



December 6, 2011

5:39 PM EDT

Find us on Facebook 

Follow us on 

Inside this issue

[Required Minimum Distributions](#)

[Medicare Supplemental Plans](#)

[Tax Planning](#)

[Upcoming TV Appearances](#)

[Investment Quotes To Live By](#)

[Friends And Family Plan](#)

Required Minimum Distributions

~~~~~

This issue is a quick down and dirty to outline some important items as we head into year-end. First, I will repeat the important IRA distribution comments from the previous issue.

End of year is when the government mandates IRA withdrawals for those 70 1/2 and older or those who inherited IRAs. It's also known as Required Minimum Distributions (RMDs) and they are MANDATORY. Please take note!

-

If you have an inherited IRA or own an IRA and you are at least 70 1/2, please contact the office as soon as possible! (Unless, of course, we have already spoken and the forms have been completed.)

## Medicare Supplemental Insurance

---

This is the time of year if you are over 65 when your mailboxes are often flooded with Medicare supplemental plans. Some companies will even invite you to a free dinner seminar to listen to their pitch. Choosing a plan is very individualized and I would like to say "take your time". But the deadline is right in front of us on December 7.

Elaine Boyd who is CFP recommends using [SHIPtalk](#) for counseling. There is a good website from the government, [Medicare Plan Finder](#), to compare and contrast available plans.

## Tax Planning

---

Year-end is always a crazy time when it comes to tax planning, but more so in recent years as Congress has made last minute changes with very short-term time horizons. And this year is no different! I don't even want to start thinking about the end of 2012 when the Bush/Obama tax cuts expire along with a host of other items.

As we try to do each year, we will do some tax loss harvesting to book losses and substitute similar, but not the same security. If you use a tax advisor or CPA, inquire about the Pease limitation which was repealed for 2011 and 2012 and would have limited deductions for high income earners according to Elaine Floyd CPA and CFP.

Also, the sales tax deduction (for big ticket items) and energy tax credit (for energy saving home improvements) pack their punch through December 31, 2011. At this time, we don't know what's in store for them in 2012. Additionally, according to Floyd, small business owners can take big deductions for investing in their businesses in 2011. This provision is not as good next year.

For married couples filing jointly with AGI of less than \$160,000, the American Opportunity Tax Credit benefits you for prepaid college tuition in 2011.

Business owners and self employed people need to establish their

qualified retirement plans by 12/31/11, but need not fund that plan until tax filing time. The only exception is SEP-IRAs.

And finally, don't forget to max out your 401K contribution if you have the funds to do so!

For more information, please contact your CPA or tax advisor. If you do not have one, let me know and I will do my best to help you find one.

## **Upcoming Appearances**

---

CNBC's Worldwide Exchange - December 21 at 5:35am

CNBC's Worldwide Exchange - January 19 at 5:35am

You can view most of the past segments by clicking below.

## **Media Appearances**

<http://www.investfortomorrow.com/InMedia.asp>

## **Investment Quotes/Adages To Live By**

---

"When in doubt, get out!"

"If it's obvious, it's obviously wrong."

-Joe Granville

"It's ok to be wrong, but it's not ok to stay wrong."

"This time is different."

"The markets require the patience of a dozen men."

-Robert Rhea

"Luck is the residue of effort."

"The most bullish thing a market can do is go up in the face of bad news."

"The most bearish thing a market can do is go down in the face of good news."

"The market can stay irrational longer than you can stay solvent."

-John Maynard Keynes

"Government is best which governs least" - Thomas Jefferson

Inflation is the one form of taxation that can be imposed without legislation.

-Milton Friedman

"You cannot legislate the poor into freedom by legislating the wealthy out of freedom. What one person receives without working for, another person must work for without receiving. The government cannot give to anybody anything that the government does not first take from somebody else. When half of the people get the idea that they do not have to work because the other half is going to take care of them, and when the other half gets the idea that it does no good to work because somebody else is going to get what they work for, that my dear friend, is about the end of any nation. You cannot multiply wealth by dividing it." - Dr. Adrian Rogers, 1931

"Bear markets seem to be divided into three phases: the first being the abandonment of hopes upon which the final uprush of the preceding bull market was predicted; the second, the reflection of decreased earnings power and reduction of dividends, and the third representing distressed liquidation of securities which must be sold to meet living expenses. Each of these phases seems to be divided by a secondary reaction which is often erroneously assumed to be the beginning of a bull market."

- Robert Rhea via Tim Woods

"Free enterprise is a rough and competitive game. Nobody too big to fail. Nobody too small to succeed. It is a hell of a lot better than government control." - Ronald Reagan via Dan Kennedy

"A government big enough to give you everything you want is big enough to take everything you have." - Gerald Ford via Dan Kennedy

"The problem with socialism is that, sooner or later, you run out of other people's

money." - Margaret Thatcher

"Diversification alone is no longer sufficient to temper risk... You need something more to manage risk well."

- Mohamed El-Erian

## Friends And Family Plan

