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Dear Friend:

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Let me ask you a question:

Do You Know If You Are Going To Make Any Of The 11 Biggest Mistakes People Make Before Retiring...That Could Cost You A Fortune And Jeopardize Your Retirement Security?

Because if you're not sure, you aren't alone!

I don't know if you know this or not, *but according to the Social Security Administration 96% of Americans are not able to fund a retirement that will last for their lifetime...allowing them to live the lifestyle they wish to live!* This is the case for highly compensated people as well as average wage earners.

Pretty scary stuff, when you think about it! Do you know why this is? Well, in our opinion, it's because people simply aren't given the proper knowledge of how to correctly handle their finances when they retire from a company, or when they change jobs! This is true, even though most employees have accountants, lawyers, stockbrokers, and company provided assistance, etc.!

It's frightening when you think about it, but your retirement doesn't leave much room for ANY mistakes. You have one shot at retirement, and you...

Cannot Afford To Make ANY Mistakes! Period.

See, do you *really know*, (and I want you to be honest with yourself), EXACTLY how to make the RIGHT decisions on issues like:

- How should you handle your company benefits?
- Do you know how to decide what to do with your stock, and stock options?
- Should you take a lump sum distribution? Will your retirement distribution money be subject to IRS penalties you've never heard of?
- Do you know how to avoid having as much as half of your money being grabbed by the tax man?
- Are your assets titled in the absolute, most dangerous way? (Hint- Most retirees make this enormous mistake!) Have you set up a virtually bullet proof asset protection plan?
- What kind of insurance should you now have? *Do you keep what you had, or change it? Are you going to be over insured and waste money on needless coverage? Do you know how to figure out which choices will best suit your family's new situation? And most important...*

DO YOU KNOW IF YOU WILL BE LIKELY TO HAVE ENOUGH MONEY, AFTER TAXES, TO LIVE YOUR LIFE THE WAY YOU WISH TO...FOR AS LONG AS YOU LIVE?

Have you analyzed all the options and choices available to you so you can make educated decisions from a fully informed standpoint?

These are just a few of the questions you must have answers to! If you don't... you're likely to be the next victim of the greedy IRS, or to run out of money! If you make even one big mistake... look out! After all, you only retire once, so you cannot afford any mistakes in your retirement planning! You must make the right decisions the first time!

Starting to plan correctly early on in your career will make a critical difference.

These issues demonstrate how employees are constantly at risk to see their retirement security and peace of mind diminish, or disappear all together. The world is a much tougher and unforgiving place than it was years ago. There are so many things to know. So many rules and regulations. So many pitfalls and traps.

The government wants as much of your retirement nest egg as they can tax their way into! Some employees will get hit with income taxes they've never even heard of! We've seen you get soaked with tens, or even *hundreds* of thousands of needless and completely avoidable

income taxes! (Yes, even with a CPA "helping".)

Inflation and the crazy markets are always lurking out there, inevitably waiting to gobble up more of your estate. Then there are the kids, or grandchildren, and their demands on your resources.

There's a lot to deal with.

And, let's face it. Who has the time to sit and read every tax law, investment option, insurance issue, and so forth? And, even if you had the time to read all this stuff, would *you really understand what it means?*

That's why we've prepared this step-by-step, down-to-earth report for you.

We wanted you to have an easy to understand set of facts that get right to the point, and tell you the biggest mistakes people make before retiring ...and more importantly, how **to avoid them!**

You Need To Know How To Avoid The Traps That Are Set For You!

So let's get into these important issues, and see if you're making any (or all) of these mistakes!

Mistake #1. Listening To The Wrong People!

It never ceases to amaze us how many intelligent people take advice about their retirement from people who are totally unqualified to give you this critical advice! For example, when we see retirement messes, (which we see virtually every day) and we ask where they got this information that has screwed them up so badly, we inevitably hear things like:

"I asked the guy who's office was next to mine for all these years. I figured he must know what he's doing, since he's friends with the boss."

"I read an article by June Brant Queen in Newstime, that said all retirees should do..."

