LPL Financial

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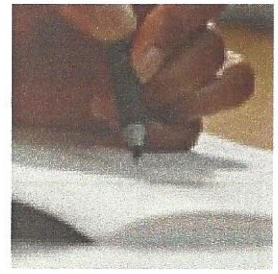
CERTIFIED FINANCIAL PLANNER™

Member FINRA/SIPC



AZTEC Financial Group Newsletter

In This Issue

Quick Links

Our Team
Mission Statement
Products & Services
Useful Links
About LPL Financial
LPL Research Resources
Past Newsletters

Seasons Greetings! In warm appreciation of our association during the past year, I extend my very best wishes for a happy holiday season.

It was great to see and catch up with so many of you at the open house! If you were not able to make it this time, I hope you will be able to come to our next event!

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

This month's drawing will be for a $25 gift certificate to Moxy, located in downtown Portsmouth. Moxy offers American cuisine served tapas-style with a focus on the foodstuffs, history and culture of New England. For more information click HERE.

And the question is...

According to a recent survey, what percent of people are "very confident" that they have enough money to retire comfortably?

Click here to submit your answer by email. Good luck!

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Did You Know?

New Hampshire has the longest running lottery in the continental United States. Initially numbers were not randomly drawn, but determined by horse races at Rockingham Park in Salem to avoid federal anti-lottery laws.

Local Events!

"Oliver!" at Seacoast Rep: Playing Thursday through Sunday until December 17th. For more information click HERE.

Christmas Parades! Wondering when the Holiday parades are in your area? Click HERE for more information!

Vintage Christmas in Portsmouth: December 1 - 31, various times and locations. For more information click HERE.

A Victorian Christmas on the Farm: Saturday, December 19 from 10:00 to 4:00 at New Hampshire Farm Museum. For more information on this and other events click HERE.

First Night 2016: Click HERE for details on First Night 2015 fun in Portsmouth!

New Year's Eve 2015 Comedy Ball: Click HERE for more on this exclusive event at Governor's Inn.

These websites are provided for informational purposes only. We are not responsible for the website content.

Catch-Up Contributions

A recent survey found that 37% of people were very confident about having enough money to live comfortably through their retirement years. At the same time, 28% were not confident.[1]

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.[2]
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.

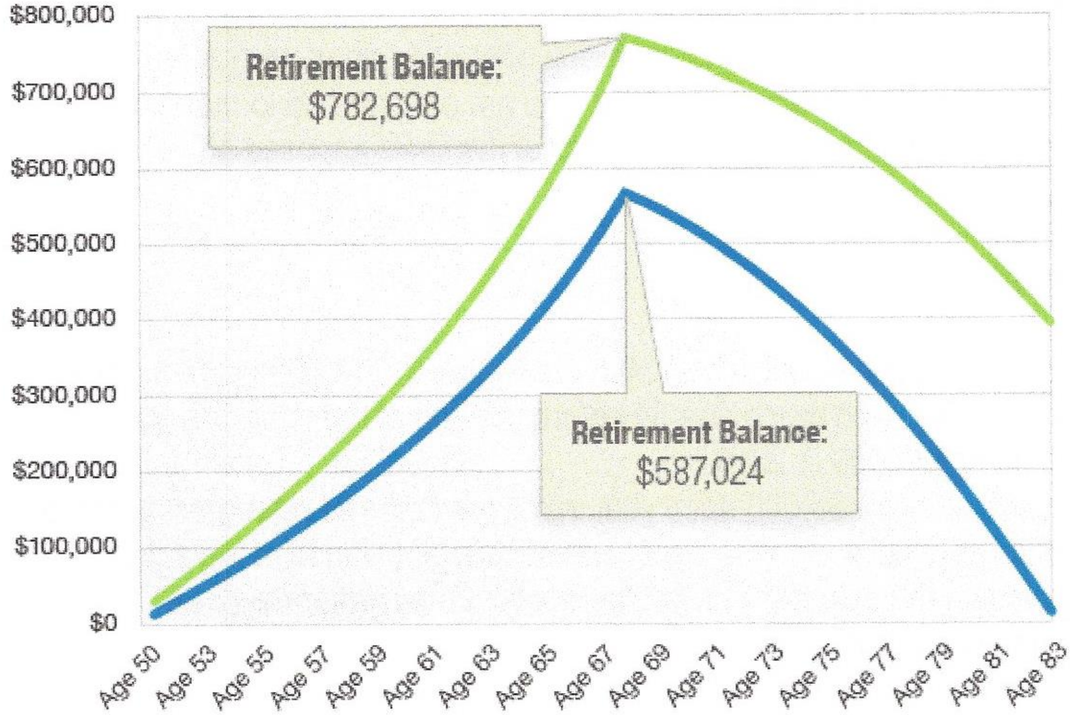
How It Works

Contributions to a traditional 401(k) plan are limited to $18,000 in 2015. 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 $24,000 in 2015.[3]
Setting aside an extra $6,000 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 illustration.)

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.



