



## Collier Legacy Planning llc

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# Legacy Planner

Retirement • Income • Medicare

Fall 2024

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## • Party Potatoes •

Fall is a beautiful and fun time of year. Watching the beauty of the leaves changing, geese flying south, trips to an apple orchard, and watching the Packers with family and friends. Here is a potato recipe that serves a party of 10. You can adjust for the size of your group. Enjoy!—*Barb Schlaefer*

### Ingredients:

- 1 (16-oz.) container sour cream
- 1 (10.75 oz.) can cream of chicken soup
- 2 cups shredded sharp Cheddar cheese, divided
- 4 Tablespoons butter, melted, divided
- 1 small onion, finely chopped (about 1/2 cup)
- 1 teaspoon salt
- 1 (32 oz.) package frozen hash browns, thawed
- 2 cups crushed cornflakes

### Directions:

- 1 **Prepare oven and baking dish:**  
Preheat oven to 350° F. Lightly butter a 9 x 13-inch casserole or baking dish.
- 2 **Combine fillings:**  
In a large bowl, combine sour cream, soup, 1 cup of Cheddar cheese, 2 Tablespoons melted butter, chopped

onion, and salt. Mix well. Add hash browns, and stir until well-combined; then spread in the prepared pan.

### 3 Mix cornflake topping:

In a medium bowl, combine the ,cornflakes, remaining 1 cup cheese, and remaining 2 Tablespoons butter. Sprinkle evenly over the potatoes in the pan.

### 4 Bake casserole:

Bake for 45 minutes, or until crisp on top and golden brown around the edges.



Photo: Kevin Bedell, Wikimedia Commons

## INCOME—with Peace of Mind, Flexibility, and Lifetime Guarantees

By Raymond Loth

- You've worked very hard for the money you've saved for retirement.
- You resisted the urge to spend it.
- You may have even viewed it as a gift to your future self.

Now that future is here and it's time for your retirement savings to serve its purpose. How to produce reliable income from savings is an important matter worthy of attention.\*

The unique income benefits provided by fixed income annuities are not available in other (individual) financial products. As a result, annuities continue to grow in popularity, particularly as human longevity and market volatility increases.

**"Americans continue to buy annuities in numbers never seen before... Americans genuinely love annuities. First-quarter 2024 sales of \$113.5 billion were 21% higher than Q1 2023 and the highest first-quarter results since LIMRA started tracking sales in the 1980s."**  
— "Annuities Selling Strong, But for How Long" by John Hilton, Insurance News Magazine, 6/2024

There are various ways to derive income from an annuity. **This article will focus primarily on the use of a "lifetime income rider."** (Please see "Case Study" on page 3.)

These riders typically have annual fees; have reduced growth potential on the base contract value; and may not be suitable for everyone. They may be well suited for persons in good health with average to above average retirement savings.

### Here are three valuable features of "Guaranteed Lifetime Income Riders":

**1 • PEACE OF MIND.** Having a portion of your nest egg in a fixed annuity means that despite turbulence in economic and world conditions, you can rest well, knowing that your income stream is guaranteed.

**"We see a role for annuities in filling the gap that Social Security can't provide for and helping to mitigate risk and have that safety and security that retirees want."**

— Jason Fichtner, former acting deputy commissioner of the Social Security Administration, quoted in Insurance News Net by John Hilton

"INCOME—with Peace of Mind..." continues on the next page.

"INCOME—with Peace of Mind..." continued...

**2 • FLEXIBILITY.** Since income riders do not "annuitize" your account, you retain the option to take additional withdrawals. Of course, this would reduce the lifetime periodic income payment. There may also be penalties for excess early withdrawals. These accounts do provide for beneficiary payments in the case of death.

**3 • LIFETIME GUARANTEES.** For a number of decades now, corporations have shifted away from company pension plans. With the 401k, employees now rely on hypothetical and speculative (NON-guaranteed) income scenarios. This puts a greater financial burden on the individual. At the same time, we've also seen people's longevity, and their retirement activity and spending increase.

Lifetime income riders give you the opportunity to guarantee that a certain amount of your income will continue as long as you live. This effectively returns some of your individual retirement risks back to corporations and institutions.

