process of business succession planning is comprised of three basic steps:

1. **Identify Your Goals:** When you know your objectives, it becomes easier to develop a plan to pursue them. For instance, do you want future income from the business for you and your spouse? What level of involvement do you want in the business? Do you want to create a legacy for your family or a charity? What are the values that you want to ensure, perhaps as they relate to your employees or community?
2. **Determine Steps to Pursue Your Objectives:** There are a number of tools to help you follow the goals you've identified. They may include buy/sell agreements, gifting shares, establishing a variety of trusts or even creating an employee stock ownership plan if your desire is that employees have an ownership stake in the future.
3. **Implement the Plan:** The execution step that converts ideas into action. Once implemented, you should revisit the plan regularly to make sure it remains relevant in the face of changing circumstances, such as divorce, changes in business profitability, or the death of a stakeholder.

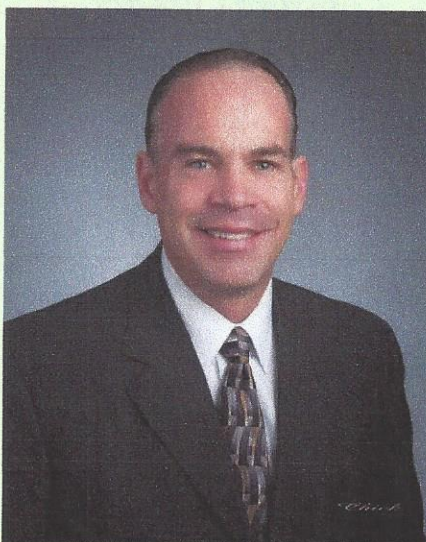
Keep in mind that a fundamental prerequisite to business succession planning is valuing your business.

As you might imagine, business succession is a complicated exercise that involves a complex set of tax rules and regulations. Before moving forward with a succession plan, consider working with legal and tax professionals who are familiar with the process.

1. Inc.com, June 20, 2014

2. Typically, estate taxes are due nine months after the date of death. And estate taxes are paid in cash. In addition to estate taxes, there may be a variety of other costs, including probate, final expenses, and administration fees.

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