

Wow, we must be having fun because time is flying by. It seems like I just took down a Christmas tree (oh yeah, I did just take one down last weekend). Oh well, we need every bit of cheer to get us through since 2021 so far doesn't look much different from 2020. We are making progress though as some businesses have re-opened, vaccinations are ongoing, and perhaps there is a light at the end of the tunnel. The markets seem to think so as we've seen them continue to rise. Morningstar notes the S&P 500 is up 4.28% through February 9. In listening to various market calls from JP Morgan, FT Advisors, and Fidelity I'm hearing positives for the economy and the markets. The consensus has been for growth after the 1st quarter. I am taking a more defensive stance and calling it late 2nd quarter as I believe we need to see more of the population vaccinated, infection rates continue to fall, and (importantly) the general populations comfort level of returning to normal become greater.

Year-end reviews have almost wrapped up and I am finally getting a breather and able to catch-up. The next few weeks will see some new and updated retirement plans take shape. After the past year, it is important to review the plans you have to determine if any adjustments are necessary. No plan in-place? Now is the time to look at fleshing out your goals and see what steps are needed to achieve them. Talking with the estate planning attorneys I work with; they all note 2020 was the busiest they have been. The pandemic put focus on mortality and many people were motivated to create or update their estate documents. The same goes for your retirement and financial plans. Perhaps adding more travel or family time is suddenly of more importance. Whatever the concerns, re-visiting your plans to ensure your goals and wishes are reflected is of utmost importance. If we have not discussed your plans, or you wish to start the conversation, my schedule is posted at <https://go.oncehub.com/ChuckVercellone>. Let's set some time to get you on the path to an enjoyable retirement.

----Chuck

RETIREMENT IN SIGHT



MONTHLY NEWS AND INFORMATION FOR CURRENT AND FUTURE RETIREES
PRESENTED BY CHARLES D. VERCELLONE, ChFC - FEBRUARY 2021

QUOTE OF THE MONTH

"If you're brave enough to say goodbye, life will reward you with a new hello."

PAULO COELHO

EVALUATING AN OPPORTUNITY FOR AN EARLY RETIREMENT

The pandemic has hastened the retirement of some baby boomers, and the linked furloughs and layoffs in many industries have led others to wonder if a retirement transition might come sooner than they think. Buyouts became common last year as businesses cut costs. What if you receive one this year?

The first thing to remember is that you don't have to retire when you are offered an early retirement package. If you can keep working for another employer after receiving severance pay, extended health benefits, or a pension from your old one, you might end up better positioned for retirement on your schedule and terms. A buyout offered before you are eligible for Medicare can be problematic, as the Consolidated Omnibus Budget Reconciliation Act (COBRA) only lets you keep your employer's health coverage for up to 18 months (if you are married, you could try to enroll in the health plan at your spouse's workplace, as a workaround). Remember also that a sizable severance package, while wonderful to receive, also represents taxable income; you might want to ask your employer if they can distribute that money to you over multiple years, which could lower the risk of the payout taking you into a higher tax bracket. Any buyout offer, at any age, should be carefully considered not only in view of the retirement savings you have amassed but also in view of your current and possible future income sources.¹



TRAVEL TIP

For a refund on a short-term rental, talk to the rental agency and the host.

During the pandemic, some families have booked short-term getaways at vacation homes or rural properties only to have to cancel them due to travel restrictions or changing public health protocols. Whether you must cancel such a reservation due to the pandemic or other reasons, you may have a better chance of getting a partial refund from the host than from the rental agency or website, whose cancellation policies may be far less forgiving.

Source: Washington Post, December 17, 2020.²

TIME TO THINK ABOUT ALL THAT FREE TIME

Time is a gift, and when you retire, you'll no doubt think about making the most of it. Would it be weird to make a weekly schedule for yourself in retirement, similar to the way you scheduled workweeks during your career? Scheduling your time has its merits, at any age. It could help you stay productive on a day-to-day basis during your "second act," whether you elect to work or not.

Want to calendar a tennis match or a little backyard landscaping? Why not? Calendaring fun and/or creative things can give you that little extra push to get them done, much like project management software does at work. These are the appointments you want to keep, and now, they are mostly fun. You may find yourself so busy with part-time work, volunteering, clubs, and social gatherings that calendaring things becomes wise. Alternately, if you lack for activities once your career or business winds down, the empty calendar screen or calendar pages may lead you to muse about how you could make use of your greater free time.³



DID YOU KNOW?

Before most women could vote, one was voting in Congress.

Jeanette Rankin, the first female member of the House of Representatives, joined Congress in 1917. Three years before the passage of the 19th Amendment, the Montanan became the first woman elected to a federal office.⁴

ON THE *BRIGHT SIDE*

At this writing, yields on certain U.S. Treasuries are above where they were for much of 2020. The yield on the 10-year note climbed back above 1% on January 6; it was at 0.55% as recently as August 6. The yield on the 30-year note pushed toward 2% last month, a level it had last seen in February 2020.⁵

The interest income from a Treasury Inflation-Protected Security (TIPS) is exempt from state and local taxes. However, according to current tax law, it is subject to federal income tax. Adjustments in principal are taxed as interest in the year the adjustment occurs even though the bondholder does not receive the principal adjustment until maturity. Individuals should consider their ability to pay the current taxes before investing.



BRAIN TEASER

Can you arrange the following letters into a single 7-letter word, using each letter exactly once?

A-E-O-P-R-S-T.

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CITATIONS.

1. AARP, August 28, 2020
2. Washington Post, December 17, 2020
3. Roanoke Star, January 13, 2021
4. National Park Service, January 13, 2021
5. U.S. Department of the Treasury, January 13, 2021

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