



SPECIAL POINTS OF INTEREST:

- When should you draw your social security?
- This month's call-in times
- Funnies, quotes, thank yous, and testimonials
- Reliable business people
- The latest tax cheat
- We need your help...

INSIDE THIS ISSUE:

Retirement (In) Security: When Should You Start Receiving Social Security Benefits? 1

On the Lighter Side 2

Another One Bites the Dust 3

Ask the Taxpert 3

Looking for Someone You Can Rely On? 4

Taxing Times

Dedicated to helping our clients keep the money that belongs to them through a focus on tax.

VOLUME 6, ISSUE 6

JUNE 2014

Retirement (In)Security: When Should You Start Receiving Social Security Benefits?

One of the most important – and troublesome – decisions you'll have to make as you move toward retirement is when to claim your social security benefits. For a program that's been around for more than three-quarters of a century, you'd think the answer would be available right at our fingertips. Not so. Many retirees leave tens of thousands of dollars on the table by claiming their benefits too soon or by not coordinating their benefits with their spouse.

Retirees cannot rely on conventional wisdom! Simplistic rules such as "Always file for early benefits" or "You need to stop working to receive benefits" are NOT always true. There are specific cases that break every rule of thumb. And these one-size-fits-all answers leave many retirees failing to maximize the benefits they have earned.

The decision is extremely crucial for women. For 42% of single women older than 62, Social Security is their sole source of income. Women on average outlive men. Thus, planning for retirement is usually much easier for men (who statistically tend to have more assets and die younger). Widows are twice as likely to live under the poverty line as widowers and the poverty rate for elderly single women is 23% compared to just 5% for retired couples.

Full retirement age is the age at which a person may first become eligible for full Social Security benefits. That's 66 for people born between 1943 and 1954, then creeping up to age 67 for those born later than 1959.

Determining Full Retirement Age	
Year of Birth*	Full Retirement Age (FRA)
1943 - 1954	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 and later	67
*If you were born on January 1st of any year you should refer to the previous year.	
Source: ssa.gov/retire2/retirechart.htm	

You can claim as early as 62, but your benefit will be slashed by 25 percent if your full retirement age is 66. In contrast, your benefits escalate by 8 percent for every year you postpone taking your benefits between 66 and 70.

It's a relatively easy case to make for delaying your Social Security benefits until 70. If you choose to work past the normal retirement age and delay receiving benefits **Continued on page 2 ➡**

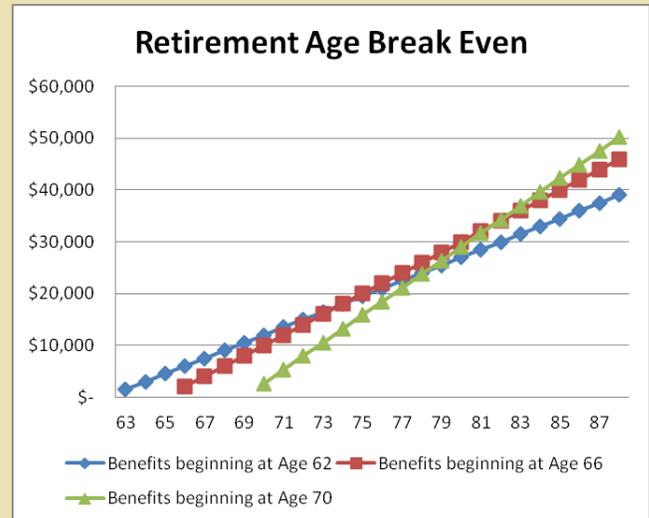
Retirement - continued from page 1

while working, the benefits paid later will be higher based on three factors: (a) the additional years of earnings, hopefully replacing lower earnings during the 35-year calculation period; (b) increases in the indexing amounts used to calculate the primary insurance amount (PIA), and (c) the delayed retirement credit.

Originally, your monthly benefits were adjusted so that you would receive the same amount in total lifetime benefits no matter whether you chose to begin receiving benefits at age 62, full retirement age, age 70, or any age in between. But, things change and it doesn't really work that way anymore.

Let's say your normal retirement age is 66 and your monthly Social Security benefits starting at that age will be \$2,000. If you choose to begin benefits at age 62, your monthly benefit will be reduced by 25 percent to \$1,500.

If you postpone your benefits until age 70, the delayed retirement credit would increase your monthly benefits to \$2,640. Your benefit amount will be 32 percent more (4 years times 8%) than what you would have received at 66.



Is it better to begin receiving Social Security benefits early since it's "free money" or is it better to delay as long as possible and receive a larger benefit for a shorter period of time. It depends on a number of factors such as your health, family longevity, ability or desire to work in retirement, current cash needs, other sources of income, and of course, the amount of your benefits.

On The Lighter Side

Stop Being Late to Work

Tom had this problem of getting up late in the morning and was always late for work. His boss was mad at him and threatened to fire him if he didn't do something about it. So, Tom went to his doctor who gave him a pill and told him to take it before he went to bed. Tom slept well and, in fact, beat the alarm in the morning by almost two hours. He had a leisurely breakfast and drove cheerfully to work.

"Boss," he said, "The pill actually worked!"

"That's all fine" said the boss, "But where were you yesterday?"

"Taxation with representation ain't so hot either."

- Gerald Barzan, humorist

"People who complain about taxes can be divided into two classes: men and women."

- Unknown



Unfortunately, studies suggest that those who take early retirement benefits out of financial necessity continue to struggle and often find themselves in tougher times as they struggle to live on their permanently reduced benefits.

It is clear, however, that those claiming benefits early may be leaving tens of thousands of dollars on the table. ❁

Make This Machine Work!

