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BOB CARLSON'S
Retirement Watch

Strategies for a Secure Future

Dear Reader:

It is not receiving much media attention, but 2017 and 2018 mark the 10-year anniversaries of key events in the financial crisis.

For example, in 2007 some major mortgage lenders went bankrupt and home prices peaked. The S&P 500 reached its pre-crisis high on October 9, 2007.

Today, many investors and analysts are focused on the last crisis and worry about a new crisis.

You could join them and fixate on what could go wrong in the next few months or years. A better approach is to do what everyone should have been doing before 2007 and can do now.

Pay attention to the things you can control. There's no way you can determine with confidence whether a new crisis might occur, much less estimate when it will happen. You have no influence or control over such events. If a crisis occurs, it will happen regardless of what you do or don't do.

Focus on the many things you can control and use those actions to protect you.

Be sure you have enough money in cash or other safe, liquid investments to make it through tough times in the markets. Review your portfolio to be sure you aren't taking more risk than you should. Check the level of flexibility in your spending plan.

Use the current relatively stable environment to take a hard look at your finances and make tough decisions about spending, giving (including supporting your children), asset allocation, debt, insurance and the other key elements of your finances.

You can control these factors, and they are going to determine the level of your future financial security whether or not a new crisis occurs.

Two Types of Trusts That Won't Die

ESTATE Watch

After the federal estate tax was repealed for most estates, many observers said two popular trusts no longer would be needed. They were wrong.

These trusts are as valuable as ever. Benefits that once were considered ancillary now are important to many estates. Though no longer created primarily for estate tax reduction, these trusts can be essential to reaching other estate planning goals.

The bypass trust. Also called the A/B trust, credit shelter trust and other names, the bypass trust primarily was used to ensure maximum use of the federal estate tax exemption. Under the old standard estate plan for married couples, after the first spouse passed, part of the estate equal to the estate tax exempt amount would be directed to the bypass trust. The rest of the estate would pass to the surviving spouse. The surviving spouse would receive all the income from the trust and distributions of principal as necessary. After the surviving spouse passed, the trust was distributed to the children or other named beneficiaries.

The result was no federal estate taxes on the estate of the first spouse to pass away and full use of the first spouse's lifetime tax exemption.

Today's higher lifetime exemption and the portability of the exemption from one spouse to another keep most estates tax free without a bypass trust. But the trust

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has other important uses.

The bypass trust delivers control and certainty over the eventual disposition of assets. You know that part of the estate first will support your surviving spouse and then will go to your children, or whomever else you designate as beneficiaries.

These factors can be especially important when one or both spouses had a previous marriage with children or if the surviving spouse remarries. The bypass trust also prevents someone else from influencing your surviving spouse to distribute the assets in a different way.

Just like the bypass trust, the irrevocable trust protects assets from creditors, lawsuits and divorcing spouses.

The trust also lets you determine how the wealth is distributed to your children or other beneficiaries after your spouse passes away. You can have it all distributed to them in a lump sum. Or the trustee can retain most of the property for a period of years and distribute income or other amounts each year until a final distribution occurs. There is a wide range of possible distribution strategies.

Asset protection is another advantage of the bypass trust.

The assets in the trust will be protected from creditors of the surviving spouse and the children as long as the assets remain in the trust. The trust also protects the assets from being taken by a spouse of one of your children in a divorce.

Creating a trust allows you to determine the initial trustee and at least the process for selecting any successor trustee. That lets you influence the investment policy and reduces the odds an unscrupulous or incompetent individual will gain control of the assets and either mismanage or embezzle them.

The bypass trust also ensures the estate tax exemption amount of the first spouse to pass away isn't wasted. The portability of the lifetime estate and gift tax exclusion from one spouse to another isn't guaranteed. The estate executor could make a paperwork mistake that loses the exemption of the first spouse to pass.

A bypass trust can provide family income tax savings when the trust generates significant income each year and the beneficiaries have incomes or other income-generating assets. Then, the trustee can coordinate investments, income and distributions to reduce the family's overall tax burden. For this to work, the trustee must be fairly sophisticated and have wide discretion over the investment strategy and annual distributions.

The irrevocable trust. When an estate might be taxable, a common tax reduction strategy is to remove assets from the estate during the owner's lifetime, especially assets that are likely to appreciate. One way to do that without giving beneficiaries full control is to put the assets in an irrevocable trust.

The irrevocable trust still provides a range of benefits, even for nontaxable estates.

Of course, the tax reduction benefits still exist for estates that are approaching the taxable level or when your state is one of the few that has estate or inheritance taxes, especially when the threshold for taxation is low.

Just like the bypass trust, the irrevocable trust protects assets from creditors, lawsuits and divorcing spouses. The level of protection depends on state law.

Also, as with the bypass trust, the irrevocable trust allows you to set the ultimate distribution of the income and assets to the beneficiaries. Plus, the trustee can offer professional investment management and insulate the assets from poor decisions of beneficiaries.

You also should know that irrevocable trusts aren't as inflexible as in the past.

In many states, there are ways to modify an irrevocable trust without a court order.

For example, in many states an irrevocable trust can be modified by unanimous agreement of a living grantor, all the fiduciaries (trustees) and all the beneficiaries.

You also can include a provision in the trust that allows the trustee to move the trust's situs, or residence, to another state. That can be helpful, because state taxes and trust laws change.

Some states allow a process known as decanting. When decanting is allowed by state law and in the trust agreement, the assets can be transferred to a new

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irrevocable trust with some different terms. This essentially allows you to rewrite an irrevocable trust, within limits, if your circumstances or the law change.

Of course, there are disadvantages to both types of trusts.

There is the cost of creating them, and the trustee might have to be paid out of trust income and assets.

The trust also will be a separate taxpayer. It needs a taxpayer identification number and must file its own income tax return. Trusts reach the highest income tax bracket at much lower income levels than individual taxpayers, so careful tax planning might be needed to avoid high taxes on trust income. Also, when someone inherits assets through a trust, the basis of assets isn't increased to fair market value as it is when assets are inherited through the estate.

6 Essential Year-End Strategies for IRAs

It is time to button down your individual retirement arrangements (IRAs) and be sure you make all the right moves by the end of the year.

IRAs are one of the two or three most valuable assets owned by most households. Relatively small differences can compound to substantially change the value of your nest egg. That's why it's important not to miss opportunities or incur unnecessary taxes and expenses.

Between now and the end of the year, review these key issues.

Avoid estimated tax payment penalties. One of the biggest tax traps for retired Americans is the requirement to pay estimated taxes. After decades of depending on employers to withhold taxes from each paycheck, retirees often have trouble adjusting to the estimated tax requirements. The IRS knows this and has adjusted its computers to catch more violations of the estimated tax rules, increasing estimated tax penalties a lot in recent years.