And so on. Everyone's got an opinion about what **you** should do with your retirement. Unfortunately, just because they are your relative, or are involved in some area of finance unrelated to retirement planning, (like the person at the bank who takes applications for checking accounts and CD's) or write articles for national magazines, **doesn't mean they know the answers to your retirement problems and questions!**

After all, how many times are you going to retire? Shouldn't you be sure that the advice you're getting is right for **you**, and not generic or just plain wrong?

Doesn't that make a lot of sense?

Mistake #2. Not Understanding The Tax Consequences For Investments, IRA's, Pensions, Etc.!

One of my clients, Perry and Nancy, found out too late that the IRS demands you remove certain amounts out of your IRA once you reach age 70 1/2. (This happened BEFORE they became my clients.) Anyway, they were totally devastated when they were hit with all the penalties and interest when they didn't take money out of their IRA the right way.

They had received information from the company's human resources department that was close, but not EXACTLY right. And, when they did what they were told, they got hammered. Over \$21,000 in penalties and interest, all because they missed the correct amount required, even though they thought they did it right!

Their story is just one of many problems that retirees run into because of a lack of the proper knowledge about qualified retirement plans.

"Uncle Sam" Is A Relative You Should Give As Little As Possible To!

Other tax issues that retirees frequently get messed up on are:

How much should you withdraw from retirement plans?

- } When should you withdraw from the plans?
- } Should you let qualified plan money sit inside the plan, and use other money to live off of?
- } Is living off the income generated by investments one of the worst things you can do?
- } Should you take a withdrawal from your IRA to pay off your car or vacation home, so you'll have lower monthly payments?
- } Should you stop working at a certain time to collect Social Security now?
- } Should you wait to apply for Social Security? Or, should you work part time? And, how does that affect your Social Security payments?
- } What about the taxes on your Social Security income? Are there legal and safe ways to reduce it?
- } What about the taxes on the interest in CD's or other bank accounts? Is there a better way to invest to reduce those taxes? Or, will living off interest, and leaving your capital untouched cause you to lose money because of inflation?
- } *Did you know that each and every year, there are thousands and thousands of tax rule changes?*

Some of them don't affect you, and others do!

Or,....I think you get my point.

There are literally dozens and dozens of tax decisions you must make, whether you want to deal with them or not!

You HAVE to do proper tax planning BEFORE you make even a single financial decision. Why? Because EVERY FINANCIAL DECISION HAS A GOOD CHANCE OF BEING AFFECTED BY COMPLEX TAX LAWS!!

Mistake #3. Misunderstanding What Medicare And Social Security Does And Doesn't Pay For!

We see it all the time. One spouse telling us how shocked they were that the \$4,000 a month nursing home expense for their very ill spouse, isn't covered by Medicare or Social Security.

"But I thought Medicare covered medical expenses!" they exclaim.

The Government Is Not Going To Take Care Of You!

Yes, Medicare does cover medical expenses. But, it only covers certain ones, and only after you have paid a deductible! Many, medical expenses aren't covered by Medicare, and are usually picked up by a Medicare Supplement policy, or out of your pocket. But, those supplements still don't cover extended nursing home care. Not a penny. Zilch. Nada. Zero.

Here again, we have an "un-planned for" situation that can literally wipe out a family's retirement nest egg, that nine out of ten retirees don't have any clue about!

Warning! (By the way, did you know that in order to qualify for state support from Medicaid, you literally have to spend your net worth almost down to zero first? You have to clean out all of your estate, assets, investments, and so forth until you are worth under \$2,000! It's only when you're nearly flat broke that Medicaid kicks in to help you! This is not a solution that we recommend you implement!)

Don't make the mistake of thinking that Medicare or Social Security is going to take care of you. They don't! Sure, they cover many things, but there are still huge, gigantic gaps that if you don't plan for yourself ahead of time, you'll never have them taken care of!

You must know what the government does help you with, and what they don't help you with!

As we all know, the financial health of Medicare is in jeopardy as 77 million baby boomers have started retiring and it will be insolvent by 2025.

