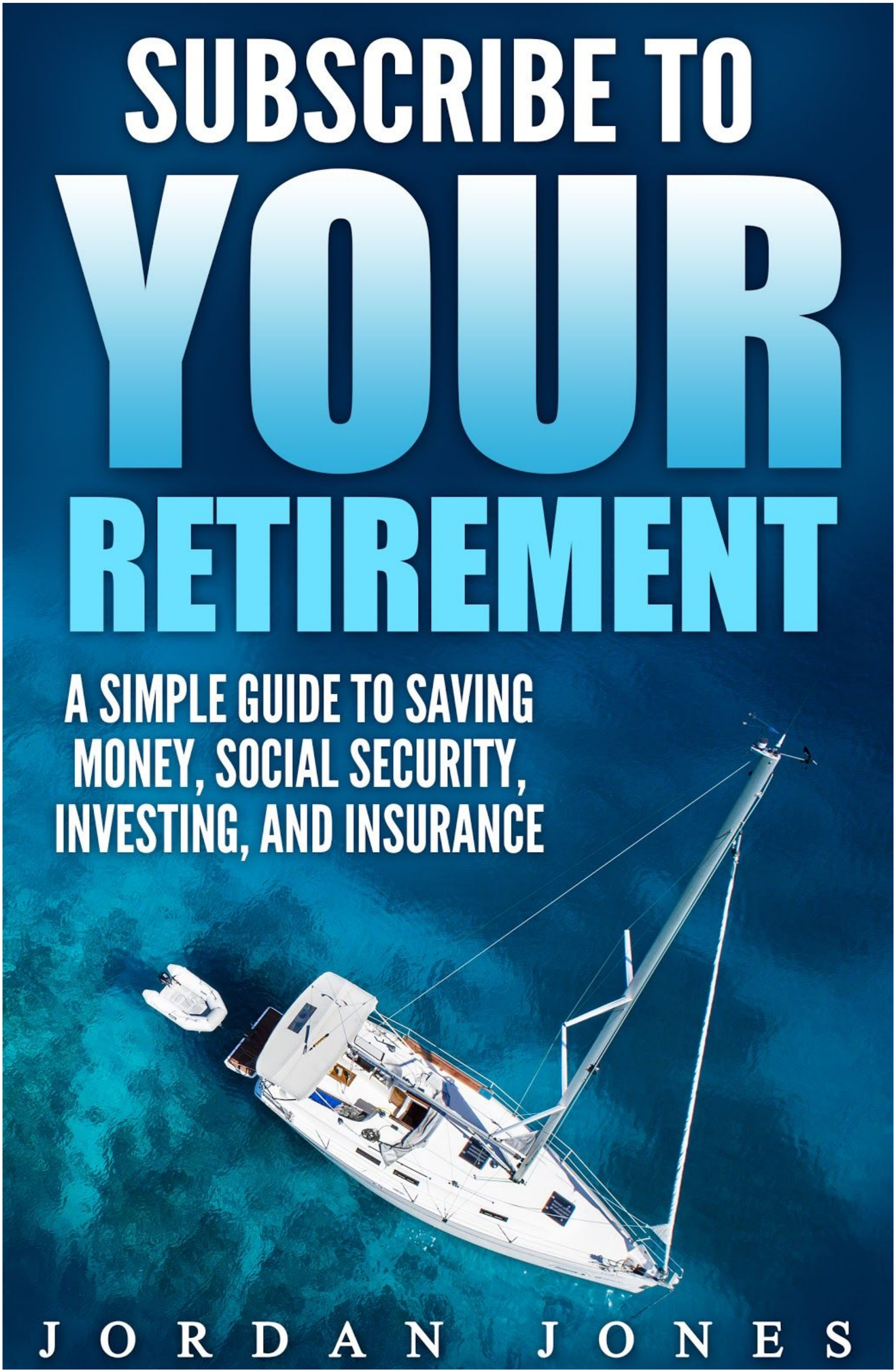
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JORDAN JONES

Subscribe to Your Retirement

By: Jordan Jones
Financial Services Professional

Sections:

Some Important Considerations:

Before we start, I'd like to point out that I am simply providing information that can help you make decisions. What you ultimately decide to do is entirely up to you.

The information provided is not written or intended as specific tax or legal advice. Jordan Jones, *Financial Services Professional*, is not authorized to give tax or legal advice. Individuals are encouraged to seek advice from their own tax or legal counsel.

It is important to acquire as much information as possible in order to make an informed Social Security filing decision because, one year after the Social Security filing decision is made, your options for making a change are extremely limited.

