



THE EDUCATED INVESTOR

A Guide to Retirement Planning



SUMMER EDITION



FEATURED ARTICLE

A Financial Plan for All Seasons

Grab your sunglasses -- summer's here, and it's time to kick back and relax.

If only it were that easy. It would be great if all your worries disappeared when summer arrived, but that doesn't happen. Actually, if money is stressing you out and you're planning to take a vacation, summertime may be extra stressful.

Financial stress can strike at any time. If you're worried about money and your solution is to wait for things to

get better, you're making a mistake. The best way to tackle money troubles is to take control and make some changes.

Find Your Inner Money Manager

You can't get a handle on your finances until you know where your money is going. And you can't manage your cash until you control your spending. Bottom line: Set up a spending plan (budget) that covers your expenses and frees up money to put toward your short- and long-term goals.

Source: http://happytear.com/ma/wp-content/uploads/2015/05/Malibu_SummerEdition.png

Deal With Your Debt

If you have outstanding credit card balances or loans, paying down your debt will free up extra cash. The less you pay in interest, the more money you'll have for other things, like saving for retirement. Credit cards generally carry high interest rates, so that's a good place to start.

To get a handle on credit card debt, stop using your cards for new purchases. Focus on the credit card account with the highest interest rate and pay off that balance. (Note: Always pay at least the minimum amount due on all outstanding balances and loans.) Once that debt is zeroed out, go on to the account or loan with the next highest interest rate.



Eliminate Any Penalties

When money is tight, every penny counts. You can't make every penny count if you have to pay late fees on your credit card accounts, loans, or other bills. Get into the habit of always paying on time. Try paying your bills as soon as they arrive or arranging for automatic payments (as long as you keep an eye on your bank balance to avoid overdraft fees and/or interest charges).

Reduce Stress Later, Too

Taking control of your finances can help improve your situation now -- and likely later. Let's say you eliminate a few splurges and free up \$10 a week. Since

saving for retirement is a big goal and a top priority, you increase your contribution to your employer's retirement plan or other retirement savings account by that amount. Over time, that extra money could make a substantial difference in your balance, as illustrated in the hypothetical example below.

Once you see how much of a difference small amounts can make, you just might look for another \$10 a week to contribute. And the next time you get a raise or bonus, you might decide to increase your contribution again.

The Power of \$10

<i>Weekly Plan Contribution</i>	<i>5 Years</i>	<i>10 Years</i>	<i>20 Years</i>	<i>30 Years</i>	<i>40 Years</i>
\$10	\$3,102	\$7,500	\$22,573	\$52,865	\$113,742
\$20	\$6,205	\$15,001	\$45,147	\$105,731	\$227,484
\$30	\$9,307	\$22,501	\$67,720	\$158,596	\$341,226
\$40	\$12,409	\$30,001	\$90,294	\$211,462	\$454,968

Source: DST Systems, Inc. These are hypothetical examples involving participants who consistently make weekly contributions over various time periods and earn a 7% average annual investment return (compounded monthly). The illustration does not represent any specific investment product offered by your plan and does not include any investment fees and expenses. Your investment returns will differ, and it is unlikely that your contribution amount will remain the same over a long period. Pretax contributions and related plan earnings will be subject to ordinary income taxes and a possible additional tax for early withdrawal upon distribution.



Look at the Difference

The faster you pay off your credit card debt, the less interest you'll pay and the sooner you'll have more money to save for other things. Look at a hypothetical example that illustrates the difference between paying \$100 a month and \$350 a month on a \$5,000 credit card balance.

<i>Monthly Payment</i>	<i>Number of Months to Pay Off Balance</i>	<i>Interest Paid</i>	<i>Total Payments</i>
\$100	73	\$2,240	\$7,240
\$350	16	\$461	\$5,461

Source: DST Systems, Inc. This is a hypothetical example used for illustrative purposes only. Your results will be different. It assumes an interest rate of 13%.

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Financial Considerations for Americans Retiring Abroad

Retiring in a foreign country is a dream shared by thousands of Americans. Yet the number who actually pack their bags and cross the border to enjoy a life of leisure in a foreign country is difficult to gauge -- neither the U.S. Census Bureau nor the Social Security Administration maintains comprehensive data about retirees abroad.

