

# *Dillard*

## Financial Solutions Inc.

**"Guiding Your Money To Safety"**

*Safe Retirement Planning*



### FOURTH QUARTER 2013 NEWSLETTER

## MOVING FORWARD!

STEVE DILLARD

**W**ow! What a year! We have truly been blessed this year with many different new business opportunities and an ever-growing client base. We have been to a large number of events this year and have had the great pleasure of shaking your hands and rubbing elbows with the best that the Federal, Postal and Civilian markets have to offer. We have been awarded a federal contract and are happy to announce that we are officially the Federal Benefits Provider for NASCOE (National Association of FSA County Office Employees) Members nationwide. We definitely couldn't be where we are today without God at the helm of our business!

It brings us great pleasure to be able to say this in these times of economic uncertainty. With government shutdowns, unpredictable market losses and many institutions still being under financial distress, you can rest easy knowing that our safe retirement strategies have put your hard-earned retirement dollars out of harm's way. We are proud to say that not a single one of our clients has lost a dime due to the volatility of the stock market and that is a wonderful thing!

If you are still uncertain about where your retirement dollars should be, please call us toll-free at 1-800-692-7643 to schedule an appointment and one of our licenced representatives will be more than happy to sit down with you face-to-face for a complimentary benefits review. Don't wait until it's too late. These are important decisions. Let us help guide your retirement money to safety!



**Steve and Teresa Dillard**  
*Chartered Federal Employee Benefit Consultants*

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We are a **Verified Vendor**  
on the United States  
Federal Contractor Registry

Retirement is **your** time.  
Our Safe Retirement Strategies  
will not only get you  
**to** retirement, they will get you  
**through** retirement!



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### Why Choose a National Ethics Association Certified Member?

In Today's Financial World...*TRUST IS A MUST*. Now, more than ever, there is an increased need to know who you can trust in the financial services industry. By choosing an approved member of the National Ethics Association™, you will gain the added assurance of knowing that you are working with an advisor who has successfully passed our Ethics Check System™ and has agreed to maintain our membership standards. Dillard Financial Solutions, Inc. is a Certified Member of the NEA (National Ethics Association). The NEA is a membership organization of financial professionals who have successfully passed a series of background checks and have agreed to uphold the principals and standards of the NEA.

All members are admitted into NEA's online national registry, where consumers can view a member's approval status and professional profile. NEA is not a financial designation, nor does it sell or endorse any financial products. The background check includes: Criminal background check, Professional license check and Civil background check.

To learn more about the NEA, visit [www.ethics.net](http://www.ethics.net)

## Meet Our Home Office Staff!



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ChFEBC<sup>SM</sup>



**Teresa Dillard**  
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**Brent Dillard**  
ChFEBC<sup>SM</sup>



**William Taylor**  
ChFEBC<sup>SM</sup>



**Leon Amos**  
Consultant



**Jessie Voisin**  
Licensing

**We have licensed agents around the country  
that are ready to help you today!**



**John Foran**  
IT Consultant



**Patty Patterson**  
Law Enforcement Consultant



**Cris Dillard**  
Federal Benefits Coordinator



**Geoff Roberts**  
Webmaster



**Matthew Morse**  
Marketing Coordinator



**Leslie Barch**  
Administration

BLESSED IS THE MAN THAT ENDURETH TEMPTATION: FOR WHEN HE IS TRIED, HE SHALL RECEIVE THE CROWN OF LIFE, WHICH THE LORD HATH PROMISED TO THEM THAT LOVE HIM.

*James 1:12*

# UNDERSTANDING THE ROTH IRA

MONEYCHIMP.COM

A ROTH IRA IS AN INDIVIDUAL RETIREMENT ACCOUNT THAT PROVIDES TAX-FREE GROWTH. AS A RESULT, IT'S THE SIMPLEST – AND POTENTIALLY THE MOST EFFECTIVE – SHELTERED ACCOUNT IMAGINABLE.

