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Online Access Lesson

Are you confused about how to access your account online? Do you receive emails that tell you your statements are ready or a report has been posted to your web portal but don't know how to access these items?

Join us at our Hyannis office on April 30 at 10:30 AM or at our Dedham office on May 6 at 1:00 PM to learn how to access your accounts online. Space is limited, so please register in advance by calling Kristen at 866-771-8901. A recording of the lesson will be posted on our website in the future in the Account Access section.

March 2015

eResources Review

Asset Management Resources' E-mail Newsletter

Points to Consider If Your Retirement Goal Seems Out of Reach

Each year in its annual Retirement Confidence Survey, the Employee Benefit Research Institute reiterates that goal setting is a key factor influencing overall retirement confidence. But for many, a retirement savings goal that could reach $1 million or more may seem like a daunting, even impossible mountain to climb. What if you're investing as much as you can, but still feel that you'll never reach the summit? As with many of life's toughest challenges, it may help to focus less on the big picture and more on the details.* Start by reviewing the following points.

Retirement goals are based on assumptions

Whether you use a simple online calculator or run a detailed analysis, your retirement savings goal is based on certain assumptions that will, in all likelihood, change. Inflation, rates of return, life expectancies, salary adjustments, retirement expenses, Social Security benefits--all of these factors are estimates. That's why it's so important to review your retirement savings goal and its underlying assumptions regularly--at least once per year and when life events occur. This will help ensure that your goal continues to reflect your changing life circumstances as well as market and economic conditions.

Break it down

Instead of viewing your goal as ONE BIG NUMBER, try to break it down into an anticipated monthly income need. That way you can view this monthly need alongside your estimated monthly Social Security benefit, income from your retirement savings, and any pension or other income you expect. This can help the planning process seem less daunting, more realistic, and most important, more manageable. It can be far less overwhelming to brainstorm ways to close a gap of, say, a few hundred dollars a month than a few hundred thousand dollars over the duration of your retirement.

Make your future self a priority, whenever possible

While every stage of life brings financial challenges, each stage also brings opportunities. Whenever possible--for example, when you pay off a credit card or school loan, receive a tax refund, get a raise or promotion, celebrate your child's college graduation (and the end of tuition payments), or receive an unexpected windfall--put some of that extra money toward retirement.

Retirement may be different than you imagine

When people dream about retirement, they often picture images like exotic travel, endless rounds of golf, and fancy restaurants. Yet a recent study found that the older people get, the more they derive happiness from ordinary, everyday experiences such as socializing with friends, reading a good book, taking a scenic drive, or playing board games with grandchildren. (Source: "Happiness from Ordinary and Extraordinary Experiences," *Journal of Consumer Research,* June 2014) While your dream may include days filled with extravagant leisure activities, your retirement reality may turn out much different--and that actually may be a matter of choice.

The bottom line

Setting a goal is a very important first step in putting together your retirement savings strategy, but don't let the number scare you. As long as you have an estimate in mind, break it down to a monthly need, review it regularly, and increase your investments whenever possible, you can take heart knowing that you're doing your best to prepare for whatever the future may bring.

**All investing involves risk, including the possible loss of principal, and there can be no assurance that any investment strategy will be successful.*

Last-Minute Tax Tips

It's that time of year again--tax filing season. And while many taxpayers like to get a head start on filing their returns, there are those of us who always find ourselves scrambling at the last minute to get our tax returns filed on time. Fortunately, even for us procrastinators, there is still time to take advantage of some last-minute tax tips.

If you need more time, get an extension

Failing to file your federal tax return on time could result in a failure-to-file penalty. If you don't think you'll be able to file your tax return on time, you can file for and obtain an automatic six-month extension by using IRS Form 4868. You must file for an extension by the original due date for your return. Individuals whose due date is April 15 would then have until October 15 to file their returns.

In most cases, this six-month extension is an extension to file your tax return and not an extension to pay any federal income tax that is due. You should estimate and pay any federal income tax that is due by the original due date of the return without regard to the extension, since any taxes that are not paid by the regular due date will be subject to interest and possibly penalties.

Try to lower your tax bill

While most tax-saving strategies require action prior to the end of the tax year, it's still not too late to try to lower your tax bill by making deductible contributions to a traditional IRA and/or pre-tax contributions to an existing qualified Health Savings Account (HSA). If you're eligible, you can make contributions to these tax-saving vehicles at any time before your tax return becomes due, not including extensions (for most individuals, by April 15 of the year following the year for which contributions are being made).