If you work for an employer that offers a retirement plan, your plan benefit may be subject to a Social Security "pension offset" provision. (Your 401[k] contributions and the employer match are not subject to a pension offset.) A pension offset may reduce the amount of your retirement plan benefit when you become eligible to collect Social Security retirement benefits. This reduction may apply whether or not you are collecting Social Security retirement benefits. This could be an important consideration as you make your filing decision. Your plan administrator can tell you whether your plan includes a Social Security pension offset provision and how it might affect your retirement plan benefit.

Some people, especially certain federal, state and local government workers, may be subject to the "Government Pension Offset" and the "Windfall Elimination Provision" which could decrease their Social Security Benefits.

The Social Security program was created by an Act of Congress. It is subject to change. In the past, Congress has made changes to the law which have impacted Social Security benefits. Congress can make changes to the law at any time that might impact benefits in the future.

Foreword

We live in a subscription-based consumer market. As I write this, I can (and do) subscribe to everything from free 2-day shipping, to television and movie streaming services, right down to the razors I use to shave my face. I've even seen subscriptions to wardrobe services where the latest fashion trend gets boxed and shipped out to me every month, in my size, so I can look my best. All of these subscription services get automatically drafted from my bank account or credit card, and I don't think twice about it. It's pretty awesome, actually. I get excited when a new package is in the mail or on my doorstep. Maybe you do too. I'm even more excited when it has my name on it. It's like getting a Christmas present 2–3 times per week. I love it.

You may be wondering what subscriptions have to do with saving money or even creating a total financial strategy. It's simple. I've spent almost the last decade helping to teach individuals, families, and companies how to save money. In the past, I viewed my competition as being another financial professional, insurance company, or investment firm. But about five years ago I realized that was no longer the case. My real competition was companies like the online mega retailers promising free 2-day shipping, and the thousands of subscription services making it so easy for people to buy into on a monthly basis. I realized that these types of companies were competing for the exact same thing I was, your discretionary dollars.

It became clear to me that people (including myself) have been sucked in to subscribing to all kinds of different types of services and auto-shipments. But we were neglecting to subscribe to the one thing which could benefit us the greatest when we needed it most, our savings and retirement accounts.

I hereby commission you to read through the few short pages in this booklet and start to take action by subscribing to your own financial strategy. By doing so you will gain the insight, knowledge and tools to start putting your hard earned dollars towards the most important subscription service on the planet, **your own contributions to your retirement!**

Thanks for reading,

Jordan Jones

The Purpose of This Booklet

My goal in writing this booklet is simple, and I believe achievable. **I intend to help 1,000 people in 2017 better understand financial concepts, and begin to implement a savings strategy.**

Please consider me an available resource in helping you, your family, or your employees get on track. I am available to schedule a time to meet with you either in person, at my office located in Salt Lake City, Utah, or remotely via telephone or Skype video call.

there is absolutely no fee and no obligation for my consultation, now or later.

To schedule a consultation, you can call my office directly at 801-453-2259.

-Jordan Jones

Section 1: Social Security Retirement Benefit

(We are already subscribed)

The Myth: "Social Security will not be around when I retire."

I was recently reading a book written by the late John F. Savage, CLU. In my opinion, John is arguably the most successful financial services professional of all time. In his book, John mentions that numerous clients keep telling him they don't believe Social Security will be around when they actually get to retirement. I found this to be remarkable because the book was written in 1986, over 30 years ago, and Social Security benefits are still getting paid out today to over 60 million beneficiaries, at around 74 billion dollars paid out... per month!* People were concerned 30 years ago, and people are still concerned today. Social Security is likely not going away. In fact, Uncle Sam legally requires you and I to subscribe to the program with a portion of every paycheck!

While, in my opinion, Social Security is not going away, we have seen some major changes over the last few years to the system, and I am certain we will continue to see changes over the next five to ten years. But, before we get to the possible changes you and I will have to adapt to, let's look first at how you qualify for Social Security.

How to Qualify:

We earn "credits" toward our Social Security benefit. Here is how:

- Income needed in 2017 to earn 1 credit: $1,300
- Maximum of 4 credits per year can be earned. $5,200 total
- If you were born in 1929 or later, You need to work for over 10 years **OR** earn 40 credits to qualify for your benefit.

Plain and Simple: The longer you work and the more you earn, the higher your benefit.

People always ask: "How do I find out what my current benefit is?" It's easy; point your web browser to: https://www.ssa.gov/myaccount/, register an account, and you can immediately see (*pending future changes) what you're on track to receive. It's amazing how often I sit down with people and they have no clue what their Social Security benefit is. You need to know.