It is not enough to prepay the minimum amount by the end of the year. Most people have to make payments equally and on schedule during the year. You can't avoid a penalty by making a large estimated tax payment at the end of the year.

One way to avoid penalties is by having taxes withheld from IRA distributions. The IRS considers withheld taxes to have been withheld equally during the year, even if they weren't. So, if your estimated taxes haven't been high enough you can take an IRA distribution before the end of the year and have the custodian withhold taxes from the distribution.

For more details about the estimated tax rules and penalties, see our February 2017 issue.

Here's a strategy to consider.

Schedule a distribution from a traditional IRA equal to your estimated tax shortfall. Have the entire distribution withheld for income taxes. Within 60 days, take money from a non-IRA account and roll it over to the IRA. That way, the amount you had withheld for taxes won't be considered a distribution. Instead, it was a tax-free rollover, because you returned the same amount to the IRA within 60 days. Remember, each taxpayer can do only one 60-day rollover every 12 months.

Review conversions to Roth IRAs. The Roth IRA is one of the few vehicles that provides a stream of tax-free cash not only to you but also to your heirs. Because of that, under the right circumstances, your family's after-tax wealth increases when all or part of a traditional IRA is converted to a Roth IRA.

The decision whether or not to convert should be reviewed on a regular basis.

If a conversion wasn't right for you a few years ago or even earlier this year, circumstances might have changed. For example, you might be in a lower tax bracket because of an unexpected decline in income or an increase in deductions. Or one of the other factors that influence the conversion decision might have changed.

The decision also should be reviewed if you did convert all or part of an IRA. You are allowed to reverse an IRA conversion, a transaction known as a recharacterization. The recharacterization is allowed until the deadline for filing the income tax return for the conversion year, including extensions. That means if you filed your income tax return or an extension request on time, you can

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reverse the conversion until October 15 of the following year. If you did a conversion anytime in 2017, you have until October 15, 2018, to recharacterize it.

Review a conversion decision anytime there's a change in your financial life.

This year is an especially tricky one for conversion decisions, because of the potential for tax reform or income tax rate cuts. We discussed how to handle that in our October 2017 issue.

The factors to review when considering an IRA conversion were reviewed in our October 2017 issue and in the revised edition of my book, "The New Rules of Retirement."

Take your RMDs. Required minimum distributions (RMDs) from traditional IRAs begin after you turn age 70½. They're also required at any age after you inherited either a traditional IRA or Roth IRA. The penalty for not taking a full RMD is 50% of the amount that was supposed to be distributed but wasn't.

A few years ago, the IRS realized many people were making mistakes with their RMDs. It reconfigured its computers to catch more people who are not taking RMDs or distributing too little.

Be sure you correctly calculated RMDs for the year. Remember that for most employer retirement plans, such as 401(k)s, the RMD must be separately calculated and distributed from each account. The same goes for inherited IRAs. For multiple non-inherited traditional IRAs, the RMDs can be aggregated and taken from the IRAs in any ratio you want.

There are many planning strategies involving RMDs, including how to minimize or reduce future RMDs. You can find these discussions in our October 2017 and May 2016 issues. But as we approach the end of the year, the key is to be sure distributions from IRAs and other retirement accounts by Dec. 31 at least equal the RMD. Since IRA custodians tend to be overwhelmed near the end of the year, make your plan and put in your distribution requests well before Dec. 31.

Update beneficiary forms. Too many people haven't reviewed their IRA beneficiary designations for years, perhaps decades. Births, death, marriages and divorces are the events most likely to warrant a change in beneficiaries. Consider if you should add or delete a beneficiary or change the percentage each inherits.

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You also should consider the role of a trust as IRA beneficiary. When a preferred beneficiary is underage, not financially sophisticated, or a potential target of lawsuits, a trust as beneficiary might be a good idea. On the other hand, you might want to change the beneficiary to an individual instead of a trust when a beneficiary becomes of age or some other change occurs. See our April 2017 issue for details about naming a trust as IRA beneficiary.

Maximize and optimize the year's contributions. You can contribute to traditional IRAs through age 70½. Roth IRA contributions can be made at any age. Contributions can't exceed your earned income for the year. IRA contributions can be made anytime through April 15 of the following year, so contributions for 2017 can be made through April 15, 2018. Of course, the earlier the contribution is made, the more time there is for income and gains to compound in the IRA.

Deductions for contributions to traditional IRAs are limited. They aren't allowed if you are covered by an employer pension plan, including a 401(k), or if your income exceeds certain levels. You can make nondeductible contributions to a traditional IRA, but you want to consider if that's the best strategy. It might be better to contribute the money to a Roth IRA or leave it in a taxable account. That's primarily because all income and gains distributed from a traditional IRA are taxed as ordinary income. With a taxable account, you have the potential to earn tax-advantaged income such as long-term capital gains, qualified dividends and tax-free interest. With a Roth account, all the income and gains can be distributed tax free after the account has been open more than five years.

Use IRAs for charitable contributions. When you're age 70½ or older and make charitable contributions, one of the best ways to make contributions is the IRA qualified charitable distribution (QCD).

In a QCD, you direct the IRA custodian to send a contribution directly to the charity of your choice. You also can have the custodian send you a check made payable to the charity, which you deliver to the charity. The distribution isn't included in your gross income, yet it counts toward your RMD for the year. You receive no deduction for the contribution. You can use the QCD to make up to $100,000 of contributions each year. Details are in our May 2016 issue.

Ensuring the IRS Allows Charitable Contribution Deductions

TAX Watch

Many deductions for charitable contributions are going to be disallowed, because too many people still don't know and aren't following the rules.

The IRS issued new paperwork requirements during the George W. Bush administration and uses them to deny deductions to people who miss a few details.

Under the rules, it doesn't matter if you can prove you really did make the charitable contribution. The IRS and the Tax Court regularly deny charitable contribution deductions while acknowledging the contributions really were made. If you don't have the right paperwork, you don't deduct the contribution.

The rules require you to have certain documentation in hand before filing your tax returns. In some cases, you have to include the right paperwork with your income tax return.

Here are the key rules:

• To deduct a cash gift of $250 or less, you must have in hand a "bank record" with the name of the charity and the date and amount of the gift. Acceptable records include a canceled check, a bank copy of a canceled check, or a bank or credit card statement. Payroll deduction donations can be documented with a paycheck stub, W-2, or pledge card with the required information.

• A single contribution of more than $250, whether of cash or property, can be deducted only if you have a written acknowledgement of the gift from the charity before filing the tax return.

• If you received anything of value in return for the contribution, such as a gift or promotional item, you deduct only the difference between what you contributed and the value of what you received. When you make a single payment to a charity in excess of $75 and receive goods or services in return, the charity must provide a written disclosure of the value of the goods or services you received.

