

JOHN T. HALTERMAN AND KEITH D. DUMAS PRESENT

**MARCH**

RETIREMENT

**MADNESS**

BEACON  
WEALTH  
MANAGEMENT

*YOUR PLAY BY PLAY  
BREAKDOWN TO HELP  
YOU CUT DOWN THE  
NETS AND CELEBRATE  
YOUR RETIREMENT*





## THE BIG RETIREMENT DANCE

March Madness® is where the most elite college basketball teams from all across the country battle to be the best. But it doesn't start off that way. It starts with a decision. A choice. A dedication from each and every player on the team to think ahead, work together, and create a winning strategy that will take them from the home court at their school, all the way to the national championship.

Retirement is no different. Instead of spending all year practicing and working toward the glitz and glamour of the big game, you spend a lifetime working toward the comfort and pride of a nest egg. You start your career as a rookie straight out of college. Then you work your way through the big leagues. And, after years of hard work, you hang up your jersey and take a seat in your very own hall of fame. That is, if you listened to your coaches and executed the right strategies to make your way there.

Not everyone makes it into the Retirement Hall of Fame. Some play the game their entire lives, but either due to lack of planning or poor coaching, they don't quite succeed in forging their way to a confident retirement. Instead, they spend their later years still working and saving and stressing, instead of enjoying the fruits of their labor. They rely on the support of their children and family members instead of traveling the world, playing golf, eating fine foods, trying fine wines, and living the retirement lifestyle they deserve.

We want to help guide you into the Retirement Hall of Fame. We want to be there for you, looking over your shoulder and watching the entire court so you don't overlook any potential opportunities; so you retire as a champion. To help make that happen, we've put together this special report for you.

Over the next few pages, we've broken down some of the key strategies that may help take you from your current position all the way to the Retirement Championship. Even if you're starting late in the game, you've had a poor coach, or you've made a few errors, with the right strategies in place, you can still find your retirement confidence. And we can help get you there.

Let us coach you to your Retirement Championship. We can get there together.

- John T. Halterman & Keith D. Dumas

P.S. Once you have gone through this report, and you are ready to establish your Retirement Game Plan, call our office at 866-623-3900 so we can schedule a time to sit down together and discuss your financial future.D.



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## TAX BRACKET

### STRENGTHS

- You can hire tax or investment professionals to invest in tax-efficient funds or tax-exempt bonds
- Investing in both taxable and tax-deferred accounts offers flexibility upon withdrawal
- Staying under the 15 percent tax bracket lets you take advantage of many tax breaks
- Funds in a Roth IRA or Roth 401(k) won't be taxed if your withdrawals are qualified
- You can move to a low-tax or tax-free state

### CHALLENGES

- ✗ Social Security income is taxed based on your combined income
- ✗ Withdrawals from your traditional IRA (deductible) and 401(k) are fully taxable
- ✗ If you still have a mortgage, that will increase your monthly withdrawal and monthly taxes
- ✗ Taxpayers must begin withdrawing funds from their 401(k) and Traditional IRA plans once they reach age 70 and a half

#### JOHN'S PICK:

Long story short: nearly every single dollar you withdraw during retirement is taxable in some way or another. But taxes don't have to be a bracket buster if you've diversified your portfolio well enough. Don't rely on any one specific retirement account, and pay attention to which tax bracket you're in before withdrawal. If you approach the top end of your tax bracket, you can withdraw from another tax-exempt account without penalty. Make sure to discuss with your advisor what your options are so you can minimize how much Uncle Sam can claim from your nest egg.