## THE ROTH IRA TAX ADVANTAGE

Roth IRAs give you the advantage of getting taxed on the front end, rather than being taxed on principle and interest on the back-end like traditional IRAs. The chart below shows a summary of how it works:

### REGULARLY TAXED ACCOUNT

You **pay income tax**, and then make your contribution with post-tax dollars

Your principal may be subject to **taxes on dividends and capital gains** as it grows

You **pay capital gains tax** on your gain at the time of withdrawal

### DEDUCTIBLE IRA

You get a tax deduction, essentially letting you deposit pre-tax dollars

Your principal grows tax-free

You **pay income tax** on the entire amount of your withdrawal

### ROTH IRA

You **pay income tax**, and then make your contribution with post-tax dollars

Your principal grows tax-free

You pay no further taxes on withdrawal

The advantage of a Roth IRA over a regularly-taxed account is obvious. Either way you pay income tax up front. But with Roth, you're then done paying taxes; with a regular account you're just getting started. Your agent will be able to run a calculator to see what happens to your money under different scenarios.

The advantage of a Roth IRA over a traditional deductible IRA is *almost* obvious:

- **Roth is Simple:** It requires no special reporting to the IRS. (With a deductible IRA you have to report a deduction on your 1040 form when you make a contribution; on withdrawal, you report the entire withdrawal amount as taxable income.)
- **Roth is Flexible:** Because you've taken care of your tax obligations up front you tend to face fewer restrictions later. (For example, you don't need to begin withdrawing your money by a set age; with a deductible IRA you're required to start making withdrawals by age 70½.)

- **Roth has an extra advantage if you think your taxes will probably rise in the future**, since you're paying now rather than later. (Of course that's a disadvantage if you think your taxes will fall. Note that your own tax bracket might be lower in retirement than it is while you're working, even if tax rates go up in general.)
- **Roth has an additional, somewhat confusing advantage that it lets you shelter more real money:** The same dollar amount, but in post-tax, rather than pre-tax dollars. (The idea is that a tax deduction isn't "money you're getting back"; it's "money you aren't sheltering".)

## OPENING & FUNDING A ROTH IRA ACCOUNT

You can open a Roth account at any time. Whether you can contribute to it for any given tax year depends on your income and filing status. The choice of who to open your account with depends on your choice of what type of products you want.

CONTINUED ON NEXT PAGE



You have the option to choose risk-based products, or you can choose to use safe products that will protect your money from losses due to the volatility of the stock market.

### IF YOU'RE JUST STARTING OUT...

If you're just starting to save for retirement and are overwhelmed by all the choices, you can start with something very simple now – you can always modify your portfolio years from now when you are more experienced and knowledgeable. The obvious

starting place for your account would be a safe and guaranteed account with no risk of losing your hard-earned dollars to the volatility of the stock market. That has a customer-friendly reputation. (Ideally they will have a wide selection of other low-fee index funds, so that you can modify your portfolio several years from now when you may want to.) You can open an account with monthly deposits or a lump sum.

## ROTH IRA CONTRIBUTION LIMITS

**\$5500** 49 & Under  
**\$6500** 50 & Above

Contribute to a strategy that will provide a tax-free retirement for as little as \$50 per pay period.

Generally speaking, A roth account is appropriate for your long-term retirement portfolio. For more information about Roth IRAs and how to take advantage of the ways they can help you prepare for a better retirement lifestyle, contact one of our licensed representatives toll-free at **1.800.692.7643** or email us at **dillardfs@aol.com** to set up a complimentary benefits review

**We are happy to announce that we are the Federal Benefits Providers for NASCOE Employees nationwide! We are proud to serve NASCOE in this role and are looking forward to assisting their members with their benefits and retirement needs!**







WE ARE THE NATIONAL BENEFITS PROVIDER FOR

**NASCOE**



NATIONAL CONVENTION • ASHEVILLE, NC



# WHAT IS AN ANNUITY?

FREEANNUITYRATES.COM

The word annuity refers to a regular stream of level payments, whose duration may be specific or indefinite. An annuity contract involves one or more people and an insurance company. The universal common feature of annuity contracts is the option of the holder or holders to receive assured lifelong income in the form of regular payments from the insurance company. The source of these payments is an account (or accounts) made by the holder(s), either in a lump sum or in a series of contributions to the insurance company. The proceeds grow tax-deferred prior to disbursement. When the proceeds are distributed to the holder, gains are taxed as ordinary income.