Knowing your benefit amount gives you a great starting point in creating a savings plan.

The future of Social Security

Believe it or not**,** the Social Security Administration publishes a summary of the previous years' earnings in its annual report. Here are some key points from the most recent 2016 summary:

- As of year-end in 2014, The OASDI Trust Fund (aka Social Security's Savings Account) had a balance of $2,789 billion dollars in the fund.*

- In 2016, working American's paid $920 billion **into** Social Security, and $897 billion was paid **out.** So...
- Between the beginning of 2015 and the beginning of 2016, The OASDI Trust Fund grew from $2,789 billion to $2,813 billion.*

MEANING...THE SOCIAL SECURITY OASDI TRUST FUND **INCREASED** OVER THE YEAR!

Now that's not necessarily the case moving forward. According to the same report, and with around 10,000 "Baby Boomers" currently retiring every day in America, the Annual Report projects that the OASDI Trust Fund (savings account) will be depleted by year 2034 (17 years from now), and the dollars being paid into Social Security by taxpayers will only cover 79% of the program cost.* This is the big problem Washington is trying to fix, and according to the 2013 National Academy of Social Insurance Report – "Strengthening Social Security, What Do Americans Want?" here are some ideas being kicked around to help solve the problem and raise more money into the system:

Washington may raise more money by:
-Lifting the earnings cap to raise taxes (currently at $127,200)
-Increase future contribution rates (more money deducted from you and me to pay for it)

and/or...

Reduce the benefit:
-Raise the retirement age. In other words, make people wait longer to take the benefit
-Use different CPI formula for the Cost of Living Adjustment

I suspect we will see a combination of all or some of the above options over the next several years. The key takeaway in this section is for you is to start to understand your own personal benefit so that you can adjust accordingly when future legislation and changes are made to the system.

When is the best time to file for my Social Security benefit?

I get asked this question quite often by people getting close to retirement. The answer is different for everyone, and for a number of different reasons. Some people simply never subscribed to their own savings and retirement plan throughout their working life and have the "Social Security Only" retirement plan. I don't recommend this plan.

There are some big disadvantages to taking your benefit before when Social Security declares your "full retirement age". Your full retirement age is based on the year you were born. If you were born after 1960, then your full retirement age is 67. However, you are eligible to start taking your benefit at age 62. But keep these key points in mind before doing so:

- Your monthly retirement benefit gets reduced by 5% for each year you file prior to your full retirement age. An example of this would be if your full retirement age is 67 and you have earned a monthly benefit of $1,500 starting at age 67. But you file at age 62. You will get a

25% decrease in pay because you filed 5 years early (5% per year x 5 years) and now you receive a monthly check of $1,125 per month instead of $1,500.
- Because you filed early, you also can't simply go back to work and get both a paycheck and your social security check at the same time. For every two dollars you earn as income, your Social Security will get reduced by one dollar up to a certain limit. For more information on filing early and continuing to work, I would advise you to speak directly with myself, or with your current financial or tax professional.

Side note: if you do decide to wait until your full retirement age to file. You can work as much as you want and collect both your income and your social security benefit at the same time!

Ultimately, the best time to file for Social Security has one wild card: longevity. If you have a long-life expectancy and heritage in your family, it may be better to wait and file at full retirement age or later. On the other hand, if your health or your family tree does not have very long branches, it would most likely be better to file for your benefit sooner, rather than later.

If you are reading this booklet and you are within five or so years of filing for Social Security benefits, I have access to a Social Security Explorer Pro, a wonderful software program which allows us to look at various filing strategies, at different points in time, to see what makes the most sense for you. We can look at different scenarios together at my office, or we can do it remotely by way of Skype technology.

Sources:

*Social Security Beneficiary Statistics, June 2015 at**
https://www.ssa.gov/OACT/ProgData/icpGraph.html

***Social Security Administration Benefits Planner: Retirement Credits at**
https://www.ssa.gov/planners/retire/creditsa.html

***Social Security Administration: Office of the Actuary, Status of the Social Security and Medicare Programs, a Summary of the 2016 Annual Reports at**
https://www.ssa.gov/oact/TRSUM/tr16summary.pdf

Section 2: Take It to the Bank

Despite all that you have heard from radio, TV, blogs and any other type of advertising, the single most important account in your total financial portfolio may be your **bank account.**

Your bank account has 100% liquidity which is vital for short term savings, emergencies, etc. In most cases, your money is accessible in almost seconds via a quick website log-in or mobile device, and it brings peace of mind backed by the FDIC (up to a certain amount). “But Jordan, what about IRA's with their tax advantage and attractive interest rates or rates of return?” My response is that you and others may be far better off giving priority to your bank or credit union account. For all the "sexiness" of an IRA, it comes with a payout only without penalty after age 59 and a half. Plus, if you try to take money out early, you pay a 10% penalty including taxation, and most people might not be able to wait almost two to three decades to access their money, depending on their savings goals.