And, you must have a plan to address the almost unknown areas that could cause your family some real problems! Don't wait until you've been completely wiped out before you figure them out

Mistake #4. Choosing The Wrong Pension Option!

Let me illustrate this mistake with an example.

Louis was an executive at a company who had retired a few years ago, and his wife, Janet, had not worked outside the home, and had no pension of her own. When Louis left the company, he was given a range of choices of how to handle his pension pay out if he were to die before Janet. The choices were quite confusing, and they both decided to take the higher payout now, counting on the life insurance Louis had to cover Janet if he died. (With the help of Janet's sister's husband's brother, who used to be an accountant, of course.)

Anyway, Louis died just one year after retirement in a tragic accident. Janet was left with no pension income, but did get Louis' life insurance proceeds.

In a matter of only four years, Janet had to get a job because the amount of insurance money was way too low for her needs. See, what seemed like a fortune to them, isn't really a fortune in dollars and expenses.

She Had To Go To Work, Because She Outlived Her Retirement Money!

What did they do wrong?

They made a critical decision like this from the seat of their pants, without having someone prepare a detailed financial projection of which option would best meet their needs, ***before making the irrevocable election!*** If Louis and Janet had done this, she would be receiving a much higher income, and have the insurance proceeds to boot!

Now, does this mean that all retirees should take the lower pay outs and have the survivor get some sort of a pay out? No, not at all. There is no such thing as any strategy that applies to all retirees!

Your situation is your situation. It is as unique as your fingerprints. And just like no two fingerprints are alike, no two retirements are alike. Please promise us you'll not take "canned" advice, particularly when it comes to monumental decisions like choosing a retirement pay out!

Mistake #5. Getting Caught By Withholding Penalties For Lump Sum Distributions!

Are you aware of the tax law that has caught thousands of unwary retirees in its ugly web?

If you are retiring, or transferring a lump sum distribution from a company plan at a later time, and you don't follow the paperwork rules **exactly right**, you could end up having 20% of your money withheld from your distribution!

And, to make matters even worse, ***you can end up paying taxes and penalties if you can't make up this 20% difference out of your own pocket!***

A Tax Trap To Look Out For!

For example, if you were getting a \$200,000 distribution, and you had it go to an IRA, but didn't fill out the paperwork correctly, you could end up having \$40,000 withheld from your transfer! And, if you didn't have the \$40,000 lying around to put into the IRA to make up for the withholding; you will be taxed on that \$40,000, even though you didn't get the money! (Which could cost you anywhere from \$6,000 to as much as \$16,000 in taxes depending on your bracket!)

But wait. There's more. If you are under 59 1/2 years old, and this happens to you, you get to pay an extra 10% penalty on *top* of all the extra taxes! Yes, this is just one tax trap that is waiting to get a lot of retirees where it hurts the most, when they can afford it the least!

How do you avoid this?

Make sure that you get expert help in filling out the paperwork for making your choices of how to receive your lump sum! We cannot tell you how many times we've worked with employees who thought they had it all figured out right, who did it on their own, or even with "help", and ended up really screwing up big time!

Mistake #6. Owning Your Assets The Wrong Way!

One of the biggest mistakes we see is that people own their assets in ways that subject them to all kinds of unnecessary risks!

For example, the most common way that people own their home, investments, bank accounts, etc., is in joint tenancy with rights of survivorship. While this is a simple way to own assets, in many cases, ***it could be a huge mistake!!!***

Why? Well, some of the reasons are:

- ⌋ You could pay way more in estate taxes than necessary! (If clients come in after their parent's die and want to know how we can help them save the 45% of the parent's estate that the IRS was confiscating, we can't help. At that point ... it's too late. You need to plan ahead so that the IRS does not take 45%.)
- ⌋ If one of you has a liability problem (a car accident, for example) both of you could lose everything!