## HEALTHCARE BRACKET

### STRENGTHS

- Medicare is available for everyone over 65
- Some employers offer Health Savings Accounts, which are tax-advantaged accounts that can be transferred between employers
- The amount that American elderly need to cover their health care costs in retirement is 9.4% less than it was a year ago, according to the Employee Benefit Research Institute (EBRI)<sup>1</sup>
- Obamacare guarantees insurance will be available to the elderly, regardless of pre-existing conditions

### CHALLENGES

- ✗ According to the Congressional Budget Office, healthcare costs have risen 4.9% on average from 1965-2005, adjusted for inflation<sup>2</sup>
- ✗ Knowing what you're paying for during doctors visits, such as charges, fees, and out-of-pocket costs for the recommended treatment plan
- ✗ Many medical services commonly used by elderly people are not covered by Medicare, including dentures, hearing aids and eyeglasses

#### KEITH'S PICK:

This one's a no-brainer: healthcare is a big challenge in retirement. According to Fidelity Benefits<sup>3</sup> consulting, a 65-year-old couple will need an average of \$220,000 in today's dollars to cover medical expenses throughout retirement. This is something you have to get out in front of, and the only way to do that is to plan early. See if your employer offers a Health Savings Account. If not, talk to your advisor as soon as possible about putting a plan on paper to cover your healthcare costs. Also, do some research into the different parts of Medicare to find insurers that offer the best value for your needs.



## SOCIAL SECURITY BRACKET

### STRENGTHS

- Cash benefit for everyone regardless of investment in a private retirement plan
- Health benefits for everyone over age 65
- If you delay your benefits until after full retirement age, you may be eligible for delayed retirement credits that would increase your monthly benefit
- If you work during retirement, you'll earn more over time, which will increase the amount of your Social Security benefits

### CHALLENGES

- ✗ No one knows how long they will live, which makes choosing when to withdraw a crapshoot
- ✗ The amount you receive when you first get benefits sets the base for the amount you will receive for the rest of your life
- ✗ If you do keep working and boost your income above a certain amount, you may be subject to income taxes on your Social Security benefits

#### JOHN'S PICK:

The most important factor to consider when drawing Social Security is when to start, and there are 3 options: Early, Full, and Late Retirement. If you draw before the full retirement age, you receive less than 100% of benefits; Full earns you 100%; and those who wait until 70 years of age to draw, receive a bonus of 8% annually. That being said, it's important for you to find the best time for you to start drawing benefits. To do this, factor in your current health as well as the health of your spouse, your family history and whether or not you're still working. Positives for each category suggest you might want to wait as long as possible.

## LIFESTYLE BRACKET

### STRENGTHS

- More free time gives you the option to participate in a variety of activities on different schedules
- Continue earning income by starting a second career
- Keep working while giving back by volunteering anywhere from museums to hospitals
- Go back to school, or earn your pilot's license
- Travel the world, play golf and enjoy all the fine foods and drinks you can

### CHALLENGES

- ✗ Maintaining social connections with friends and family
- ✗ Figuring out where to start when you have so many options to choose from
- ✗ Creating a smart and reliable budget to finance your retirement dreams without regular paychecks
- ✗ Choosing a place to live, whether based around social groups, hobbies or health conditions
- ✗ Health considerations for climate and activities

#### KEITH'S PICK:

There's no such thing as an "ideal retirement." Some people want to wake up with 18 holes each day. Others want to watch the sun sink past the waves each night. What makes a retirement ideal is creating a lifestyle that you and your spouse can share without breaking the bank. Creating a budget is not just a good idea, it's crucial to ensuring your funds allow you to live out your retirement dreams, no matter where they might take you. You should talk to your advisor about investment opportunities that can provide you with consistent income you can rely on throughout your retirement.



## ESTATE PLANNING BRACKET

### STRENGTHS

- You choose who will receive your assets
- You choose who manages your estate
- Minimize probate costs & fees
- Reduce your current and anticipated future income tax liability
- Provide incentives for your children or other heirs
- Take advantage of current reportable gift-tax exclusions

### CHALLENGES

- ✗ According to AARP, probating an estate can cost you up to 10% of what you're leaving your heirs
- ✗ Improper planning can result in loss of estate
- ✗ Simply leaving a Will doesn't cover all aspects of your estate planning, and your Will can be contested or challenged by interested parties
- ✗ Anything titled in your name, or associated with, or remotely connected to your name, is subject to a lawsuit, or worse: judicial or legislative confiscation

#### JOHN'S PICK:

Estate planning is one of those subjects that appears simple at first glance but is overrun with complications. With attorneys, proxys, agents and representatives, planning for your estate is not as easy as drafting a Will. That being said, the most common error I see in this area is procrastination. Too many people simply put off planning their estate, which threatens the livelihood of their families and beneficiaries. I recommend you sit down with an advisor as soon as possible to discuss the various aspects of your estate, including Advance Care, Power of Attorney, Probate Strategies and, of course, your Will.

