



# Summer 2018

## Quarterly Newsletter

### Welcome Jillian!

I'm delighted to introduce our Office Manager, Jillian Connors. Jillian is working behind the scenes to spread the word about Financial Answers and by-the-hour financial planning, undertaking a new and improved website, harnessing the power of social media, sending annual review notices, and scheduling appointments.



I am so happy to have Jillian aboard. Not only is she proficient, professional and friendly, but she excels at keeping me organized as Financial Answers grows.

Jillian earned her B.S. from Springfield College. She is a marketing master here, a realtor with Team Gabriel/Coldwell Banker, wife of Jamie, and a mother of five.

If you have the pleasure of talking to Jill in the near future, please welcome her too. With her organization, marketing know-how, and friendly personality, she's doing an excellent job!

### 2018 Social Security Trustees' Report

This year's report on the health of Social Security doesn't look much different from last year's...gloomy. Social Security should be able to pay promised benefits until 2034. In 2034, the \$3 trillion trust fund will be \$0. When this happens, Social Security can pay 79% of promised benefits. In other words, a \$2000/month benefit would be reduced to \$1580/month.

There are dozens of ideas to fix Social Security. Here are a few of the most popular:

- Raise the retirement age to 68, and/or stop age 62 and early retirement benefits.
- Change the formula for cost-of-living increases, eliminate increases for the wealthy, or eliminate increases for everyone.

**"Planning is bringing the future into the present so that you can do something about it now."**

-Alan Lakein



- Raise or eliminate the earnings cap. Income above \$127,000 is not subject to the Social Security tax. These proposals mean that more or all people earning over \$127,000 pay the same overall rate as those earning \$127,000 or less.
- Enact an estate tax to cover shortfalls.
- Privatize the program, shifting risk from the trustees to you. Remember how pensions were replaced by 401(k)s?
- Raise payroll taxes now (currently 12.4%: ½ paid by employers and ½ paid by employees). A 2.84% increase would be needed (1.48% paid by employers are 1.48% paid by employees).
- Do nothing and raise taxes in 2034.
- Cut benefits now.
- Do nothing and cut benefits in 2034.

Although the news is worrying, there are many solutions.

### You can follow us on Facebook!

Our Facebook page is a great source for financial news, community events, and financial tips. Our address is: [www.facebook.com/FinancialAnswersSomers](https://www.facebook.com/FinancialAnswersSomers). Here is our most popular post this quarter:



Financial Answers, LLC

June 19 at 6:22 AM ·

<https://blog.ssa.gov/youve-worked-hard-for-the-money-now-.../>



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You've Worked Hard for the Money — Now Protect It! | Social Security Matters

You've Worked Hard for the Money — Now Protect It! Posted on June 18, 2018 by Julie...

**Thank you for your business,  
and enjoy your summer!**

**While retirement planning was a focus this quarter, we also enjoyed working with clients just starting out with first homes, growing families, and their first 401(k) contributions.**

**We charge an hourly fee so we can provide independent, objective advice to people from all walks of life.**