That being said, I also understand the difficulty in making regular, subscribed deposits into a bank account. When helping a client create a financial strategy, I start the process with clients by teaching them to set a goal and to have one-third of their annual income saved in the bank. I will also tell you that most people I meet with do not have one-third of their income in the bank when they come to my office. That's okay. I don't necessarily care how long it takes us to reach this goal, as long as we are working toward it.

Once we have established and implemented a savings plan, working toward one-third of your income in the bank, only then do we move into the investments and insurance products to address any gaps you may have in your financial strategy.

Section 3: Investing

Investments come in all shapes, sizes and smells. I'm not going to cover the thousands of different types of investments available to you in this section. I will, however, highlight some of the more common accounts people own or hope to own depending on their own financial needs.

Reaching your investment goals cane sometimes take many years with discipline, consistency and a "subscription" mentality. You will have some winners, some losers, and even some you're just happy to break even on. The key to a sound investment portfolio is balance. Being too heavily invested in one area can put you at risk. Diversification* is the goal. If you are uncertain about how diversified your current strategy is, it would be worth your time to schedule a no cost/no obligation consultation and we can review your current portfolio together.

Common Investments:

IRAs, SEP-IRAs, SIMPLE IRAs, 401k, TSP, Defined Contribution Plans, Defined Benefit Plans, etc. – In some cases, these types of accounts will have the largest account balance. This can be due to the IRS placing certain rules and restrictions to access these accounts before we reach a certain age. Because the IRS makes it more difficult for you and I to access this money, along with the option to make consistent contributions from your paycheck, these accounts can grow to have the most money in them at retirement. For example, if you are contributing to your employer sponsored 401(k) plan, you are making contributions into this account every time you get paid. The investments in these accounts are usually invested in stocks, bonds, and/or mutual funds.

Real Estate – I typically only count real estate as an investment once a property is sold. When someone sells their existing home and buys a new home they are usually just trading an old mortgage for new mortgage, and applying any equity they may have created. Borrowing money at an interest rate is not an investment, and it never will be. Now, unless you sell your home for a gain, and move into an apartment, that money isn't counted.

High Risk Investments – While higher risks may be appropriate for younger investors. Be careful when it comes to gambling and other "get rich quick" opportunities. When the too good to be true investment comes along, be sure to do your homework and in some cases seek outside legal or professional advice before pulling the trigger.

Now, I know there are many more investment options out there than what I listed above. These are just some of the more common places where I see people saving money on a day-to-day basis. The main takeaways I hope you get from this short section on a tall topic are:

1 – It may be beneficial to have a *well-diversified investment portfolio
2 – You must do what works best for you. With all the different options available, the more you educate yourself, the better off you will be. It's also worth taking the time to understand your employer's retirement plan. Do they match? When are you vested? Etc.
3 – Most people can use some help. Whether it's me, or your current financial professional, if you're unsure how well positioned you are, or don't know where to start, you don't have into go it alone. It's fascinating to me how many people attempt to manage their investments on their own.

Most often, a financial professional receives commission from products sold (unless you are looking for investment advisory services or financial planning). I recommend setting up a time to meet in person or via Skype where we can go through some exercises to review your current portfolio or help construct a new one. You don't have to go it alone.

*Diversification – Asset Allocation does not guarantee a profit or protect against loss in declining markets, There is no guarantee that a diversified portfolio will outperform a non-diversified portfolio or that diversification among asset classes will reduce risk.

Section 4: Insurance

In some respects, insurance is the most important planning you will do. Having a properly designed protection plan in place is the catalyst to all your other strategies falling into place. These financial insurance products consist of your life insurance, disability income insurance, and long term-care coverage. Keep in mind that these products are usually underwritten based on your age, and overall health which ultimately determines cost.

When it comes to insurance planning, imagine you and I sat down together, and I were to suggest to you the set of questions below. You should be able to answer either yes or no (I don't know is not an acceptable answer):

Me: **"You probably have a strategy in place where, if you became disabled for 6 months, 6 years, or even longer, you would have a portion of your income coming in to help cover your expenses, whether or not you are able to work?"**

If you answered no, disability income protection may help solve this important problem.