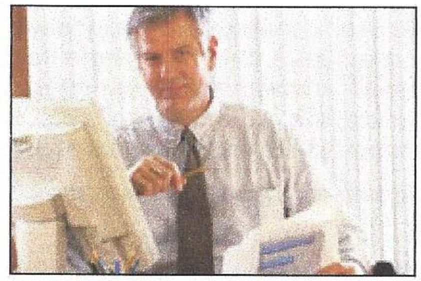
This hypothetical example is used for comparison purposes and is not intended to represent the past or future performance of any investment. Fees and other expenses were not considered in the illustration. Actual returns will fluctuate.

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 2% each year to account for potential 2% inflation.

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. Generally, once you reach age 70½, you must begin taking required minimum distributions.

EBRI, 2015 Retirement Confidence Survey
Economic Growth and Tax Relief Act of 2001
IRS, 2013. 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. Generally, once you reach age 70½, you must begin taking required minimum distributions.

The Lowdown on Those Free Credit Scores



The Fair and Accurate Credit Transaction Act of 2003 provided individuals with valuable rights to the credit information companies keep on them, but did you know that the credit score provided to you may be different than the one provided to lenders?

The first thing you should know is that you have a right to see your credit report once annually without cost. To receive your free credit report you can visit www.AnnualCreditReport.com. This report will contain important information that may affect your credit score.

While your credit report can be obtained for free, your credit score will cost you money, except in the case where you have been denied a loan on the basis of your credit score, in which case you may obtain your credit score for free.

Your credit score is a numerical representation of your creditworthiness, which takes into account past and current credit activities, including any late payments, judgments, liens, bankruptcies and foreclosures.
When you see an offer for getting your free credit score, it is may be a marketing-driven incentive to get you to sign up for a fee-based credit monitoring service. The score may be only available at no cost if you agree to sign up for a trial subscription and don't cancel prior to the end of that trial period.

The Dirty Little Secret of Credit Scores

Before you purchase your credit score understand that the methodology used to calculate the score you buy is different from that used to determine the credit score lenders receive.
While the correlation between the scores is high (90%), correlations vary among different consumer subsets. For instance, the correlation is strongest among consumers with scores below the median than for consumers with scores above the median. In fact, up to 27% of the scores received by individuals could be placed in a different credit score category from what the lender receives.[1]

While knowing your credit score may be important, it may be more vital to review your credit report to correct any errors that may be hurting your score, and take any necessary steps to improve your credit profile.

1. Consumer Financial Protection Bureau, 2012. (Most recent statistics available.)

What is the Value of Your Business?

In the first quarter of 2015, nearly 2,000 small businesses were sold. The median sale price was $200,000, up from $175,000 the year before.[1]

As a business owner, ascertaining the value of your business is important for a variety of reasons, including business succession, estate tax estimates, or qualifying for a loan.

There are a number of valuation techniques, ranging from the simple to the very complex. Outlined below are three of the different approaches to valuing a business.

Asset Based: Calculates the value of all tangible and intangible assets held by the business. This approach ignores the future earning potential of the company. Thus, a pure asset-based valuation model is often used for companies that are bankrupt or looking to liquidate
Earnings Based: Seeks to arrive at a business's value by applying a multiple to normalized earnings, i.e., earnings adjusted to subtract owner's compensation and related expenses. The multiplier can vary substantially, depending upon the industry and the outlook for the business.
Market Based: Compares the business to recent sales of similar companies.

Business valuation is not just a formulaic exercise. For instance, there is a value to the business of being a "going concern" as opposed to the start-up alternative. Ownership percentage will also matter; purchasing a minority share that has limited control may result in a discount to the actual value. The prospects for the business impact value. A greater premium will likely apply to a company engaged in a leading-edge technology than to one involved in a mature market.

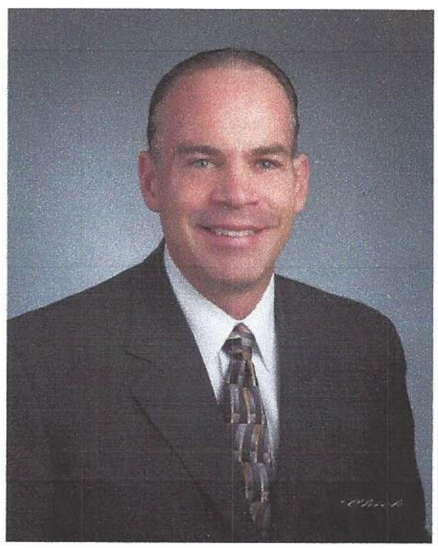
Valuing a small business is not an exact science. Some aspect of the valuation may be debatable (e.g., the remaining life expectancy of a machine), while other aspects may be positively subjective (e.g., the value of the company's reputation).

Willing Seller & Buyer

The true value of anything can only be determined when a willing seller and a willing buyer agree on a price of exchange. As a consequence, any valuation exercise may yield only a rough estimate.
Before moving forward with a business valuation, consider working with legal and tax professionals who are familiar with the process. Also, a qualified business appraiser may be able to offer some valuable insight.

BizBuySell, 2015

For general informational purposes only. Eric Wasson and LPL Financial do not provide Business Valuation services.



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The information in the newsletter was not intended to be a substitute for specific individualized tax or legal advice. We suggest that you discuss your specific situation with a qualified tax or legal advisor.

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