For tax year 2014, you may be eligible to contribute up to $5,500 to a traditional IRA as long as you're under age 70½ and have earned income. In addition, if you're age 50 or older, you may be able to make an extra "catch-up" contribution of $1,000. You can make deductible contributions to a traditional IRA if neither you nor your spouse is covered by an employer retirement plan; however, if one of you is covered by an employer plan, eligibility to deduct contributions phases out at higher modified adjusted gross income limits. For existing qualified HSAs, you can contribute up to $3,300 for individual coverage or $6,550 for family coverage.

Use your tax refund wisely

It's easy to get excited at tax time when you find out you'll be getting a refund from the IRS--especially if it's a large sum of money. But instead of purchasing that 60-inch LCD television you've had your eye on, you may want to use your tax refund in a more practical way. Consider the following options:

- Deposit your refund into a tax-savings vehicle (if you're eligible), such as a retirement or education savings plan--the IRS even allows direct deposit of refunds into certain types of accounts, such as IRAs and Coverdell education savings accounts.
- Use your refund to pay down any existing debt you may have, especially if it is in the form of credit-card balances that carry high interest rates.
- Put your refund toward increasing your cash reserve--it's a good idea to always have at least three to six months worth of living expenses available in case of an emergency.

Finally, a tax refund is essentially an interest-free loan from you to the IRS. If you find that you always end up receiving a large income tax refund, it may be time to adjust your withholding.

Beware of possible tax scams

Though tax scams can occur throughout the year, they are especially prevalent during tax season. Some of the more common scams include:

- Identity thieves who use your identity to fraudulently file a tax return and claim a refund.
- Callers who claim they're from the IRS insisting that you owe money to the IRS or that you're entitled to a large refund.
- Unsolicited e-mails or fake websites, often referred to as "phishing," that pose as legitimate IRS sites to convince you to disclose personal or financial information.
- Scam artists who pose as tax preparers and promise unreasonably large or inflated refunds in order to commit refund fraud or identity theft.

The IRS will never call you about taxes owed without sending you a bill in the mail. If you think you may owe taxes, contact the IRS directly at www.irs.gov. In addition, the IRS will never initiate contact with you by e-mail to request personal or financial information. If you believe that you've been the victim of a tax scam, or would like to report a tax scammer, contact the Treasury Inspector General for Tax Administration at www.treasury.gov/tigta.

Should Life Insurance Be Part of Your Retirement Plan?

As with most financial decisions, there are expenses associated with the purchase of life insurance. Policies commonly have mortality and expense charges. In addition, if a policy is surrendered prematurely, there may be surrender charges and income tax implications.

Any guarantees associated with payment of death benefits, income options, or rates of return are based on the claims-paying ability and financial strength of the insurer.

Most of us think of life insurance as protection against financial loss should we die prematurely. But if and when we reach retirement and the kids are all self-sufficient, do we still need life insurance? The answer is maybe--or maybe not. Here are some situations where life insurance may make sense for retirees, or those close to retirement.

Benefits at death

Provide for a dependent family member

Sometimes, even in retirement, there are family members who'll depend on you for financial and/or custodial support. Should you die unexpectedly, life insurance may help provide funds needed to support dependent family members who are physically or mentally challenged.

Income replacement for surviving spouse

Generally, Social Security retirement benefits are paid to both spouses, either based on their individual work records or on the work record of one spouse, with spousal benefits available for the other spouse. At the death of a spouse, his or her benefits end, reducing the total benefits available to the surviving spouse. Life insurance can be used to replace the loss of income for the surviving spouse.

Pay off debt

While past generations often retired with little or no debt, it is not uncommon for today's retirees to leave the workforce while still carrying a mortgage, car loan, and credit-card debt. Life insurance can provide the cash to pay off these debts, which is especially beneficial for a surviving spouse.

Provide a legacy

For many approaching retirement, as well as for those already there, a primary concern is having enough savings to provide income needed to live comfortably. While conserving savings and keeping track of spending in retirement are important, all too often retirees will forgo spending on themselves in order to fulfill a desire to leave a legacy. The death proceeds from a life insurance policy can provide a legacy for surviving family members, while allowing retirees to spend a little more on themselves, with the knowledge that they'll be leaving something for their loved ones.

Final expenses

Unfortunately, the expense of dying is often overlooked or underestimated. Uninsured medical bills, funeral costs, debts, and estate administration costs can add up. Typically, these expenses are paid in a lump sum, which can reduce savings for surviving spouses and dependent family members. Proceeds from life insurance can be used to help pay for these final expenses, which may help preserve savings for other needs.