• You can deduct unreimbursed expenses incurred on behalf of a charity, such as the cost of traveling to a location to perform volunteer services. But if a single contribution of this type is $250 or more, you must have a written acknowledgement from the charity with a description of the services you provided, whether or not the charity provided goods or services in return and the value of such services. You also must keep adequate records of the expenses you deduct.

• Donations of property have additional and tougher rules, because the IRS was concerned that people were taking deductions for contributions of essentially worthless or unusable property.

• Used household property generally must be in "good used condition or better" when donated to be deductible. Most charities give receipts verifying the condition, though they won't put a value on the property. Some tax advisors recommend keeping photographs or videos of the donated property. Household items include furniture, furnishings, electronics, appliances, linens and similar items. Not included are food, antiques, works of art and jewelry.

Many deductions for charitable contributions are going to be disallowed, because too many people still don't know and aren't following the rules.

• An item of property worth more than $500 and less than $5,000 can be deducted regardless of its condition, but only if you complete Form 8283, Section A and attach it to your income tax return.

• When any type of property worth $5,000 or more is donated, you must obtain a qualified appraisal of the property and must complete Form 8283, Section B and attach it to your tax return.

- When the deduction claimed for a donation of property is more than $500,000, both the qualified appraisal and Form 8283 with Section B completed must be attached to the return.

When property isn't valuable enough for an appraisal to be required or justified, you have to estimate its value. Any reasonable method can be used to make the estimate.

When property is donated to a public charity, you generally deduct the current fair market value. That applies whether the property has appreciated or depreciated while you owned it. A public charity is one identified as a 501(c)(3) tax-exempt organization. Lower amounts often are deductible if you give to a non-public charity, such as a private foundation. There's also a lower deduction when business inventory is donated. Check IRS Publications 526 and 561 for detailed rules.

For contributions of a car, boat, or plane for which a deduction greater than $500 is claimed, the allowed deduction is the lower of (1) the gross proceeds of the vehicle's sale by the organization or (2) the fair market value on the date of the contribution. A caveat: If the vehicle's fair market value is more than your cost or other tax basis, the deduction might be reduced to your cost or basis.

There are two exceptions to the limit. One exception is when the vehicle was used or improved by the charitable organization. The other exception is when the organization gives or sells the vehicle to a needy individual. In either case, the fair market value on the date of the contribution generally can be deducted.

There are special rules for donations of appreciated tangible personal property, which usually means art and antiques. When you're considering such a donation, talk with a tax advisor about the best way to make the donation and how to maximize the amount you can deduct.

After meeting these rules, keep in mind the longstanding annual limits on charitable contribution deductions. For individuals, deductions for most contributions to public charities are limited to 50% of adjusted gross income for the year. Gifts to private foundations, of long-term capital gains property and in other situations have lower limits. For example, gifts of long-term capital gains property can't exceed 30% of adjusted gross income (AGI) when made to public charities. Such gifts are limited to the lesser of 20% of AGI or 50% of AGI minus the charitable contributions when made to nonpublic charities (such as private foundations).

Contributions above the limits can be carried forward and deducted in future years.

Also, keep in mind that charitable contributions are itemized expenses on Schedule A of Form 1040. That means they are reduced for higher income taxpayers by 3% of the amount by which AGI exceeds the income threshold. Itemized deductions can be reduced by no more than 80%. The income threshold is adjusted for inflation each year. For 2017, the income threshold is $313,800 for married couples filing jointly and $261,500 for single taxpayers.

Protecting Your Nest Egg from High Prescription Drug Bills

HEALTH Watch

Medical care will be one of your highest expenses during retirement, and prescription drugs will be among your highest medical expenses.

A 65-year-old couple today that has median prescription drug expenses for the rest of their lives will need $165,000 of savings to have a 50% chance of covering their health expenses in retirement, according to the Employee Benefits Research Institute. To have a 90% chance of having enough savings, they'll need $265,000.

To protect your financial security, you need a plan for controlling prescription drug expenses. Traditional Medicare doesn't cover most drug expenses.

The best strategy is to buy a Part D prescription drug policy if you're in traditional Medicare, or participate in a Medicare Advantage plan with prescription drug coverage. I'll talk about Part D plans, but look at the same factors when considering an Advantage plan.

To protect your financial security, you need a plan for controlling prescription drug expenses. Traditional Medicare doesn't cover most drug expenses.

The most important rule is: Shop around. If you take nothing else away from this discussion, it should be the importance of shopping around.

Studies of Part D plans found that premiums can vary by as much as 100% for plans available in the same area with identical or very similar coverage. People don't like to shop for insurance and many don't know what to look for, so they pay higher premiums than they need to.

The plan with the lowest premium might offer coverage that is inappropriate for you and costs more in the long run.

Shopping around is relatively easy, especially if you have Internet access. The Medicare website has summaries of all the plans available in your area with links to details at the insurers' web sites. You also can talk with someone at 800-MEDICARE to discuss the plans available in your area. In many areas, help is available through the local Area Office on Aging or non-profit groups. There also are financial advisors who specialize in helping to choose Medicare plans for a fee.

Premiums. Of course, you start with the monthly premium, but don't end there. The plan with the lowest premium might offer coverage that is inappropriate for you and costs more in the long run. A plan with a higher premium might offer advantages such as a lower deductible and broader coverage.

Covered medications. Perhaps the most important feature of a Part D plan is the drugs covered, also known as the formulary. Insurers choose which drugs they cover and the extent of the coverage. Determine a plan's coverage for medications you already use or believe are likely to need in the future because of personal or family medical history.

A plan might cover only generic drugs when they're available for a condition. Usually, you have to try the generic first and determine either that it isn't effective or has side effects before a brand name will be covered.

When several different drugs are available for a condition, a plan might not cover all of them. New or experimental drugs usually aren't covered at all, and off-label use of a drug might not be covered.

When a drug is available in different forms, such as a tablet, capsule, lotion, or gel, a plan might not cover all the forms.

Each year, as Part D open season approaches, review your plan's revised formulary for any changes. A plan can change its details each year. Drugs that are covered one year might not be covered the next.

Deductibles and copayments. Each plan sets its annual deductible, the amount you have to spend before the plan covers any medications. It can't be more than $360, adjusted for inflation each year. Some Part D plans have no annual deductible.

After the annual deductible is met, you'll have a copayment or coinsurance on each prescription. A copayment is a dollar amount while coinsurance is a percentage of each prescription's cost.

Each policy has its own copayments or coinsurance. In most policies, they vary in what are called tiers. Usually Tier 1 has a low copayment or coinsurance and is mostly generic drugs, and Tier 2 is mostly brand name drugs and carries a higher copayment or coinsurance.

The coverage gap. Also known as the doughnut hole, the coverage gap makes a policyholder responsible for more prescription expenses within a certain annual spending range. In 2017, after you and the plan have spent $3,700 together on covered drugs, you're in the coverage gap. (The level can change each year.)

