

Lowering the Boom

Survey Finds Baby Boomer Retirement Readiness Lacking

A seventh annual update on the retirement preparedness of the Boomer generation is out! Key findings from Baby Boomers responding include:

- Almost one-third think they will need annual income between \$45,000 and \$75,000 in retirement.
- Only four in 10 have tried to calculate how much they need to save to retire. And of these, only six in 10 included estimates of health care cost in their calculations.
- Fully 82 percent underestimate the percentage of their income that may be required to pay for health care.
- Only 23 percent believe they have enough money to last throughout retirement, and that they have done a good job preparing for retirement.
- Six in 10 believe their retirement income will be sufficient to cover basic expenses, and affords them at least some budget for travel and leisure.
- More than seven in 10 believe they can subsist solely on Social Security if they run out of money in retirement.
- At current savings levels, most with savings face a potential annual retirement income gap of between \$3,684 and \$12,072.
- Some 52 percent have not taken any action regarding their defined contribution plans.

Takeaway: Opportunities to help Boomers address their retirement expectations, concerns and readiness abound. Your regional representative is ready to help you explore insured strategies for investing, protecting and managing risk for retirements and legacies.

See WSFinancialPartners.com or contact your regional team to put these tools and ideas into action.

Annuities are issued by Integrity Life Insurance Company, Cincinnati, OH, National Integrity Life Insurance Company, Greenwich, NY, or Western-Southern Life Assurance Company, Cincinnati, OH. Integrity Life operates in DC and all states except NY, where National Integrity Life operates. Western & Southern Life operates in DC and all states except AK, ME, NH, NY and RI. W&S Financial Group Distributors, Inc. is an affiliated agency of the issuer. Issuer has financial responsibility for its products. All companies are members of Western & Southern Financial Group.

Nine Tax Changes Touch Retirement Planning

Tax law changes enacted last year impact far more than corporate and individual income taxes. A just released white paper identifies nine major changes to retirement planning as a result of the Tax Cuts and Jobs Act of 2017.² They include:

- The removal of Roth IRA conversion recharacterizations
- Extension of qualified retirement plan loan repayments due to loan default at termination
- Changes to 2016-2017 disaster relief distributions
- The impact of changes to mortgage interest deductions on forward and reverse mortgages
- Heightened benefits of Qualified Charitable Distributions due to a higher standard deduction
- Extension of the 7.5% medical deduction limit for seniors
- Estate tax exemption increased
- Corporate tax cuts and 199A impact on Qualified Employer Retirement Plans
- Increased concern about cuts to senior retirement programs such as Medicare



Takeaway: The new law marks the most significant reform of the U.S. tax code since 1986. Start to get up to speed by contacting your regional representative for an exclusive update: **"Tax Cuts and Jobs Act of 2017 – Changes, Implications and Opportunities."**

Ready. Claim. Retire. Are Clients on Target?

"Many clients believe that taking Social Security as early as possible is the right choice. But advisors can help optimize their strategy and increase their retirement value by thousands of dollars, up to \$100,000 or more." Thus asserts a recent *WealthManagement.com* article.³ "Social Security remains a key income source for American retirees," it continues. **Takeaway: "... incorporating claiming strategies into comprehensive retirement income plans is not only the right thing to do to extend their retirement income, but also a smart way to grow your business."** For a foundation of planning fundamentals, go to the **"Social Security Know How"** section of WSFinancialPartners.com.

Good Retirement Savings Tool Now Even Better

Roth IRAs are commanding renewed interest more than 20 years after their creation. Sparking the surge: the reduced individual tax rates mandated by the Tax Cuts and Jobs Act of 2017. The new law lowers tax rates for most income brackets. **Takeaway: Doing so adds appeal to paying taxes on Roth IRA contributions and conversions now and withdrawing Roth IRA funds tax-free later.** Under current law, Roth IRA withdrawals are tax free (subject to qualifying conditions). And unlike for traditional IRAs, lifetime required minimum distribution rules do not apply. For more timely tips, tap your regional representative for our **2018 Tax App (CF-24-34000-1)**, **2018 Tax Reference (CF-24-0001A)** and **2018 Retirement Planning Guide (CF-74-0001)**.



'Elephant' Expands for Digital Assets

Digital assets are ever more vulnerable in today's world. Help clients protect theirs with new resources in the Elephant in the Room/Financial Plan B survivorship-readiness program. Cover concerns, outline actions and probe related financial matters. **Takeaway: Set the stage with the Safeguarding Online Assets Introduction (CF-66-11002) and Digital Assets Inventory (CF-66-23001).**



- 1 Insured Retirement Institute, "Boomer Expectations for Retirement 2017."
- 2 The American College of Financial Services, "Tax bill's implications for retirement planning" (2018).
- 3 *WealthManagement.com*, "Is Social Security Benefit Planning Disappearing?" Feb. 28, 2018.

 **W&S Financial Group Distributors**

A member of Western & Southern Financial Group

A Circle of Strength . . .



. . . A Standard of Stability

A.M. Best rating, current as of March 2018, for superior ability to meet ongoing insurance obligations (second highest of 16 ratings); held since June 2009. The Comdex Ranking is a composite of all the ratings a company has received from the major rating agencies. It ranks insurers on a scale of 1 (lowest) to 100 in an effort to reduce confusion over ratings because each rating agency uses a different scale. Ratings, current as of March 2018, are subject to change. Ratings refer to the claims-paying ability of the insurance company and do not reflect the performance or safety of any investment product. W&S Financial Group Distributors, Inc. is a member of Western & Southern Financial Group, Cincinnati, OH, owned and operated by Western & Southern Mutual Holding Company.