For those who do make the move, however, the key to financial success is planning -- above and beyond the type of planning normally required to secure a successful retirement at home. The following considerations will help you lay the groundwork for a smooth transition and avoid any unpleasant surprises that might otherwise arise after the big move.



Social Security

In general, the Social Security Administration (SSA) allows eligible individuals living outside of the United States to collect Social Security retirement payments in their country of residence. There are exceptions to the rule, however. Your eligibility to collect Social Security benefits overseas may be affected by your foreign citizenship status and by whether or not you receive dependent or survivor benefits. And regardless of your citizenship, the U.S. Treasury Department forbids the SSA to send payments to retirees living in Cuba, North Korea, Cambodia, Vietnam, or certain countries that were once part of the Soviet Union.

Medicare and Health Insurance

Medicare coverage usually ends when you set foot on foreign soil. If it's impractical for you to return to the United States for medical treatment, then you should consider purchasing additional health insurance policies. Remember, too, that moving to a country with universal health coverage does not necessarily mean you will be immediately eligible for such coverage. Again, it pays to know the rules before arriving in your new country.



Taxes

As far as the IRS is concerned, out of sight is not out of mind. Or, to put it in the government's own words: "If you are a U.S. citizen or a resident alien of the United States and you live abroad, you are taxed on your worldwide income."¹ That means you'll need to pay tax on income -- including taxable distributions from employer-sponsored pension plans and pensions -- regardless of where you live when you receive the money.

But it's not necessarily that simple. The United States has signed tax treaties with many nations around the world. In part, these treaties are designed to help taxpayers avoid double taxation (i.e., paying full taxes on the same income to two different governments). You should consider working closely with a tax advisor who specializes in international taxation to learn exactly how your benefit payments will be taxed in the country where you plan to live.

Exchange Rates

If your retirement assets are denominated in U.S. dollars, then you'll need to consider the implications of spending

and budgeting in a foreign currency. For example, you could opt to convert U.S. dollars to cash on an as-needed basis, or choose to make purchases on a U.S. credit card that automatically "translates" the amount back into dollars on your statement. In either situation, it pays to research which financial institutions offer the best exchange rates and lowest transaction fees.

Finally, don't overlook the immigration policies of the country you hope to call home. The expenses and waiting periods associated with submitting your paperwork may be significant, and ignoring them could result in an unfriendly "welcome" from the local authorities on moving day.

Source/Disclaimer:

¹Source: IRS Publication 54, "Tax Guide for U.S. Citizens and Resident Aliens Abroad."

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Summer Garden Fish Tacos



INGREDIENTS

- 1 medium ear sweet corn, husk removed
- 1 poblano pepper, halved and seeds removed
- 4 tilapia fillets (4 ounces each)
- 1/8 teaspoon salt
- 1 yellow summer squash, halved lengthwise
- 1 medium heirloom tomato, chopped
- 1/3 cup chopped red onion
- 3 tablespoons coarsely chopped fresh cilantro
- 1 teaspoon grated lime zest
- 3 tablespoons lime juice
- 8 taco shells, warmed
- 1/2 medium ripe avocado, peeled and sliced

TOTAL TIME: Prep: 20 min; Grill: 20 min

SERVINGS: 4

INSTRUCTIONS

1. Lightly oil the grill rack. Grill corn and pepper, covered, over medium heat 10-12 minutes or until tender, turning occasionally. Cool slightly.

2. Meanwhile, sprinkle fish with salt. Grill fish and squash, covered, over medium heat 7-9 minutes or until fish just begins to flake easily with a fork and squash is tender, turning once.

3. Cut corn from cob and place in a bowl. Chop pepper and squash; add to corn. Stir in tomato, onion, cilantro, lime zest and lime juice. Serve fish in taco shells; top with corn mixture and avocado slices.

<https://www.tasteofhome.com/recipes/summer-garden-fish-tacos/>





The Sudoku Section



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

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

The answers

<http://www.theprintablesudokuwebsite.com/>