In 2017 in the coverage gap you're responsible for no more than 40% of covered brand name prescription drug costs and 51% of covered generic drugs. In 2018 you'll pay 35% of brand name drug costs and 44% of generic drug costs. The percentage you pay for drugs in the coverage gap decreases each year until it settles at 25% for both types of drugs in 2020. The coverage gap is scheduled to end after 2020.

Re-evaluate your choice each year as open enrollment approaches. Plans change their terms each year, and your needs might change.

Once your spending for the year exceeds the coverage gap limit, which is $4,950 in 2017, you're in the catastrophic spending range. In that range, you pay only 5% of the cost of covered drugs.

A plan might offer some additional help while you're in the coverage gap. Though the coverage gap can be complicated, you need to understand how much you might pay for prescriptions while you're in the gap before selecting a plan.

Pharmacy restrictions. To obtain coverage, you might be required to use only certain pharmacies. Often, continuing prescriptions must be refilled through a mail order pharmacy selected by the insurer.

It is important to enroll in a Part D plan or a Medicare Advantage plan when you're first eligible. If you don't and enroll later, you'll pay a higher premium every month for the rest of your life. The amount of the higher premium will depend on how long you waited before enrolling in Part D. If you don't need coverage when you're first eligible, sign up for the cheapest Part D policy available. You can switch to a different policy during the annual open enrollment period in the future when you have different prescription drug needs.

Re-evaluate your choice each year as open enrollment approaches. Plans change their terms each year, and your needs might change. A plan that worked well for you in the past year might not in the next year.

Shelter Your Financial Security from Natural Disasters

INSURANCE Watch

The recent string of high-profile natural disasters caught many people by surprise — and created major gaps in their financial security.

If you made it through these disasters with few or no problems, say a prayer of thanks and realize it likely is only a matter of time before a potentially catastrophic event rolls your way. It doesn't have to be an historic hurricane, flood, or wildfire. You could be at risk from a broken water pipe, a tree falling on your home and many other events.

The faster you can place your hands on these documents, the faster you'll recover.

You don't want short-term events to cause a permanent reduction in your financial security. Work through this checklist to be sure the worst you'll experience from such events is some inconvenience.

Prepare your financial emergency kit. Certain documents are very helpful to surviving a catastrophe and rebuilding afterwards. The faster you can place your hands on these documents, the faster you'll recover.

You need access to the latest copies of statements for bank accounts, investment accounts, credit cards, mortgages, and any other debt. You need copies of tax returns. Of course, you need the policies for homeowner's, automobile and any other insurance you have. Then, there are the always-essential documents: your will, trust, power of attorney, health care advance directive and any other estate planning documents.

You want copies readily available to you, and you want the original or copies stored to be safe from catastrophes. Some people use bank safe deposit boxes. Others have home safes or disaster-proof lock boxes. These days, digital storage is a good option if the storage is safe from disaster. Having digital copies on your hard drive or thumb drive at home isn't useful if they're also damaged.

Assess emergency reserves. We'd all like 100% of our assets to be working in the markets to increase our net worth. But for emergencies you should have some liquid assets that quickly can be converted to cash without having to sell investments and wait for the transactions to clear.

The amount of cash you should have depends on your situation. Most advisers recommend three to six months of emergency reserves. But you might need more, depending on the extent of the disasters for which you are at risk and how long your insurance coverage might take to begin disbursements. Keep in mind that in a real disaster, you might need more than your daily living expenses. You might need temporary housing and a rental car. You might need to replace items you use in daily life and household goods.

Match insurance coverage to your risks. Standard homeowners insurance doesn't cover flooding. You need to buy flood insurance separately. A high percentage of people in hurricane-prone areas don't carry floor insurance. Flood insurance is required only if you have a mortgage and live in a designated high-risk flood zone. It can be expensive, and the lower incidence of hurricanes and floods over the last decade made some complacent.

Flood insurance can be a good idea even if you're not in a hurricane zone, because a flood from any cause can result in substantial damage in a hurry.

Talk with your insurer or insurance agent about the other limits of your homeowners insurance and risks that aren't covered. Many people are surprised by what their insurance doesn't cover but can be covered with an additional rider.

Also, know which costs of an incident aren't covered. Does your policy reimburse for damage to household goods based on their current value or their replacement cost? How much will the policy pay for temporary housing if you're displaced because of a flood, fire, or other event? How quickly can reimbursements be made?

Document your property. To recover all or most of what you lose in a disaster, document what you own. Insurers have formulas they use to reimburse homeowners for losses of their household goods. You might be better off proving exactly what you owned, especially if you have high-end electronics, expensive furniture, jewelry, antiques, custom home improvements and other special items.

Ideally you have a list of what you own, including date purchased, cost, and an estimate of the current value. The best evidence is to have receipts of your purchases to prove the details. Many insurance agents recommend that you have videos or photographs of your home that are date-stamped, so you can prove you owned the items at a particular point in time and they were in good condition. Having this evidence increases the odds you'll recover as much as possible.

Many people are surprised by what their insurance doesn't cover but can be covered with an additional rider.

Have a continuity plan. This is critical for businesses, but also important for homeowners. What will you do if the things you depend on each day aren't available? You could go days without electricity, running water, natural gas, telephone and other services.

When the electricity in your area is out, that means the pumps at the local gas stations won't work. The only gas you'll have is what's in your cars and any containers you filled. Consider what your options would be for food. Keep in mind that roads could be flooded or blocked by fallen trees for some time.

Having cash on hand might be essential. ATMs and credit card processing systems might be out of service for extended periods.

You should be prepared to be self-sufficient for a while. Most preparedness experts recommend that you be ready to live without outside provision of utilities, food, water and support for three to seven days.

After-event checklist. Part of your preparation is knowing what to do after you suffer a loss. You should, of course, contact your insurer or agent and begin the process of filing a claim.

As soon as you can, take photographs or videos of the damage. The instinct of most people is to begin moving things around and try to fix what they can. For insurance purposes, though, the first step is to take any action necessary to prevent further immediate loss, and the second step is to document the damage.

The insurance adjustor will provide estimates of the damages and reimbursement. You can present arguments and information to support higher estimates when you think that's appropriate. It's important not to deposit a check from an insurer or sign an agreement unless you are satisfied with the estimates. Once you accept payment, you won't be able to negotiate further unless the insurer stated it wasn't full payment.

Contact creditors. Many firms provide some kind of grace period to those who suffered catastrophes or have other excuses for late payments. You could save a lot of money by having late payment fees waived.

Preparation is the key to maintaining your financial security and minimizing your losses from a disaster.

Investment Recommendations

Momentum, Growth Pushing Stocks Higher

MARKET Watch

Are U.S. stock markets "melting up" to a peak?

The question is being asked following the surge of stock indexes since early September. The indexes paused beginning in late July, but that didn't last long. The S&P 500 is up 2.35% in the last four weeks (ended Oct. 13) and 4.79% for three months. Smaller company stocks have done better, with the Russell 2000 rising 5.74% in the last four weeks.