~~~~~

Finally, as you know, our firm and this newsletter continues to grow mostly from your referrals. If you know anyone who is interested in securing their retirement, planning for it or just plain worried about it, please send them here. As always, thanks for thinking of us with your circle of family and friends.

[Sign Up Here](#)

You can also forward this email to family and friends by hitting the "forward email" hotlink at the bottom of this email.

To Your Financial Success,



Paul Schatz
President
Heritage Capital LLC

1 Bradley Road Suite 202
Woodbridge CT 06525

203.389.3553 Phone
203.389.3550 Fax

www.InvestForTomorrow.com

Published by Paul Schatz. Copyright (C) 2008 Heritage Capital, LLC. All rights reserved.
StreetSmarts is produced and distributed regularly via email by Paul Schatz of Heritage Capital, LLC
1 Bradley Road, Suite 202 Woodbridge CT 06525 Phone (203) 389-3553 Fax (203) 389-3550 - www.InvestForTomorrow.com
Heritage Capital, LLC is an independent RIA not associated with any financial institution. Data used in this publication is gathered from reliable sources, although completeness and accuracy cannot be guaranteed. Performance results do not take into account any tax consequences and are not predictive of future results. This publication does not give any specific investment advice, does not provide financial planning services, or consider any individual's financial situation, needs or goals. This publication may not be reproduced or retransmitted in whole or in part without the consent of the author, Paul Schatz.

Important Disclosure Information

Heritage Capital LLC ("Heritage") composite performance results represent time-weighted actual performance results for continuously managed Heritage accounts, which individual accounts Heritage believes to be representative of its investment management process (i.e. mutual funds and exchange traded funds) for each specific strategy during the corresponding time period. The composite performance results reflect the reinvestment of dividends and other account earnings, and are net of applicable account transaction and custodial charges, and the separate fees assessed directly by each unaffiliated mutual fund and exchange traded fund holding that comprised each account, and the maximum investment advisory fee that the accounts would have incurred (by applying the Heritage's current investment advisory fee of 2.00% as set forth in its current written disclosure statement) during the corresponding time periods.

Please Note: Past performance may not be indicative of future results. Therefore, no current or prospective client should assume that future performance will be profitable, equal the performance results reflected, or equal any corresponding historical benchmark index. The historical index performance results for all historical benchmark indices do not reflect the deduction of transaction and custodial charges, or the deduction of an investment management fee, the incurrence of which would have the effect of decreasing indicated historical performance results. The historical performance results for all indices are provided exclusively for comparison purposes only, so as to provide general comparative information to assist an individual client or prospective client in determining whether the performance of a Heritage program meets, or continues to meet, his/her investment objective(s). A corresponding description of each index is available from Heritage upon request. It should not be assumed that Heritage account holdings will correspond directly to any such comparative benchmark index. The Heritage performance results do not reflect the impact of taxes.

For reasons including variances in the investment management fee incurred, market fluctuation, the date on which a client engaged Heritage's investment management services, and any account contributions or withdrawals, the performance of a specific Heritage client's account may have varied substantially from the indicated portfolio performance results.

In the event that there has been a change in a client's investment objectives or financial situation, he/she/it is encouraged to advise Heritage immediately. Different types of investments and/or investment strategies involve varying levels of risk, and there can be no assurance that any specific investment or investment strategy (including the investments purchased and/or investment strategies devised or undertaken by Heritage) will be profitable.

Information pertaining to Heritage's advisory operations, services, and fees is set forth in Heritage's current disclosure statement, a copy of which is available from Heritage upon request. Performance results have been compiled solely by Heritage, are unaudited, and have not been independently verified. Heritage maintains all information supporting the performance results in accordance with regulatory requirements.