## PHILANTHROPIC BRACKET

### STRENGTHS

- Donating to a cause may inspire and attract similar contributions, bolstering the charity
- Public philanthropy can bring recognition and praise
- Philanthropy may lead the way to leadership opportunities to shape the community
- Anonymous charity is highly esteemed in both religious and secular groups
- Helping people and groups that might not have a chance to thrive on their own

### CHALLENGES

- ✗ Once you make charitable donations, you may be targeted by many more groups for similar gifts
- ✗ If you are a member of a group or organization, then donating to that group could negatively impact your position or relationships with other members
- ✗ The beneficiaries of charity might misuse or misallocate the donated funds
- ✗ Charitable donations to some causes can be seen as controversial, earning you negative attention

#### KEITH'S PICK:

While philanthropy has never gone out of style, donations escalating into the millions, and even billions, have become a common theme among the wealthiest people in America. According to Blackbaud<sup>®</sup>, Baby Boomers contribute 43% of all giving – more than any other group. My advice is this: on a spectrum from anonymity to fame, you should decide how much recognition you desire, and then donate based on that. You can donate through various online sources and avoid any recognition at all, or you can openly write checks to whomever you wish. Just be sure to do your research first.



## INVESTMENTS BRACKET

### STRENGTHS

- There are a variety of investment opportunities to match your desired risk/return ratio
- Investing provides more growth than bank accounts can provide
- Some investments provide predictable payouts that may supplement your income like a paycheck
- Some investments may be tax-deferred
- Over a long enough time period, compounding returns offer immense growth potential

### CHALLENGES

- ✗ The level of risk generally determines the level of return; therefore, high returns demand higher risk
- ✗ Investments will never be risk-free
- ✗ Past performance is not a reliable indicator of future performance
- ✗ Investments have costs, such as transaction costs and management fees, that lower your returns
- ✗ Investments are affected by inflation

**JOHN'S PICK:** Even if you're not putting money into stocks and bonds, you're always investing into something. That something might be your career, which offered a pension. Heck, you can even invest in gold if that's what you want. The 2 keys you must focus on are these: 1) start with a goal in mind, and take the least amount of risk necessary to get there; and 2) make sure that your financial advisor is a fiduciary, which means they must act in your best interest at all times.

## EDUCATION BRACKET

### STRENGTHS

- Educating yourself on all the factors of retirement will help ensure a smooth transition and many fruitful years of retired life
- Libraries, government offices and the internet can provide you with unlimited information about how to prepare for your golden years
- The more you know, the more prepared you will be when hardships present themselves

### CHALLENGES

- ✗ Too many sources and dated information can provide you with conflicting data
- ✗ The most reliable sources of information can be expensive
- ✗ Paying for information and advice doesn't ensure that information is in your best interest
- ✗ Too much information can sometimes prevent people from putting a plan into motion

**KEITH'S PICK:** With all the endless sources of information, it's hard to sort through it all and find the answers to your specific questions. Plus, your situation may be unique, which would require you to know the right questions to ask in the first place. My recommendation: Do your homework, but find yourself a coach (financial advisor) who you can trust with your financial future. Test that advisor's knowledge on certain subjects, and ask what is recommended in different situations. Developing this relationship will only benefit you in the long run, especially when you need it most.



## FINAL ROUND

So there you have it. The breakdown. The in-depth analysis. These eight brackets all come together in your retirement. You must contend with each, and without someone watching your back, guiding you on the court, you might miss a step, forget a play, and miss your shot.

By this point in your life, you've got enough experience under your belt to make savvy and intelligent financial decisions. You may even have a financial advisor, or you might have a friend who knows a thing or two about investments and retirement plans. That's excellent. As mentioned on the previous page, educating yourself about your options is the best way to retire like a champion.