## BASIC FEATURES OF THE ANNUITY CONTRACT

The parties to the contract are the annuity holder and the insurance company. The principal features of the contract include:

- Payments made by the holder to the insurance company. These may be regular and periodic or may consist of a single payment. Their duration is specified in the contract. Their purpose is to provide lifetime income at retirement.
- A period of accumulation, over which time the funds are growing. This time period usually lasts for years but may – in the single-payment case – be trivially short. During this period, the holder's payments accumulate and enjoy tax-free compound growth. Very limited provision is typically made for withdrawal of funds by the holder; beyond this point, withdrawals subject the holder to penalties by the IRS or the insurance company. Withdrawals by the holder prior to attaining the age of 59 ½ will result in a 10% penalty levy by the IRS, as well as imposition of normal income taxes. Premature withdrawals – those made before expiration of the accumulation period – also incur surrender charges by the issuing insurance company.
- A period of distribution, during which the proceeds are gradually returned to the holder as regular payments. These annuity payments represent taxable income (and return of principal) to the holder, not capital gains. The payments continue until the holder dies, at which time a beneficiary or beneficiaries named by the holder either receives the remaining proceeds in a lump-sum payment or assumes receipt of the annuity payment stream.

## DON'T JUST SHOP, IMPLEMENT A SOLID RETIREMENT STRATEGY

Purchasing an annuity is a big decision. Online research is a good start, but prudent investors should discuss all their options with an independent agent. Request a free, no-obligation consultation today, along with a report of current rates on brand-name annuities.

## WHAT IS AN ANNUITY USED FOR?

Retirement is a very common motivation for the purchase of an annuity contract. The prospective retiree wants to provide income for the future, minimize the risk of losing wealth and suffering fluctua-

tions in income. Thanks to the annuity, the holder can achieve not only tax-deferred growth of savings but the assurance of a lifelong income as well.

Advances in medical technology, nutritional science and economic productivity have lengthened human life expectancy so much that the danger of exhausting all assets in retirement is magnified. Annuities are a classic and unique solution to this problem.

To learn more about how annuities can protect against the risk of outliving one's retirement saving, see Lifetime Annuity Guide.

Participants in qualified pension and retirement plans already receive tax-deferred growth on their retirement savings, but they can still benefit from annuities. In a defined-contribution company-retirement plan, participants own and control their investments for retirement. Upon retirement, they can withdraw the proceeds and invest them in a single-payment annuity in order to enjoy immediate income that will last them for the rest of their lives. Companies can fund pension obligations under defined-benefit retirement plans by purchasing single-premium annuities for their employees. Governments seeking to privatise public retirement programs can do so by utilizing single-payment annuities that substitute private annuity payments for government transfers.

An annuity possesses just the right features for the job: regular, consistent payments lasting for the life of the recipient. Most states protect the assets inside life insurance contracts.

## TYPES OF ANNUITIES

Annuities come in various shapes and sizes, geared towards addressing the diverse range of investor needs. The first basic classification is between deferred and immediate annuities. The former accumulates money for later withdrawal, whereas the latter pays back an initial lump-sum investment plus interest over a period of many years. The second basic difference between annuities is how they accumulate and credit interest, either as fixed, variable, or indexed products. For a more detailed discussion of annuity types and which one is best suited for you, contact one of our licensed representatives.

## TRADEOFFS IN BUYING ANNUITIES

Annuities possess features – such as life expectancy estimates and death-benefits – that require actuarial expertise and calculations. Consequently, they are offered by insurance companies and considered insurance products. Annuity-distributed gains are therefore taxed as ordinary income rather than as capital gains.