Living benefits

Source of retirement income

While life insurance is designed to protect against unexpected economic loss, cash-value life insurance also may provide a source of income during retirement. Earnings in life insurance accumulate tax deferred, and in some instances cash-value distributions can be income-tax free. However, loans used to access cash values from a life insurance policy will reduce the policy's cash value and death benefit, could increase the chance that the policy will lapse, and might result in a tax liability if the policy terminates before the death of the insured.

Income you can't outlive

Your financial circumstances may change during retirement, and the need for the policy's death benefit may not be as important as the need for a steady income. One option that may be available is to exchange a portion or all of your policy's cash value for an immediate annuity that can provide a fixed income for the rest of your life, and for the life of your spouse if you choose. If the policy is not a modified endowment contract and there are no outstanding policy loans, the exchange to an annuity should be income-tax free. But exchanging your cash value for an annuity will likely decrease or eliminate the policy's death benefit. And these exchanges work only one way--you can't exchange an annuity for a life insurance policy.

Long-term care benefits

Some cash-value life insurance policies provide multiple sources of protection. Along with the death benefit and potential cash value, these policies may also provide a long-term care benefit. Often, these policies allow for a portion or all of the death benefit to be "accelerated" if used for the payment of qualifying medical and long-term care expenses.

Life insurance provides protection for your family's financial future should you die during your working years. However, life insurance may provide other benefits that can be useful during your retirement. Whether life insurance should be part of your retirement plan is best determined based on your individual circumstances and goals. You may want to talk with an insurance or financial professional before making this decision.

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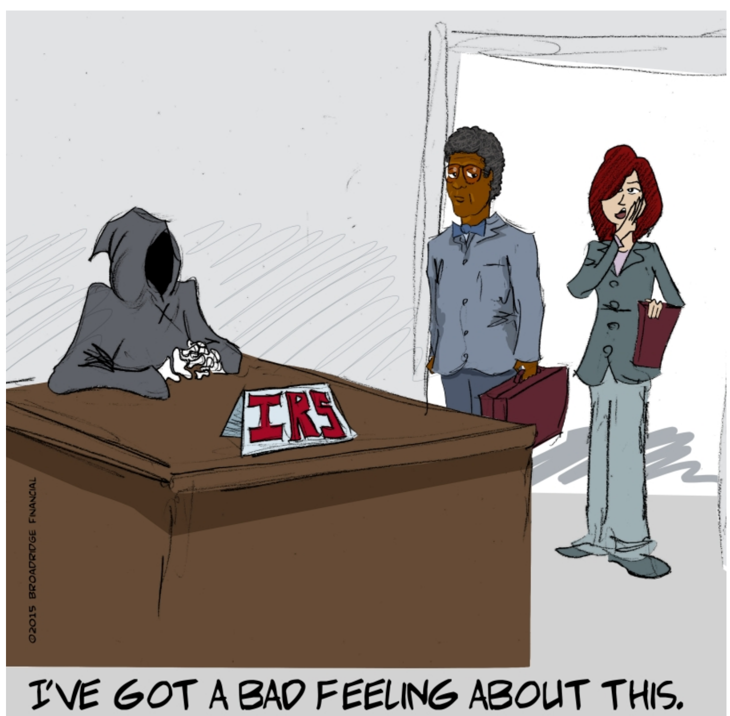
How much can I contribute to my IRA in 2015?

The combined amount you can contribute to your traditional and Roth IRAs remains at $5,500 for 2015, or $6,500 if you'll be 50 or older by the end of the year. You can contribute to an IRA in addition to an employer-sponsored retirement plan like a 401(k). But if you (or your spouse) participate in an employer-sponsored plan, the amount of traditional IRA contributions you can deduct may be reduced or eliminated (phased out), depending on your modified adjusted gross income (MAGI). Your ability to make annual Roth contributions may also be phased out, depending on your MAGI. These income limits (phaseout ranges) have increased for 2015:

Income phaseout range for deductibility of traditional IRA contributions in 2015	
1. Covered by an employer-sponsored plan and filing as:	
Single/Head of household	$61,000 - $71,000
Married filing jointly	$98,000 - $118,000
Married filing separately	$0 - $10,000
2. Not covered by an employer-sponsored retirement plan, but filing joint return with a spouse who is covered by a plan	$183,000 - $193,000

Income phaseout range for ability to contribute to a Roth IRA in 2015	
Single/Head of household	$116,000 - $131,000
Married filing jointly	$183,000 - $193,000
Married filing separately	$0 - $10,000



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