The indexes are well above their long-term and short-term moving averages, and the moving average lines are climbing higher. The rise also is broad-based according to the advance-decline ratio and other indicators. Most sectors of the market are higher for the year.

Volatility is low. The S&P 500 has gone more than 340 days without so much as a 3% decline, putting it within 40 days of the record.

The rally's been so strong that most indexes and many stocks are in "overbought" territory. That means they've surged above their moving averages or recent trading ranges. About 55% of S&P 500 stocks are overbought, as are all but two of the S&P 500 sectors. As has been the case for several years, valuations are high.

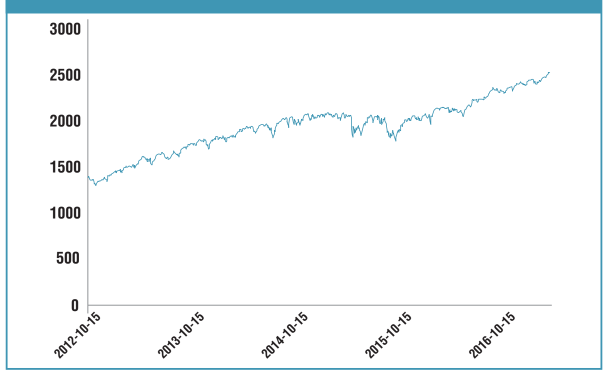
Despite these factors, I don't see a reason to run to cash. U.S. stocks are overextended and likely are due for either a pause in the rally (an extended sideways move) or some kind of decline. Yet, I don't see warning signs of a bear market. The decline could be as mild as the one that occurred from late July to early September this year or as brief as the sharp decline we faced in early 2016.

Stocks are moving higher despite the Fed's tighter monetary policy. They are supported by an economy that's achieved sustainable growth, and recent growth has been as strong as at any time since 2008. Corporate earnings and cash flow recorded strong growth the last couple of quarters. Businesses also are benefitting from higher growth outside the United States.

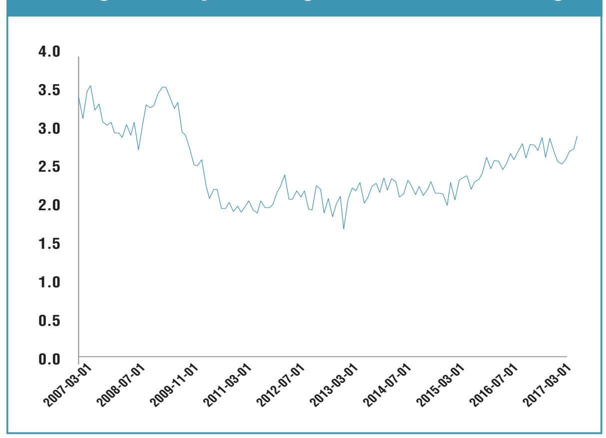
Consumers maintain high levels of confidence boosted by rising values for homes and stocks and a strong employment market. In recent months, we saw the highest wage increases of this recovery.

The economy is somewhere between the middle and late stages of the typical growth cycle, and the fundamentals indicate we could stay in this phase for another year or two, perhaps longer. Even with the strength in the United.States, overseas

S&P 500 Performance: 2012–Present



Average Hourly Earnings 12-month % Change



markets continue to offer better opportunities, as discussed in this month's Portfolio Watch.

The greatest risk to the economy and markets remains the Fed and other central banks. The Fed is tightening, and other developed-country central banks are talking about tightening policy.

The central bankers need to interpret the data correctly. Their forecasts in recent years consistently overestimated future growth and inflation. At this point in the growth cycle, inflation typically is higher than it is now and on the verge of accelerating. But the after-effects of the boom and financial crisis still exert deflationary, slow-growth pressures. If central banks tighten too much, we could enter another downward spiral that would be tough to reverse. Central bankers need to be careful not to overestimate inflation. They should err on the side of letting inflation rise too much to avoid strangling growth.

Of course, our portfolios face unpredictable risks from outside the markets, primarily geopolitical risks. We deal with them by having balanced portfolios and being ready to act quickly if market trends turn.

Diversification Boosts Our Portfolio Returns

PORTFOLIO Watch

International stocks have outperformed U.S. stocks in 2017, and they have a wider margin of safety. That's why they'll continue to have an outsized role in our portfolios.

While U.S. stock indexes set new highs all year, international stocks still are looking at their 2007 highs. Emerging market indexes are about 18% below their 2007 highs, and the Bloomberg World Index is only about 13% above its 2007 peak.

Our top returns are from **Price Latin America (PRLAX).** The fund is up 1.16% in the last month, 12.34% over three months and 35.43% so far in 2017.

Latin American stocks benefit from higher growth in Europe and Asia and the end of the commodities bear market. They have done well the last couple of years despite a series of political troubles in Brazil, Venezuela and other countries that created short-term volatility. I expect that volatility to continue.

PRLAX is a concentrated, low-turnover fund that looks for growing companies selling at reasonable prices. Recently, 57 stocks were in the fund, and over 50% of the fund was in the 10 largest positions. The annual

Sector Portfolio

Fund	Allocation	Ticker	4-Wk Return	Add New Cash?
DoubleLine Floating Rate	15.0%	DBFRX	0.63%	Yes
Cohen & Steers Realty Shares	10.0%	CSRSX	1.28%	Yes
Mairs & Power Growth	14.5%	MPGFX	3.08%	Yes
DoubleLine Emerging Mkts FI	9.0%	DBLEX	0.07%	Yes
Price Latin America	9.0%	PRLAX	1.16%	Yes
WCM Focused International Growth	32.5%	WCMRX	1.80%	Yes
iShares Gold Trust	5.0%	IAU	-2.12%	Yes
iShares Commodities Select Strategy	5.0%	COMT	2.71%	Yes

**Returns are as of October 15, 2017*

International investments slowed in the last month and let U.S. stocks surge ahead of them. Even so, we had solid returns from all investments, except gold. I'm not recommending any changes in the portfolio.

Balanced Portfolio

Fund	Allocation	Ticker	4-Wk Return	Add New Cash?
DoubleLine Floating Rate	20.0%	DBFRX	0.63%	Yes
Cohen & Steers Realty Shares	7.0%	CSRSX	1.28%	Yes
Mairs & Power Growth	15.0%	MPGFX	3.08%	Yes
DoubleLine Emerging Mkts FI	7.0%	DBLEX	0.07%	Yes
Price Latin America	8.0%	PRLAX	1.16%	Yes
WCM Focused International Growth	30.0%	WCMRX	1.80%	Yes
iShares Gold Trust	7.0%	IAU	-2.12%	Yes
iShares Commodities Select Strategy	6.0%	COMT	2.71%	Yes

**Returns are as of October 15, 2017*

Diversification continues to pay benefits. U.S. stocks pushed ahead of their international counterparts in the last four weeks, but all the investments except gold added to our bottom line. Hold all positions.

turnover is about 27%.