It should be noted that certain types of annuities are subject to surrender charges if withdrawn early or if they exceed the common 10% penalty-free withdrawal set by many companies. These penalties do not apply to lifetime income rider withdrawals.

For more information about annuities, call us toll-free at **1.800.692.7643**. Our licensed representatives can find you a product that fits your individual needs.





# NAPS

## New York Area Training Seminar

September 27-29, 2013



*Our Biggest Event of the Year!*

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THE

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*Dillard Financial Solutions, Inc.*  
*Christmas Social*

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DECEMBER 14, 2013 AT 6:00 PM



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# SOUTH CAROLINA AFL-CIO STATE MEETING

GEORGETOWN, SOUTH CAROLINA



## Home Security Tips for Fall

Outdoor fall cleanup around the house is also a great time to do a checkup on your home security measures for the winter season. Here are some tips offered online at **USASecurity.org**.

When you're out raking leaves, be sure to finish the job by clearing all your piles that same day. Leaf piles left in the yard can provide cover for would-be burglars. The more proactive you are about keeping your yard clear, the less desirable your home will be to thieves.

And while you're raking and bagging those leaves, take a walk around your property to check on your home's exterior security.

### Here's what to look for:

If you have external motion sensor lights, make sure they work. If one of your sensors doesn't work, switch out the light bulbs. If a new bulb doesn't fix the problem, fix or replace the broken unit.

Turn on all of your external lights and make sure all the bulbs still work. If not, replace them.

Check your windows and doors. Make sure they're secure and that none of the glass is broken. Replace any broken panes, which will not only make your home more secure but also more energy-efficient. Also, ensure all locks on doors function properly.

**For more home security tips, visit [USASecurity.org](http://USASecurity.org).**

# Take the **Risk** Out of Retirement



Wouldn't it be nice to have your own private pension that provides growth, is protected from risk, and is indexed for inflation so that **your standard of living will never decrease?**

## HOW CAN I AVOID PROBATE AND ESTATE TAXES?

Without proper planning, your estate will be dispersed at the discretion of the state, oftentimes excluding your loved ones. Our strategies put family first. This empowers you to know with certainty that your priorities are honored, even in your absence.

## CAN I PASS MY IRA TO MY CHILDREN OR GRANDCHILDREN WITHOUT CREATING A LONG-TERM TAX PROBLEM?

For many savers, IRAs are tax timebombs and are most vulnerable when left to heirs. We employ strategies that allow you to keep the tax benefits of your IRA intact well beyond the day your loved ones receive it.

## IS IT POSSIBLE TO REDUCE OR ELIMINATE THE TAX I PAY ON MY SOCIAL SECURITY INCOME?

Oftentimes retirees are paying tax on Social Security income unnecessarily. Through proper planning and a well-defined financial path, we are often able to reduce or eliminate the tax our clients pay on this income.

## I WANT THE GROWTH OF THE STOCK MARKET, BUT I CAN'T AFFORD TO LOSE MONEY.

## IS IT POSSIBLE TO HAVE GROWTH AND SAFETY?

Experts have long said that in order to grow your money, you have to take risk. Conversely, if safety is your first priority you have to sacrifice growth. My clients have never lost \$1 to stock market volatility, and they are still benefiting from the growth.

**Retirement is not a destination, it is a journey.  
Let Dillard Financial Solutions, Inc. be your guide!**

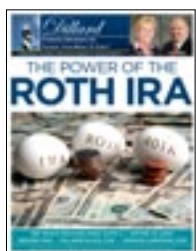


**Our selection of educational guides cover a wide range of topics from Pre-Retirement Planning to College Funds. Call us toll-free at **1-800-692-7643** to receive your complimentary copy of any of the educational materials you see below.**

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Our Guide to Creating a Better Lifestyle gives you a brief overview of the products and services we offer as well as a look at the areas in which we are able to help you. This helpful guide also provides a closer look at our company and the many ways that we are different from similar companies.