- ⌋ If your marriage goes down the tubes, they can clean out the accounts!
- ⌋ If your kids are on the accounts, if they go bankrupt or whatever, YOU could lose YOUR money!
- ⌋ Many employees put their kids on some of their accounts, which later ends up costing gift taxes, and can screw up your family's finances if someone goes into a nursing home. Joint tenancy is, in many cases, a financial disaster waiting to happen!
(Now, we are **not** giving you any legal advice, just pointing out some potential problems!)

Some of our clients have Living Trusts they set up before coming in to see us, and think they've protected their estate. Not necessarily true! A Living Trust may help protect assets, but in many cases it does nothing to protect your assets from liability or other problems.

In fact, most of the time, they don't even protect your assets from income or estate taxes! See, many attorneys just listen to your situation and set up your wills, trusts, etc., without analyzing and coordinating all the issues you should consider and just set you up in a simple, but sometimes dangerous way! (For example, would you be surprised to learn that many people find out that their Living trust doesn't cover a large percentage of their assets because things haven't been titled properly...even though the client is "working" with an attorney?)

You have to take a look at the way you own your assets in the context of your whole financial situation, so you don't risk losing everything you've worked for because you've placed your assets in jeopardy! Asset ownership is a serious yet often overlooked area that can turn into a gigantic mistake!

Mistake #7. Misunderstanding Or Not Knowing All The Tax And Other Traps That Surround Your Stock Options Like Sharks Circling Their Prey!

While this situation doesn't apply to everyone, if you have either Non-Qualified Options (NQO's) or Incentive Stock Options (ISO's), and you make any mistakes in the decisions that need to be made in dealing with them...you could kill yourself financially.

Listen. If you do not understand all the subtleties, fine points and traps involved with managing a portfolio of NQO's or ISO's, you can cost yourself a fortune! For example...

There are so many people that pay hundreds of thousands in additional and needless taxes... because they don't set up a stock option plan that is integrated and coordinated with their overall financial situation!

See, you should do a plan to determine how to handle all the decisions that go with stock options like, *"Should I exercise some or all or none? If I do exercise, which ones should I do in which order?"* Or, *"Should I wait until the stock hits a certain point?"* Or, *"How will exercising affect my taxes and net worth and retirement plans?"* And so on.

For example, did you ever hear of, know about, or set up a plan to protect yourself

against a hideous beast of a tax called the "**Alternative Minimum Tax (AMT)**? Probably not. Did you know that if you exercise and/or sell shares acquired through exercising stock options, and certain conditions exist in your financial situation (most you've never heard about)...*that you could end up paying the dreaded AMT*, which is a tax that you pay only if it ends up being HIGHER than your regular tax! It's a total nightmare!

Please make sure that these sort of unknown penalty taxes don't apply to you!

If you're not sure, then you have no choice but to find out what the deal is BEFORE making any decisions or taking any actions!

Mistake #8. Thinking "Risk" Just Involves Losing Principle!

Here is a big mistake we deal with almost every day.

In fact, a client that's going to be retiring, said, "*We don't want to take any 'risk' with our retirement funds and stock! We want them to be totally safe and free of 'risk'!*" (Have you ever thought about that yourself?)

There's More Risk In "Riskless" Investments Than You May Think!

Let's discuss what the definition of "risk" is, in the first place? If you look it up in the dictionary, you'll see that it is defined as "A chance of encountering a loss or harm, a hazard or danger".

Now, you'll notice it *doesn't* say "loss of principle". It just is defined as "loss". This is a major distinction we need to make here. Most people preparing for retirement think "risk" means that you put your investments somewhere, and the \$100,000 you started with is now worth far less than \$100,000.

And yes, this is one type of risk...and a real one at that!

But it is only **one** type of risk. There are others that are just as scary and that can hurt you just as badly as losing principle!

So, what does a retiree/ an employee do to get a better return, and avoid the higher taxes on their Social Security and other income?

As I said a couple of minutes ago, the real secret is to know what items you can invest in, that are off of the "tax hit list".

What you need to do is figure out how much monthly income you need, and then build a plan that uses the tax-favored items! This assures that you get the cash flow you need, and avoid wasting money on paying the taxes you don't need... with assets that have some chance to keep up with our inevitable inflation!

