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Hello, we hope you find this month's newsletter informative.

March is a busy month: Daylight savings time begins the 8th. Set your clocks ahead an hour at 2 a.m. St. Patrick's Day on the 17th, and for the basketball fans, March Madness starts in a couple weeks. Finally, the first day of SPRING begins on the 20th!!

Here is a quote in honor of St. Patrick's Day:

May luck be our companion
May friends stand by our side
May history remind us all
Of Ireland's faith and pride.
May God bless us with happiness
May love and faith abide.
~Irish Blessing

March 2015

Points to Consider If Your Retirement Goal Seems Out of Reach

Estate Planning for a Second Marriage

The Cost of Waiting

How much can I contribute to my IRA in 2015?



Points to Consider If Your Retirement Goal Seems Out of Reach



Each year in its annual Retirement Confidence Survey, the Employee Benefit Research Institute reiterates that goal setting is a key factor influencing overall retirement confidence. But for

many, a retirement savings goal that could reach \$1 million or more may seem like a daunting, even impossible mountain to climb. What if you're investing as much as you can, but still feel that you'll never reach the summit? As with many of life's toughest challenges, it may help to focus less on the big picture and more on the details.* Start by reviewing the following points.

Retirement goals are based on assumptions

Whether you use a simple online calculator or run a detailed analysis, your retirement savings goal is based on certain assumptions that will, in all likelihood, change. Inflation, rates of return, life expectancies, salary adjustments, retirement expenses, Social Security benefits--all of these factors are estimates. That's why it's so important to review your retirement savings goal and its underlying assumptions regularly--at least once per year and when life events occur. This will help ensure that your goal continues to reflect your changing life circumstances as well as market and economic conditions.

Break it down

Instead of viewing your goal as ONE BIG NUMBER, try to break it down into an anticipated monthly income need. That way you can view this monthly need alongside your estimated monthly Social Security benefit, income from your retirement savings, and any pension or other income you expect. This can help the planning process seem less daunting, more realistic, and most important, more manageable. It can be far less overwhelming to brainstorm ways to close a gap of, say, a few

hundred dollars a month than a few hundred thousand dollars over the duration of your retirement.

Make your future self a priority, whenever possible

While every stage of life brings financial challenges, each stage also brings opportunities. Whenever possible--for example, when you pay off a credit card or school loan, receive a tax refund, get a raise or promotion, celebrate your child's college graduation (and the end of tuition payments), or receive an unexpected windfall--put some of that extra money toward retirement.

Retirement may be different than you imagine

When people dream about retirement, they often picture images like exotic travel, endless rounds of golf, and fancy restaurants. Yet a recent study found that the older people get, the more they derive happiness from ordinary, everyday experiences such as socializing with friends, reading a good book, taking a scenic drive, or playing board games with grandchildren. (Source: "Happiness from Ordinary and Extraordinary Experiences," *Journal of Consumer Research*, June 2014) While your dream may include days filled with extravagant leisure activities, your retirement reality may turn out much different--and that actually may be a matter of choice.

The bottom line

Setting a goal is a very important first step in putting together your retirement savings strategy, but don't let the number scare you. As long as you have an estimate in mind, break it down to a monthly need, review it regularly, and increase your investments whenever possible, you can take heart knowing that you're doing your best to prepare for whatever the future may bring.

**All investing involves risk, including the possible loss of principal, and there can be no assurance that any investment strategy will be successful.*



Estate Planning for a Second Marriage

Giving love another chance:

- About 12% of men and women have married twice
- About 3% of each have married three or more times

Source: U.S. Census Bureau, 2011 (data from 2009, most current data available)



You should consider the counsel of an experienced estate planning professional and your legal and tax advisors before implementing any of these strategies. There are costs and expenses associated with the creation of these legal instruments.

They say that love is lovelier the second time around. But for many individuals, remarriage later in life can create some unique estate planning issues.

If you're anything like the typical person contemplating a second (or third) marriage, you are older, have children, have accumulated property, and have been enjoying a standard of living you would like to maintain. Entering into a new marriage can raise many, perhaps conflicting, concerns such as:

- How can you protect assets you already own?
- How can you provide for children from a previous marriage?
- How do you share assets acquired or inherited after the marriage equally or fairly?
- How do you ensure your prospective spouse's future financial security?
- How can you avoid family disharmony?

Put your financial cards on the table

Money is a major cause of stress in any marriage, but it can be especially so in a second one. You and your future spouse should discuss and agree on all important financial issues and formulate plans that, hopefully, you both can live with. Full disclosure is important, especially if you are considering a prenuptial or postnuptial agreement.

Protect your assets with a prenuptial or postnuptial agreement

You're probably well aware that life is not a stroll down the primrose path, so while the suggestion of a prenup or postnup may not fan the flames of romance, you should know that this contract is important if you're bringing assets into the marriage. Why? By law, a surviving spouse has the right to take an "elective share" of the deceased spouse's estate, regardless of what is in the will. An elective share is typically one-third or one-half of the elective estate. An elective estate can include almost all the decedent's property, even property with beneficiary designations and property held in trust. If your surviving spouse takes his or her elective share, this may result in the unintentional disinheritance of your children or other heirs.