The top industries in the fund are financials (33%), consumer staples (22%), consumer discretionary (13%), real estate (7%) and materials (7%). The country exposures are Brazil (59%), Mexico (20%), Chile (6%), Peru (6%) and Argentina (5%).

Another global stock winner for us is **WCM Focused Growth International (WCMRX)**. The fund buys stocks of companies of almost any size and based anywhere in the world. Its criteria are that a company is growing and has the management and qualities that make continued growth likely.

The fund looks for companies with little or no debt that benefit from long-term trends (referred to as tailwinds) and barriers to competitors (moats).

It's another concentrated, low-turnover fund. Most of the fund is invested in only a few growing sectors: consumer cyclical (19% of the fund), technology (18%), health care (17%) and consumer defensive (16%). It recently owned only 35 stocks and had 38.5% of the fund in the 10 largest positions. Annual turnover is 21%.

WCMRX returned 1.80% in the last four weeks and 27.29% so far in 2017.

Since late 2015, emerging market bonds have delivered high yield and capital gains with low volatility through **DoubleLine Emerging Markets Income (DBLEX)**, which has a 3.68% yield. It returned 0.07% in the last four weeks and 8.84% so far in 2017.

DBLEX focuses first on preserving principal. It won't buy securities simply because they're in an index. The fund's managers analyze the emerging economies and develop an outlook for each. Then, the fund purchases only securities from countries in which the managers have confidence. Though it is not required to do so, the fund has owned only bonds denominated in U.S. dollars since its inception in 2011. That eliminates currency risk for U.S. investors.

In 2015, the fund was invested almost entirely in Latin America issuers, avoiding Asia and Eastern Europe. It also avoided most sovereign issuers, favoring bonds of corporate and quasi-sovereign issuers.

Now, the fund's investments are 40% corporate, 32% sovereign and 24% quasi-sovereign. The recent top country exposures are Chile (13%), Mexico, (13%), India (10%), Brazil (8%) and China (6%).

We participate in the gains in U.S. stocks with another focused, low-turnover fund, **Mairs & Power Growth (MPGFX)**. The fund recently owned only 50 stocks and had 39% of its holdings in its 10 largest positions. It returned 3.08% in the last four weeks and 10.97% so far in 2017.

The fund seeks financially sound firms with above-average returns on equity, competitive advantages and quality management that are selling at reasonable prices. Its management also prefers companies near its Minnesota headquarters, believing proximity gives it an advantage in understanding the companies. Most of the fund's holdings have headquarters in the Midwest, and more than half have headquarters in Minnesota.

MPGFX truly is a long-term investment. Five of the 10 largest positions were initiated in 1993, and only one was initiated as recently as 2016: Abbott Laboratories.

Top holdings are Ecolab, U.S. Bancorp, 3M, Graco and Medtronic.

Another U.S.-centered equity position is real estate investment trusts (REITs) through **Cohen & Steers Realty Shares (CSRSX)**.

REITs have been volatile the last couple of years, but quality REITs are selling at good values and their general trend is upward as long as the economy is growing. CSRSX returned 1.28% in the last four weeks and 6.46% for the year to date.

CSRSX is selective. First, it develops a view of the economy. Second, it

Income Growth Portfolio

Fund	Allocation	Ticker	4-Wk Return	Add New Cash?
DoubleLine Floating Rate	26.0%	DBFRX	0.63%	Yes
Cohen & Steers Realty Shares	5.0%	CSRSX	1.28%	Yes
Mairs & Power Growth	15.0%	MPGFX	3.08%	Yes
DoubleLine Emerging Mkts FI	5.0%	DBLEX	0.07%	Yes
WCM Focused International Growth	32.0%	WCMRX	1.80%	Yes
JPMorgan Alerian MLP ETN	7.0%	AMJ	-0.42%	No
iShares Gold Trust	5.0%	IAU	-2.12%	Yes
iShares Commodities Select Strategy	5.0%	COMT	2.71%	Yes

**Returns are as of October 15, 2017*

Last month I said not to add new money to JPMorgan Alerian MLP ETN, though I also recommend holding existing positions. The rest of the portfolio is doing well, and I see no changes to make.

Retirement Paycheck Portfolio

Fund	Ticker	Allocation	12-mo. Yield	Add New Cash?
DoubleLine Floating Rate	DBFRX	50.0%	3.87%	Yes
DoubleLine Emerging Mkts FI	DBLEX	20.0%	3.68%	Yes
DoubleLine Income Solutions	DSL	15.0%	8.47%	No
JPMorgan Alerian MLP ETN	AMJ	15.0%	6.84%	No

**Yields are as of October 15, 2017*

The portfolio is holding up well in a very tough time for income investments. I recommend holding all positions for at least another month, though I don't recommend adding new money to DoubleLine Income Solutions.

determines which sectors and regions of the REIT market will benefit most from that outlook. Third, it applies its detailed knowledge of each REIT to select the highest-quality firms in the preferred sectors and regions selling at reasonable prices.

The top sectors in the fund recently were offices (21% of the fund), apartments (19%), data centers (12%), health care (7%) and hotels (6%). Top holdings in the fund were Equinix, UDR, Prologis, Essex Property Trust and AvalonBay Communities.

Commodities continue to rally, and we joined the rise a few months ago by owning the diversified commodities exchange-traded fund (ETF), **iShares Commodities Select Strategy (COMT).** I expect the global economy to continue growing and inflation to increase, causing commodity prices to rise steadily for the next year or two years.

COMT can own any of the 24 commodities in the S&P Goldman Sachs Commodities Index but doesn't track the index. The fund's commodity allocations are determined using the proprietary quantitative models of BlackRock. The fund tries to capture intermediate and long-term trends, not short-term moves. Energy usually is the highest concentration and will be at least 25% of the fund.

The fund can own futures, options, or stocks of commodity producers, broadly defined. It recently was invested about 30% in stocks and 70% in futures and options. The stock portion recently was 16% agriculture, 6% base metals, 4% timber, 3% precious metals and 2% energy. The futures were invested 42% in energy, 15% in agriculture, 6.5% in base metals, 4.6% in livestock and 1% in precious metals.

COMT is up 2.71% in the last four weeks and 3.90% so far in 2017.

We own gold through **iShares Gold Trust (IAU)**. If inflation increases more than markets anticipate, as I expect, gold should rise. Inflation doesn't have to return to 1970s levels, it only has to be more than the markets expect for us to profit.