See, the risk we're talking about here is the risk of losing purchasing **power**! This risk is so profound, yet almost totally ignored by most people planning for retirement until it's too late!

Mistake #9. Paying For The Wrong Kinds, And Wrong Amounts, Of Insurance!

This area is so messed up for most people, that you wouldn't believe it!

For some reason, when people are retired, many of them hang on to old insurance coverage of all types, just because they've had them for a long time, and are resistant to change. I'm not sure why, but it seems to be the case more often than not. Listen, when you are in retirement, you have little extra room in your budget to waste money on needless coverage, or to be shortchanging yourself on coverage you do need! Many of our retired clients find they can get more coverage in the areas they *do* need, and eliminate or reduce coverage on stuff they *don't* need, **and save hundreds or thousands of dollars in the process!**

One example is a couple in their late 60's, who were paying over \$2,100 a year for coverages they didn't need, and had no insurance at all on things that they really should have in place. By repositioning their insurance portfolio, basically getting rid of what they didn't need and getting only what they did need, they have saved money. The net bottom line is that they have an excellent group of coverage for just about anything that could go wrong, and are **saving \$123 a month** that they are spending to have fun! No one wants you to be insurance poor, but we also don't want you wasting money on things you truly don't need, either!

The only answer is to have a qualified professional objectively review your insurance, and find out what's wrong and what's right!

If there was one area that is more frequently messed up by people preparing for their retirement than overpaying taxes, overpaying for insurance is definitely it!

Most people we see have truly bad auto, homeowner, condo, health, long term care, and life policies! All the coverages are bought with all the wrong information, from people who are motivated by all the wrong reasons. I'll bet you without knowing you or ever talking to you that you have more than one type of insurance that is anywhere from kind of bad...all the way to disgustingly bad!

This financial area must be reviewed and coordinated, OBJECTIVELY, with all the rest of your finances!

Mistake #10. Planning For Your Retirement When You Are Already Retired!

This mistake is one that we see over and over again.

People getting "laid off" from a job they've had for years. Or taking advantage of the "early retirement" program offered so they can shrink their payroll. Or, people taking normal retirement at age 65. Or whatever reason.

We have people coming in here, constantly asking the same question: "*Will we*

have enough money to make it all the way with the same lifestyle?"

This is a big mistake! They have already made all their decisions about options. They have already taken their retirement plans and either had them distributed or receiving monthly payouts.

They have made all their choices, and want us to tell them they're going to be OK. I've got some sad news.

Many of these people are not going to be OK, because they already blew up the oven but now want us to bake the cake.

If I'm making any sense to you, you'll see that waiting until you reach a certain age to plan for that same age usually doesn't work.

We had a client that came to us under these kinds of circumstances, and we had the unpleasant job of telling him and his wife that they would be out of money in less than 10 years. Their response was to fire us, because we brought them the bad news. (They chopped off the head of the messenger!)

So, if you're not yet retired, do some detailed planning right NOW! Don't wait until you are retired. Now, if you're already retired, it's never too late to start or update your planning. Which brings us to the most important mistake of all to avoid:

Mistake #11. Not Doing Consistent, Careful, Ongoing Planning!

Yes, planning is the single, most effective technique to have a safe and secure retirement! It worked during Teddy Roosevelt's days, it worked during Jimmy Carter's days, and it works now! See, the reason most of us aren't going to win the retirement game, is that we don't follow this crucial sequence, when it comes to managing our finances:

- 1) Figure out where you are today.
- 2) Figure out where you want to be.
- 3) Get a true understanding of the options you have available to you. (Not from biased sources.)
- 4) Develop a plan that will provide the right "course" to follow.
- 5) Make the changes necessary to get the plan going.
- 6) Watch your progress, and make the proper adjustments to keep the plan "on course".

Makes a lot of sense, doesn't it?

But, like most of us, are you "winging it" as you go along???

In all the years we've been helping people like you win the game of money, and when studying the characteristics of families who are truly financially independent, we find one common theme.