A young executive was leaving the office late one evening when he found the CEO standing in front of a shredder with a piece of paper in his hand.

"Listen," said the CEO, "this is a very sensitive and important document here, and my secretary has gone for the night. Can you make this thing work?"

"Certainly," said the young executive. He turned the machine on, inserted the paper, and pressed the start button.

"Excellent, excellent!" said the CEO as his paper disappeared inside the machine. "I just need one copy."

"I am proud to be paying taxes in the United States. The only thing is—I could be just as proud for half the money."

- Arthur Godfrey, entertainer

"The hardest thing in the world to understand is the income tax."

- Albert Einstein, physicist

Another One Bites the Dust

Who's more powerful than a billionaire? The IRS, of course!

That almighty arm of the U.S. government brought down another tax cheat earlier this year, when Ty Warner, the billionaire creator of Beanie Babies, pled guilty to tax evasion. Warner, who hid as much as \$107 million in an offshore account, agreed to pay \$53 million in civil penalties. He faced as much as five years in prison but a federal judge sentenced the 69 year old Warner to two years probation.

Warner, who "went to great lengths" to hide foreign income generated in a Swiss bank account, according to the U.S. Attorney's office in Chicago, called it the biggest mistake of his life.



Beanie Babies retailed for \$5 to \$7, but at the peak of their popularity had collectors forking over hundreds of dollars for rare characters on the resale market.



Catch Us on the Radio

Richard is the co-host of "Safe Investing in the New Economy" with Jim Byrd. The show can be heard each Sunday evening at 6:00 pm on WAVH FM Talk 106.5 and each Tuesday morning at 10:05 am on WABF 1220 AM.

Ask the Taxpert

Question: Do I qualify for the health care premium tax credit?

Answer: Beginning the first of this year, individuals and families can buy private health insurance through Affordable Insurance Exchanges, which are marketplaces where individuals can find private health insurance. (This is a new program created by the Affordable Care Act [ObamaCare].) If you purchase health insurance through an exchange, you may be eligible for a tax credit that will make your coverage more affordable.

The credit is aimed at middle-income Americans. A larger credit is available for older individuals whose coverage costs may be higher. The credit will be refundable, which means it can be used by people who pay little or no federal income tax. You can arrange for the credit to be paid to your insurer in advance so that you have less out-of-pocket costs.

Do you have a question for the Taxpert that you'd like to see answered in a future Taxing Times? Or perhaps just an issue you'd like the Taxpert to address? Send the Taxpert a note to Taxing Times, 1050 Hillcrest Rd., Ste A, Mobile, AL 36695 or an email to taxpert.zl@comcast.net.

THANKS FOR THE REFERRALS

WE APPRECIATE THE OPPORTUNITY WE'VE BEEN GIVEN TO SERVE OTHERS BY THOSE WHO HAVE TAKEN THE TIME TO EXPRESS THEIR TRUST AND CONFIDENCE IN US TO THEIR FRIENDS. YOUR REFERRALS ARE OUR GREATEST COMPLIMENT.

~ LAURA ISENBURG ~

THANK YOU!

I am currently working on my third book, and I'd appreciate your input. This one is going to be about retirement planning, including Social Security. It seems there are a lot of areas in which my clients have difficulty in getting straight answers [whether from the government or other professionals].

What topics do you think would be the most important to cover?
Are there questions for which you'd like answers?

Send me a note to the address on the last page, send an email to:
richardlindsey@comcast.net
or call me at 251.633.4070.

ZEVAC & LINDSEY

CERTIFIED PUBLIC ACCOUNTANTS

"You see the numbers, we look for the opportunities."

1050 Hillcrest Road, Suite A
Mobile, AL 36695
(251) 633-4070—phone
(251) 633-4071—fax

PRSRT STD
U.S. POSTAGE
PAID
PERMIT NO. 1343
MOBILE, AL



HAPPY FATHER'S DAY!!
Father's Day is Sunday, June 15, 2014



Looking for Someone You Can Rely On?

We really believe in the process of referrals, so part of the service we provide is to be sure to refer our clients and associates to other qualified businesspeople in the community.

Below, you'll find a list of areas in which we know very credible, ethical and outstanding professionals. If you're looking for a professional in a specific area we've listed, please feel free to contact us. We will be glad to put you in touch with the people we know who provide these services.

- ◆ Advertising Specialties
- ◆ Land Surveyor
- ◆ Veterinarian
- ◆ Marketing Coach
- ◆ Bathroom Remodeler
- ◆ Printer
- ◆ Attorney
- ◆ Realtor
- ◆ Financial Advisor
- ◆ Mortgage Broker
- ◆ Used Auto Dealer
- ◆ Chiropractor
- ◆ Massage Therapist
- ◆ Hair Stylist
- ◆ Web Designer
- ◆ Pest Control
- ◆ Home Inspector
- ◆ Custom Monogramming



"I often forward all the emails you send to us (after I have read them) because there are others I feel could benefit from your knowledge! My children, in particular, face certain problems that you often address in your weekly, sometimes daily, newsletters emailed to me. I have referred many of my clients and friends to you, even family. I firmly believe you are one of the best accountants in Mobile County, if not all of Alabama, Richard! You are so full of knowledge and want to spread that knowledge to others, which is a wonderful thing. I appreciate all you, and your staff, do to help Michael and me with our taxes."

-Marwa L. Gibson-Grandquest

This month's special Member-Only call-in times for Lindsey's Insider's Circle will be 6/23/14 from 2:00 to 4:00 pm. To schedule your appointment, contact Kristen at (251) 633-4070.

Not a member yet? Find out how to become one today!