I also want us to own some gold as a hedge against global political turmoil and crises. We've seen gold rise whenever there's an increase in political troubles around the globe, and then fall when troubles subside. The global political climate is likely to remain hot,

True Diversification Portfolio

Fund	Ticker	Alloc.	3 mos.	1-Yr.	3-Yr.	5-Yr.	10-Yr.
Total Portfolio		100%	2.34	9.22	4.16	4.69	3.85
Plus or minus S&P 500			-2.14	-9.39	-6.61	-9.61	-3.18
Price Capital Appreciation	PRWCX	11%	2.89	14.70	11.49	12.47	8.39
Price HY	PRHYX	11%	1.98	8.79	5.40	6.16	7.04
FPA Crescent	FPACX	18%	2.39	15.98	7.49	9.35	6.89
PIMCO All Assets All Auth*	PAUDX	10%	3.40	9.77	1.30	0.66	4.10
Berwyn Income	BERIX	13%	0.17	3.98	3.77	5.63	6.48
Cohen & Steers Realty Sh	CSRSX	5%	3.69	6.24	9.89	10.26	5.78
PIMCO Real Return**	PRRDX	5%	1.33	0.86	0.34	-0.51	3.95
Oakmark**	OAKMX	5%	5.32	26.38	12.88	15.58	9.47
William Blair Macro Alloc***	WMCNX	12%	0.59	5.02	-0.10	3.69	n/a
Leuthold Core Investment****	LCORX	10%	4.17	17.42	8.00	8.85	4.38

Returns longer than one year are annualized. *Added to the portfolio in February 2012 issue. **Added in the December 2014 issue. ***Added in the September 2015 issue. ****Replaced MainStay Marketfield in the June 2016 issue. Portfolio returns are as of September 29, 2017. Fund returns are as of October 13, 2017. N/A=Not Applicable.

so I want to own some gold.

IAU usually has the lowest fees among the gold ETFs, making it the cheapest, most efficient way to own gold. The ETF is down 2.12% in the last month but up 11.92% so far in 2017.

Gains in IAU incur the 28% tax rate on long-term capital gains. You can own IAU in an IRA or other retirement plan without penalty.

The stabilizer in our portfolios is **DoubleLine Floating Rate (DBFRX)**. This floating-rate bond fund helps us avoid the principal declines traditional fixed-rate bonds face when interest rates rise.

Floating-rate funds own primarily bank loans to companies. Some floating rate funds boost yield by owning too many low-quality securities and buying longer-term debt. DoubleLine puts a premium on safety of principal. Because of that, it owns more short-term debt and won't buy loans to companies that don't offer enough financial security despite their higher yields.

The top sectors in the portfolio recently were computers & electronics (13%), health care (11%), leisure goods & activities (8%), telecommunication (6%) and retailers (except food & drug) (5%).

The recent yield was 3.87%. The fund returned 0.63% in the last four weeks and 2.94% so far in 2017.

Portfolio Performance

	Sector	Balanced	Income Growth	Retirement Paycheck	IWW ETFs
One Month	1.01%	0.88%	0.71%	0.58%	-2.99%
Year to Date	14.22%	15.02%	9.07%	4.22%	2.15%
Last 12 Months	11.09%	11.79%	7.26%	3.54%	-3.13%
3 Years*	6.67%	5.49%	3.88%	6.82%	-7.78%
5 Years*	4.75%	3.66%	2.76%	6.16%	-4.56%
10 Years*	2.76%	1.76%	3.03%	N/A	1.34%
Compound Return	381.42%	337.20%	60.83%	71.48%	62.80%

**Annualized. Returns are as of September 29, 2017. The Income Growth Portfolio was begun in July 2001. The Retirement Paycheck Portfolio began December 2010. The IWW-ETF Portfolio began December 2005. Other portfolios began January 1995.*

September had positive returns across the board, except for the IWW-ETFs portfolio. But that one started to recover in October. We've benefitted from diversification, especially our allocations to international stocks and the recent addition of commodities.

One-Stop Recommended Portfolios

	Alternative Funds				
RW Recommended Fund	**NTF Funds***	**ETFs**	**Fidelity**	**Price**	**Vanguard**
DoubleLine Floating Rate	DoubleLine Floating Rate N	First Trust Senior Loan	Floating Rate HI	Floating Rate	N/A
Cohen & Steers Realty Shares	Cohen & Steers Realty Shares	iShares C&S REIT	Real Estate Inv	Real Estate	REIT Index
Mairs & Power Growth	Mairs & Power Growth	Vanguard Dividend Appr.	Equity Income	Equity Income	Equity Income
DoubleLine Em Mkts Fixed Inc	DoubleLine Em Mkts Fixed Inc	iShares EM Corp Bond	Emerging Mkts Debt	EMkts Corp Bond	Em Markets Gov't Bond
Price Latin America	Price Latin America	iShares Latin American 40	Latin America	Latin America	Emerging Markets Stock
WCM Focused Int'l Growth	WCM Focused International Growth	iShares MSCI ACWI	Global Equity	Europe	Europe
JP Morgan Alerian MLP ETN	N/A	JP Morgan Alerian MLP ETN	Select Energy	New Era	Energy
iShares Gold Trust	N/A	iShares Gold Trust	N/A	N/A	N/A
iShares Commod. Select Strategy	BlackRock Commodity Strat	iShares Commod. Select Strategy	Commodity Strategy	New Era	N/A
DoubleLine Income Solutions	N/A	N/A	N/A	N/A	N/A

**Not all NTF funds listed are available from all the NTF programs. Some are more restrictive than others, and some funds do not want to be available on all the NTF programs.*

Simplify your investment life and probably improve returns for concentrating your investments at one or two mutual fund firms or brokers. It will be easier to track and manage your portfolio. The One-Stop Portfolios let you follow our margin-of-safety investment approach at the major fund companies and No Transaction Fee (NTF) broker programs. There is not always a good alternative to one of my recommended funds. Those cases are indicated by "N/A" in the table. In those cases, consider paying a fee to invest in my recommended fund or opening an account directly in that fund.

The Income Growth portfolio also owns JPMorgan Alerian MLP ETN (AMJ), which is discussed in the next section about the Retirement Paycheck portfolio.

RETIREMENT PAYCHECK

Interest rates from traditional retirement income investments still are too low to generate decent income, despite the Fed's recent rate increases.

For investors who want an above-average stream of income, the Retirement Paycheck portfolio invests in non-traditional income investments, such as master limited partnerships (MLPs), closed-end funds, preferred stock, high-yield bonds and others. But we don't buy and hold, because these investments can be volatile. We buy an investment when it appears to be neglected or a good value, and sell when the price is too high.

We already discussed DoubleLine Floating Rate and DoubleLine Emerging Markets Income.

We own MLPs through the exchange-traded note (ETN) **JPMorgan Alerian MLP ETN (AMJ)**. AMJ promises to pay investors the return of an index that tracks the 50 largest MLPs by capitalization, after fees. The ETN also pays quarterly distributions.