**"For decades, employers often supported loyal workers in old age through traditional pensions with set payouts for life. The advent of the 401k system pushed the responsibility on to the individual... early champions of the 401k never thought that it would become the dominant way most Americans save for retirement."** —Hannah Miao, "As Gen X Faces Retirement, Reality Still Bites," Wall Street Journal, 8/22/24

Many things in our personal lives, and innumerable outside influences, are uncertain and unpredictable. How long will you live? What kind of return will you experience on your investments? What about withdrawals during down-cycles? What is a safe withdrawal rate? (See "Case Study" on page 3.) How long will my savings last? How about loss of income if my spouse dies? The list goes on...

Most of us feel that anything we can do to increase certainty is desirable. **For many retirees, Guaranteed Lifetime Income Riders are worthy of consideration** given the significant, and otherwise individually unavailable benefits for your near and long-term future. **Please feel free to call 233-0033 with questions.**

*\* This is not intended to offer specific advice or details on any particular asset type. While we do work with certain financial institutions, this is not intended to represent any specific company or account terms which are available only in company specific and approved materials. We also do not represent or claim to offer advice on securities.*

Annuities are long term financial products designed for retirement income and may not be suitable for everyone. They involve fees, expenses, and limitations, including surrender charges for early withdrawals. Some include optional riders and benefits that may come at additional cost. Annuity guarantees are backed by the financial strength and claims-paying ability of the issuing company. Annuity product and feature availability may vary by state.

I am a licensed insurance professional. I am not affiliated with the Social Security Administration or any government agency. The information provided should not be considered as an offer of any product. You can use a variety of funding vehicles to plan for your retirement. You should consult with your financial professional to help you determine what is most suitable for your needs. This brief article cannot cover all important aspects of individual financial responsibility but seeks to highlight the initial need for awareness along with some basic practical measures for follow through.

## THANK YOU for 15 years of Collier Legacy Planning llc

When the Colliers and I started out together in the middle of 2009 we were optimistic and energetic. After the first 2 to 3 years it was clear that we were still very much in the trenches of starting a new business.

Thanks to you, the Colliers, and outstanding office staff like Barb Schlaefer, we've now passed the 15-year mark — and are going stronger than ever.

Here are a few highlights of the past 15 years:

• Current active clients	827
• Licensed States	4
• Companies licensed with	26
• Retirement asset planning business	66%
• Medicare planning business	34%
• Complaints filed, regulatory inquiries, investigations	0
• Office location changes	0
• Annual % of business from cold calls or junk mail	0
• Average annual referrals	32
• Yearly new business from current clients or referrals	97%

We understand that none of the above matters, unless we CONTINUE to provide the honesty, integrity, and service that you deserve.\* You can be sure that we will continue to do that for many years to come.

So, after these 15 years, **THANK YOU VERY MUCH for your relationship, loyalty, trust, and many referrals.**

\*We're sending out a customer service feedback survey to around 100 of our client addresses to see where we can improve. Thank you for your important feedback.



**"I just wanted to thank you for helping me with a stressful part of my change in insurance. You made it simple for me to decide what way to go with the Medicare choice. I know you will not take payment\* so give yourself and Barb a pat on the back! Thanks again!"**—Ripon client

\*Please note that we are paid by the companies we represent.

Photo : Ray Loth

**"State Street Global Advisors, the world's fourth-largest asset manager, is launching a 401(k)-investment product that lets savers convert their retirement nest eggs into a steady income for life via an annuity..."**

**Fidelity Investments, the nation's largest retirement plan provider... the move would give 23,000 employers with 41 million workers and retirees... the option to put products with annuities in their retirement plans.**

—"Fidelity and State Street Push to Make 401(k) Offerings More Like Pensions," by Anne Tergesen, Wall Street Journal, 4/20/23

## Case Study

### GUARANTEED LIFETIME (effective) withdrawal rates worth bragging about

One common method for determining retirement income amounts\* is to start with annual withdrawals of 4%. It has been modified to 3.5%, or even less. **So \$200,000 would mean a starting annual income of \$8,000, \$7,000, or less**—depending on how much confidence you want for the long-term. This approach is intended to absorb market losses and may include inflationary increases. This method provides no guarantees.