Me: **"You probably have a policy in place to help protect the financial security of your family or business if you were to die prematurely?"**

If you answered no, life insurance may help give you peace of mind in this situation.

Me: **"You probably have a strategy in place to help cover the costs for when you/your spouse may reach the stage in life when you need long term care and may need professional care either at home or in a facility, and your plan helps ensure you will not be a physical or financial burden to your children, or those who are going to care for you?"**

If you answered no, let’s talk about options available to you.

If you answered "no" to any of the above statements, an assessment may need to be done by an appropriately licensed professional to help determine your specific needs and possible gaps. As I mentioned earlier, an efficient protection plan can be the catalyst to all the other parts of your financial strategy falling into place. Here is an example of why this is so important:

The Need for Disability Income Insurance:

Suzy, age 35, is a single mother of two who is working as a dental hygienist for a local dental practice. Suzy works hard. She shows up on time every day, and she contributes to her employer’s 401k plan as her sole savings account for retirement. She's on track to retire at age 67. One day, Suzy is chasing her daughters around the house and accidentally slams her hand in the door. A visit to the ER reveals that both her index and middle fingers are broken. It will take several months to heal, and she may not gain full movement back in one of the fingers. Suzy is sick about not being able to work in her trade and provide for her children. Suzy does not own a disability income insurance policy and now her income could stop or be significantly reduced because she is unable to work at her usual capacity, and her contributions to her 401k could stop completely, affecting her path to retirement.

Had Suzy covered herself against this situation with disability insurance, she would have the peace of mind of knowing that apportion of her income would be arriving soon from her insurance policy. She would not have to move out of her home because she could no longer afford it, as well as food or other expenses. All this would still be covered for her and her girls going forward. Suzy could still even make contributions to her retirement account and stay on track for retirement. Most people can avoid this risk with disability income insurance. This type of insurance typically costs around three to five percent of their annual income. Very inexpensive!

This is a great example of how the protection portion of a financial strategy is so important. If you can’t work, it’s hard to make an income. If you don't have any income, it’s even harder to invest and save for retirement!

Life Insurance:

Life insurance is crucial. Lately I have seen a dramatic rise in the amount of crowd-funding posts on social media asking me to donate to a family whose primary breadwinner passed away unexpectedly, leaving the surviving spouse with four children to feed, a home to either pay for, or to be forced to sell. On top of this, the surviving spouse now must leave the kids with a relative or babysitter to return to the workforce so they can put food on the table.

This outcome should never happen. Life insurance may be more affordable than you think. For example, A thirty five year old male who doesn’t use tobacco, and is in standard health can currently get a 10 year level term policy with a $500,000 death benefit for around $27 per month through Massachusetts Mutual.

If you don't have life insurance coverage, don't know if you have enough coverage, or don't think you need life insurance, please call my office at 801-453-2259 and we can work together to protect the people who matter most to you. Your life insurance plan needs to be serviced and reviewed at least annually. Keep in mind that the costs for coverage are the same no matter where you buy it. Different companies underwrite differently, which determines their cost. But a policy with ABC company will be the same with ABC, no matter what agent sells it to you. There are no discounts on life insurance.

Long Term Care:

The need for long term care can happen to anyone… at any time. It could be you, your spouse or partner, a parent, or even a sibling. The need for long term care could come from being chronically ill, from a severe cognitive impairment or something as unexpected as an accident or injury.

Many important questions arise when the need for care arrives:
• Who will take care of me?
• Will I be able to stay at home?
• How will I pay for care?

By now you hopefully understand that the choices you make today will impact your future lifestyle, and the quality of life you experience. Now, while you're healthy, is the time to think about and plan for those unexpected things that can happen in life. Long term care may take place at home or in assisted living facilities and it can also be provided in a community setting, in a nursing home or in a hospice facility. People with long term care needs may initially receive assistance at home or in community-based settings before moving into more intensive care settings.

Now What?

It's my hope that you have found some useful information in this booklet to get you started, or to get you thinking more seriously about where you are at financially. But more than my hope of giving you information, I want you to act and start the process of subscribing to your very own savings and retirement plan. Whether it is by yourself, with my assistance, or a financial professional you already know or work with, now is the time to act!

Please consider me an available resource in helping you, your family, or your employees get on track. I am available to schedule a time to meet with you either in person, at my office located in Salt Lake City, Utah, or remotely via telephone or Skype video call. There is absolutely no fee and no obligation for my consultation, now or later.

To schedule your no cost/no obligation consultation, please call my office directly at:

801-453-2259

All the best,

Jordan Jones
Registered Representative & Financial Services Professional

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