Master limited partnerships (MLPs) are slowly climbing out of the hole they fell into earlier this year because of bad financial news from several MLPs that took on too much debt during the boom period. Most of the industry appears to be secure and growing.

AMJ lost 0.42% in the last four weeks and still is down 6.35% for the year to date. The yield is 6.84%.

We earned another month of solid returns from **DoubleLine Income Solutions (DSL)**, but the closed-end fund's share price increased more than the net asset value of the portfolio. DSL returned 2.83% in the last four weeks and is up 20.64% for 2017. But the net asset value is up only 13.29% for 2017.

That means the discount to net asset value of the fund declined to about 2.5%. We bought the fund when it was selling at about an 8% discount. I still recommend the fund but might sell if the discount decreases further.

The fund can invest in any fixed-income investment around the globe and also can use leverage. The fund began to reduce its risk to rising U.S. interest rates a few years ago by owning primarily emerging market bonds and high-yield bonds. Those assets still are the largest positions, together making up about 67% of the portfolio.

Recently, Gundlach said prices in those sectors have been rising too rapidly. He plans to reduce their allocations over time. The fund also owns commercial mortgage-backed securities (9.5% of the fund), bank loans (7.6%), collateralized loan obligations (7.6%) and mortgage-backed securities (6.4%).

The fund also can vary its leverage and reduced the leverage to about 28%. The yield is 8.47%.

TRUE DIVERSIFICATION

This month we take the detailed look at the True Diversification portfolio we do every three months.

This is the long-term, buy-and-hold portfolio we developed to correct the shortfalls in traditional buy-and-hold portfolios. Those portfolios depend too much on stocks, having 90% or more of their returns and volatility tied to the major stock indexes.

We want a portfolio that does well in different market environments. A portfolio of mutual funds that have low correlations with each other and with the stock indexes allows us to earn steady returns over time with much less volatility than the stock indexes.

You can see that in the table showing our returns over different periods. Our return has been less than the S&P 500 since 2013 because of the strong stock market. That's expected. It also is expected that we'll make up that gap. Historically, we outperform the index by significant amounts in bear markets and by small amounts in flat markets.

The data show the True Diversification portfolio has about half the volatility of the S&P 500. The standard deviation over three years is 5.11, compared to 10.07 for the S&P 500. The mean, another measure of volatility, is 4.16, compared to 10.77 for the index.

The beta is a measure of how closely the portfolio is tied to the S&P 500. A beta of 1.0 indicates an investment rises and falls with the index, while a beta of 0.0 indicates there is no relationship. Traditional portfolios have betas of 0.9 and higher. Our beta is 0.46 over three years, 0.45 over five years and 0.51 over 10 years.

When our mutual funds are aggregated, the portfolio is 13% cash, 40% U.S. stocks, 5% non-U.S. stocks, 37.5% bonds and 4.5% other investments. Some of the funds in the portfolio use futures and options and sell short investments.

INVEST WITH THE WINNERS

We changed the holding in our Invest with the Winners one-fund momentum strategy last month. We moved to **iShares Latin American 40 (ILF)** from **PowerShares QQQ (QQQ)**. Our models indicate we should stay with ILF for at least another month, because the Latin American ETF has the strongest recent performance of the ETFs representing the major asset classes.

The Retirement Outcome is What Counts

MONTHLY Windup

In the last few years, the more savvy retirement advisors realized the traditional planning model is backwards.

Financial advisors traditionally believe they are assuring people and giving them confidence by pointing to the assets they accumulated for retirement or the income they'll receive. But these amounts often don't put people's minds at ease. Numbers on a piece of paper aren't what retirement planning should be about.

As I frequently remind you, retirement planning is about the retirement outcome. How are you going to live your life? That's why I encourage people first to think about how they want to spend their time. Consider your family, home, work, health, leisure and giving plans. Then, focus on your finances. If you're already retired, it's still important to reconsider these issues on a regular basis and make plans for the future.

The best retirement plans are those that give people confidence they'll be able to spend retirement as desired. Most retirement planners and retirement marketing focus on investment products and assets, but the real product is what you'll do in retirement. Only after setting those goals can you develop a financial plan to meet those goals.

That brings this month's discussion to a close. I'll be monitoring Washington to see if there will be the traditional end-of-year burst of legislation, especially tax reform. Whatever happens, or doesn't happen, I'll be back next month with the latest results of my research and recommendation for your estate plan, IRAs, income taxes, medical expenses and more.

Sincerely,

Bob

P.S. For years, subscribers like you have asked for more in-depth and timely retirement planning advice. Topics range from special new rules on your IRAs and estate taxes to maximizing your retirement income and long-term care. So I found a way to deliver this deeper level of retirement advice... I created a monthly, information-packed webinar you can watch from the comfort of your own home. To learn more about my new ***Spotlight Series*** (including everything we'll cover in our first segment), go to the top of RetirementWatch.com's home page, and select the Spotlight link.

Robert C. Carlson wrote the book on retirement and retirement planning—twice: *The New Rules of Retirement* (Wiley, 2nd ed. 2016) and *Personal Finance after 50 for Dummies* (with Eric Tyson; 2nd ed. 2015). He also serves as Chairman of the Board of Trustees of the Fairfax County (Va.) Employees' Retirement System (a more than $3.0 billion portfolio) and served on the Board of Trustees of the Virginia Retirement System (a $42 billion portfolio in 2005) from 2000-2005. He was educated at the University of Virginia School of Law and McIntire School of Commerce (M.S.) and Clemson University.

BOB CARLSON'S
Retirement Watch
Strategies for a Secure Future

WEBINAR

IRA Changes & Strategies You Need To Know

From the desk of Bob Carlson...

If you have an IRA, I have some crucial new information to share…

(Information that can keep A LOT more money where it belongs: in your pockets).

You see, a wide range of new rules and regulations have made IRAs much more complicated.

And it's difficult to keep up with these changes, without paying thousands of dollars to a good estate planning attorney or a qualified financial planner.

That's why I created my new webinar: ***IRA Changes & Strategies You Need To Know***.

Here's a sampling of what you'll learn:

- Simple "tricks" you can use for your investments and distributions
- How to make your IRAs last longer for you and your heirs
- "Paying the mortgage" on your IRA
- What to do when it's time to take money out of your IRAs
- How to deal with "stealth taxes" (taxes triggered by different levels of adjusted gross income)
- Aggressive Roth IRA strategies
- Getting around the "Retiree Tax Attack"
- New strategies for RMDs (required minimum distributions)
- How to position yourself for tax law changes (what I call "Tax Diversification")

Bottom line: No one knows what the tax laws will be in 2018, let alone five years from now.

But you CAN be prepared for these changes by establishing strategies like tax diversification and tax bracket management.

I'll show you how — and a whole lot more — in my new webinar: ***IRA Changes & Strategies You Need To Know***.

Click below to learn how you can access it right away.

To a better retirement,

Bob Carlson
Editor, Retirement Watch

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