You have most likely heard of the Roth IRA, but do you know how it differs from a Traditional IRA? Our Guide to The Power of the Roth IRA is an in-depth look at how the Roth IRA can positively affect your retirement income in a very big way. It outlines the differences between the Roth and Traditional IRA products as well as starting a Roth IRA and best utilize your payouts at retirement.



Did you know that there are 527 ways to draw Social Security? Our comprehensive Guide to Social Security will not only teach you the best ways to draw Social Security, but it will also show you the best possible ways to maximize your Social Security payout by utilizing your own payouts as well as those of your spouse. There is a lot that the Social Security Administration isn't telling you. Our guide can fill in the blanks!



Federal Employees know the Thrift Savings Plan is a common vehicle for retirement income in the federal marketplace. What you may not know is that there are many alternatives to the TSP fund. Our Guide to TSP Options will help you to better understand TSP and the different funding options. It will also give you a basic outline of some of the alternatives available to you and give you a basic idea of how to begin the rollover process to ensure that your hard-earned retirement dollars are safe and secure.



Kids grow up and go to college. Do you have cash on-hand to make the tuition payments necessary for your child to get a 4-year degree? How about a Masters Degree? PhD? Our Guide to College Funds outlines just how to get started with planning for college. It highlights savings programs, how to get more from your scholarships and provides information for parents and families to review so they aren't caught off-guard when it's time to pay the tuition bill.



We're all working towards retirement. And you probably already know what you'll do once you get to that point, but what about now? Have you started pre-planning for retirement? This in-depth guide will show you what you can do TODAY to make sure that TOMORROW is everything you want it to be. Understand retirement income, know where your money will come from, start a plan and learn to follow through.

# S U D O K U

		6	2	4				
2	7							
8	4			7	5		3	
	8				1			
	1		4		9		5	
			3				1	
	3		1	9			4	8
							6	1
				5	8	7		

SEE SOLUTION BELOW



## GAME DAY CHILI

2 slices bacon, chopped  
1 onion, chopped  
3 cloves garlic, minced  
1/2 pound ground beef  
1 (12-ounce) bottle beer  
3 cups black beans  
2 (14-ounce) cans tomato sauce  
1 (14-ounce) can crushed tomatoes

2 1/2 tbsp chili powder  
1 tsp red pepper flakes  
1 tsp cocoa powder  
Kosher salt  
Sour cream  
Grated Cheddar  
Chopped scallions

In a large saucepan, cook bacon over medium heat. Add onion and cook until the soft. Add garlic and cook for another minute. Add beef and cook fully. Raise heat to medium-high, add beer, and allow to boil for 2 to 3 minutes. Add beans, tomato sauce, tomatoes, chili powder, red pepper flakes, cocoa and salt. Combine well. Simmer for 30 minutes and serve with sour cream, cheese and scallions.

## REQUIRED MINIMUM DISTRIBUTIONS FOR IRA'S

AGE OF RETIREE	DISTRIBUTION PERIOD (YEARS)	AGE OF RETIREE	DISTRIBUTION PERIOD (YEARS)	AGE OF RETIREE	DISTRIBUTION PERIOD (YEARS)
70	27.4	83	16.3	96	8.1
71	26.5	84	15.5	97	7.6
72	25.6	85	14.8	98	7.1
73	24.7	86	14.1	99	6.7
74	23.8	87	13.4	100	6.3
75	22.9	88	12.7	101	5.9
76	22.0	89	12.0	102	5.5
77	21.2	90	11.4	103	5.2
78	20.3	91	10.8	104	4.9
79	19.5	92	10.2	105	4.5
80	18.7	93	9.6	106	4.2
81	17.9	94	9.1		
82	17.1	95	8.6		

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**We have representatives to assist you nationwide!**

9	5	6	2	4	3	1	8	7
2	7	3	8	1	6	4	9	5
8	4	1	9	7	5	6	3	2
3	8	9	5	6	1	2	7	4
7	1	2	4	8	9	3	5	6
4	6	5	3	2	7	8	1	9
6	3	7	1	9	2	5	4	8
5	2	8	7	3	4	9	6	1
1	9	4	6	5	8	7	2	3