Not their age, nor occupation, nor sex, nor income, nor any of those things. No.

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The one common attribute is:

They make a constant effort to plan for their future.

That's it. It may not sound very exciting. But it's simple, and it works. You know, usually, the most effective things in life, are the most simple and basic. Now, with this ridiculous attack on your future by the government, and the uncertainty of being retired, you need to plan for your own future, more than ever!

Make sense? I hope so.

Because this topic is very important to us, and to you.

It's important to us, because we help people plan for a living.

It's important to you, because planning may be the best weapon you'll have to make sure you live the way you want!

So where do you go from here?

Well, we have a way of introducing planning into people's lives. It is easy, and requires no pressure or any "sales" garbage. Another way to look at this is that a doctor cannot help a patient until he or she does a diagnosis to see what is wrong. And then prescribe treatments based on that diagnosis. So the patient can have a "map" or a plan on how to get well.

And, just like that doctor, the first step towards getting well financially, we need to perform a diagnosis to see what "ails you!"

Now here's what I'd like to offer you:

A COMPLIMENTARY CONSULTATION TO FIND OUT EXACTLY WHAT YOU ARE FEELING ABOUT YOUR MONEY. A "DIAGNOSIS", IF YOU WILL.

Yes, we will do something your doctor wouldn't do. Provide an initial interview and consultation... **at no charge!** And no, it will not be a disguised sales presentation. Or a "pitch". Or anything, except a brief (half hour or so) time to review what is going on in your financial life, how changes in your status may affect you, and what concerns you.

And that's it. If, at the end of the interview, you do not feel like we can help you, or that you don't like me, or that you want to keep doing what you're doing, etc., that's fine. And that's it. You go home, and we leave it at that.

NO PRESSURE. NO SALES. NO HASSLES!

You see, we know a critical fact:

IN TODAY'S SKEPTICAL AND FEARFUL SOCIETY, ANY ATTEMPT TO PRESSURE SOMEONE, OR TRYING TO SELL THEM SOMETHING THAT ISN'T RIGHT, WILL ASSURE THE PROSPECT WILL RUN FOR THE HILLS!

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Believe me; I could not be working with so many retirees if I was doing anything to make them uncomfortable! All we do is meeting, at no charge or obligation... and you take it from there! I can't think of a better way to work.

Can you? So why don't you think this over for a couple of days, and see if this makes sense to you? If you have any major skepticism left, or maybe have a question or two, feel free to give me a call. After all, a phone call to learn a few things can't hurt!

If you are really not interested or ready, that's great. If you want to talk, that's OK, too.

You have to understand that I love getting new clients, and as a matter of fact, I am hired by several people, preparing for retirement, each month as their financial consultant to solve their problems.

But, because I have a steady volume, I never accept clients that aren't really excited and interested in rebuilding their future. I am going to be honest with you. I have so much fun seeing People's lives change for the better, that I would never work with anyone who wasn't excited and looking forward to finally getting the:

Control Of Their Lives Back Through Planning!

Life is too short to "fight" people who don't really want to PLAN FOR THE FUTURE. I hope this discussion of building a map for your life's road makes sense. I also hope you are thinking a lot about your own life, and whether or not you feel in control of it. Or whether it is controlling you!

I will show you how to get rid of those bad feelings that messed up finances evoke.

There is too much good in life, to let worry and frustration get in the way.

I am always positive that planning may be the best weapon to stop the negative sides, and bring out the wonderful gifts we all have been given!

Anyway, I'm done for now. I look forward to talking to you soon, and seeing where we go from here!

Take care, and I wish you all the good luck in the world!

Sincerely,

DFW Retirement Planners

P.S. If you want to avoid making the 11 biggest mistakes most people make before retiring, you need to learn what they are and how to never make them. This report gives you the knowledge to be sure you don't become a retiree who runs out of money!

P.P.S. Most people don't plan to fail, they fail to plan! Don't hate yourself for falling into this syndrome... to find all your hard earned money has been wiped out with mistakes you could have avoided! It's time to take firm control your own financial destiny... it's all up to you!



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