**"...if you want your nest egg to last 30 years, you're much safer pulling 3% or less from your savings each year than the popular 4%. In fact, I think if your burn rate is much above 3.5%, you're in the red zone."** — William Bernstein, on Investors Biggest Risk, Wall Street Journal, 8/7/23

What (effective) withdrawal rates might be GUARANTEED with the use of Lifetime income riders on fixed annuities? (See main article on pages 1 and 2.)

Recently, a 60 yr. old female client^ came to us desiring to rollover her 401k, and use a portion of it for income. She was in good health and liked the idea of using \$200,000 towards guaranteed LIFETIME income. She understood that with rider fees and reduced growth potential on her base account value, her beneficiaries might receive less on this particular account.

Here is the annual LIFETIME income she's guaranteed\* (See insert.):

Income start date	Age	Income	Effective Withdrawal % (from initial \$200,000)
After 1 year	61	\$14,384/yr. (guaranteed)	7.19%
After 5 years	65	\$20,509/yr. (guaranteed)	10.25%

So, instead of a 4, or even 3.5% guess, after 1 year, **a 60 year old guarantees a 7.2% (effective) lifetime withdrawal rate.** Waiting 5 years increases the effective rate to over 10.2%/year. This isn't speculative, once arranged with a company, it's **guaranteed**—for your life. **Call 233-0033 to learn more about how your 401k can work for you.**

\* Please see footnote on the opposite page from main article.

^ While the examples shown are based on actual clients, to protect confidentiality, the (accurate) details are modified and thereby hypothetical only. Income payment amount results may vary. Information & estimates are only intended to demonstrate concepts available and are incomplete & subject to company specific information. Some figures, while retaining accuracy, have been adjusted for purposes of confidentiality. The example shown is for illustrative purposes only and is not guaranteed. It should not be construed as advice designed to meet the needs of an individual situation. Please seek the guidance of a professional regarding your specific financial needs. Consult with your tax advisor or attorney regarding specific tax or legal advice.



Photo : Ray Loth

## Ask the Professional...

**Some reminders for MEDICARE'S AEP Oct. 15th to Dec. 7th**

**Medicare Advantage and Drug plans renew automatically** each year unless you are informed otherwise. **Medicare Supplements** also typically renew automatically, however on your policy anniversary. Medicare's "Annual Enrollment Period" (AEP) is the universal **opportunity that Medicare beneficiaries\* have to make changes** to their Medicare based plans for January 1st.

Due to new Government legislation, 2025 will see more changes in drug coverage. While this may considerably reduce maximum out of pocket drug costs, there will likely be earlier upfront costs for beneficiaries.

### SHOULD you be doing something different?

Many do not. However, **here are 4 considerations:**

- 1• Significant changes in your medical activity may warrant a review. **However, your current plan may still be preferable.**
- 2• If you are unhappy paying a monthly premium, or have a low premium but don't like paying copays, AEP is a good time to review your options. (The \$174.70/mo. Medicare part B premium is standard for all beneficiaries.)
- 3• You are concerned about your medication costs, and want to discuss changes for January.
- 4• **Most of our clients are generally very happy with their plan and stay with it for the next year.**

As a caution, all of the options and *excessive advertising this time of year* can be overwhelming. We recommend a balanced approach to this advertising.

**Please get in touch with us at 920-233-0033 if you have any specific questions.**

*\*We are not associated with, or representing, the Federal Government Medicare program, nor is this article intended to explain or define the specific benefits of this program. Please consult www.medicare.gov, www.cms.gov, your local Social Security office, or other such official sources for information on actual government programs.*

*Additionally, this newsletter is generally intended to be educational, and not sales or promotional, in nature—primarily for our established clients. It therefore also comments on other important services and products that many of these clients have, like annuities, life insurance, etc. Any reference to non-Medicare related services is not intended divert the attention of newly interested Medicare beneficiaries.*

*We do not offer every plan available in your area. Any information we provide is limited to those plans we do offer in your area. Please contact Medicare.gov or 1-800-MEDICARE to get information on all of your options.*