Unfortunately, many people make it to this point without looking at a playbook that matches their style of play. We have clients who come into our office and tell us their parents taught them how to work and save money when they were kids, and they've worked their whole life following their parents' philosophy. But here's the thing: those parents were playing a whole different ball game. They played in a different time with different rules. The strategies you've been using to get to your retirement are NOT the same strategies that will sustain you throughout your retirement. You're going to have to make some adjustments to stay in the game.

Don't let that discourage you. You're on your way to the Big Retirement Dance either way. Maybe you're already there. You've already put in the hours and earned your place in the final round. All you need now is a championship-level coach – someone standing in your corner who can see the whole court. Someone who knows the potential strategies that will let you retire like a champion. Someone who can work with you and break down the challenging stuff so you know exactly what moves to make and when.

We want to be your coach. We want to help you win the Big Retirement Dance, and to do that, we want to schedule a time to sit down with you for FREE and develop your Retirement Game Plan. This will be a no obligation session – just us talking 1-on-1 to see where you are now and where you want to go, so you can live the retirement you deserve.

You're already a champion. So, let's work together to ensure you retire like one.

**To claim your no obligation, FREE session with us to develop your Retirement Game Plan, call our office at 866.623.3900 today. You will be added right to our calendar. Don't waste any more time on the bench. It's time to move. Your retirement depends on it.**

1 – <http://www.usatoday.com/story/money/personalfinance/2014/11/01/retiree-health-care-expenses/18258029/>

2 – [https://www.tiaa-cref.org/public/advice-guidance/market-commentary/get\\_wise\\_articles/articles/healthcare-costs-retirement](https://www.tiaa-cref.org/public/advice-guidance/market-commentary/get_wise_articles/articles/healthcare-costs-retirement)

3 – <https://www.fidelity.com/viewpoints/retirement/retirees-medical-expenses>

4 – <https://www.blackbaud.com/nonprofit-resources/generational-giving-report>

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## ABOUT THE AUTHORS:

John Halterman is the founder of Beacon Wealth Management as well as a wealth manager, retirement income planning and tax reduction specialist, and public speaker.

As a professional in the field of retirement solutions and holistic wealth management since 1994, John stresses that managing and organizing your financial affairs involves more than just contributing to a retirement account. During the second half of their lives, he understands that his clients are looking at a much more complex set of financial worries. They're now faced with complicated issues such as having a retirement income they can't outlive, navigating complex tax laws, saving for their grandchildren's education, and leaving a financial legacy behind.

A native of Weston, West Virginia, John has served in the United States Air Force and currently resides with his family in Clarksburg, WV. He and his wife Lisa have been married since 2005 and have three children. John enjoys racquetball and spending quality outdoor time with his family. He is very active in his community and is a member of the Immaculate Conception Church in Clarksburg.

Keith D. Dumas is an Associate Partner with Beacon Wealth Management and has worked extensively in the field of wealth management since 2000. Keith is responsible for the financial advice and portfolio management of individual, corporate and institutional clients.

Keith enjoys serving his community through volunteering and being part of local organizations. He is currently the president of the Harrison County Rotary Club and has served on committees for the local Harrison County Chamber of Commerce. Keith is the assistant coach to the Bridgeport High School men's soccer team and has served as a volunteer assistant coach for Robert C. Byrd High School girls' soccer team. He has volunteered numerous hours to local soccer camps. Keith is a 2007 Alumni of Leadership Harrison through the Harrison County Chamber of Commerce. He is also a host of WDTV's "Solutions 4 Financial Independence" a weekly segment on the evening news. Keith received his Bachelor of Business Administration in Finance from Marshall University. He holds the Series 7 and Series 66 registrations along with his Life and Health Insurance licenses.

Keith and his wife, Jaime Spadafore Dumas, along with their three children John David, Andrew and Gianna, reside in Bridgeport, WV.



**Helping You Build, Protect And Share Your Family Wealth**

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