The only way to supersede elective share laws is with a prenup or postnup, in which both parties can waive their rights to the elective share. This way, you can minimize the chance that state law will interfere with your intended estate plans.

Revise your will and other estate planning documents

Remarriage does not revoke a will (although state law can trump a will, as we have just discussed). It is vital, therefore, that you draft a new will in light of your new circumstances. While you're at it, review and update other estate planning documents, such as your durable power of attorney, advance medical directives (for example, a living will or health-care proxy), trusts, and beneficiary designations (for life insurance and retirement plans, for example).

Providing for your children from a previous marriage

A big concern in many second marriages is providing for the new spouse without disenfranchising children from a prior marriage. Having your assets pass into a qualified terminable interest property (QTIP) trust can be part of the solution. With a QTIP trust, all trust income is used to support the surviving spouse while the principal is preserved for the children. And there's a bonus: Assets passing to a valid QTIP trust qualify for the marital deduction, helping to minimize potential estate taxes at your death.

Dealing with wealth disparity

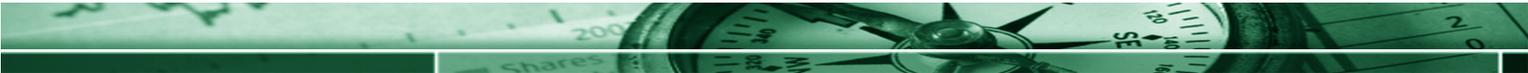
In second marriages, it's not uncommon for one spouse to be wealthier than the other. If federal estate taxes are a concern, equalizing your estates so that you and your spouse can take advantage of both of your basic exclusion amounts (\$5,430,000 in 2015) may be in order. Without equalization, you may lose valuable tax savings if the less wealthy spouse dies first. This may be less of a concern now that the applicable exclusion amount is portable. Portability allows a surviving spouse to use the unused applicable exclusion amount of a predeceased spouse. You might also consider state death taxes.

Apportioning estate taxes

If you and your spouse have children from a previous marriage, you may want to plan for the payment of estate taxes in such a way that each child will bear the burden equally.

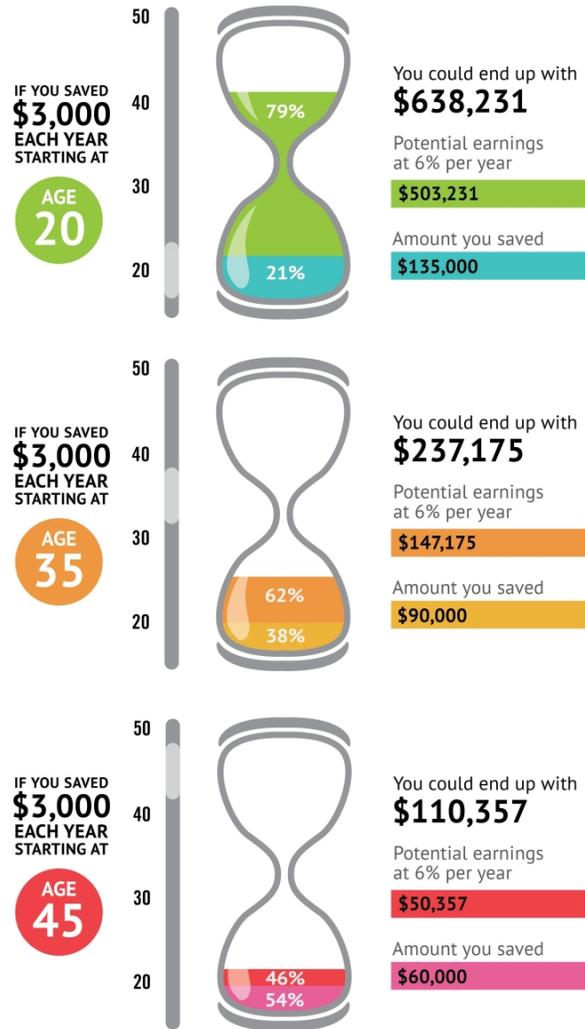
Conclusion

Each couple entering into a second marriage has unique concerns and goals. It's important to deal with your issues squarely, and create a plan that will optimize dispositions, help minimize taxes, and avoid unintended results, family disharmony, or even litigation.



The Cost of Waiting

Starting to save early means your money has more time to go to work for you. Even if you can only afford to set aside small amounts, compounding earnings can make them really add up. It's never too late to begin, but as this illustration shows, the sooner you start, the less you may need to rely solely on your own savings to build your total nest egg.



This illustration assumes annual investments made at the end of each year through age 65 and a 6% fixed annual rate of return. The rate of return on your actual investment portfolio will be different, and will vary over time, according to actual market performance. This is particularly true for long-term investments. It is important to note that investments offering the potential for higher rates of return also involve a higher degree of risk to principal.

The examples do not take into account the impact of taxes or inflation; if they did, the amounts would have been lower. They are intended as hypothetical illustrations of mathematical principles and should not be considered financial advice.

All investing involves risks, including the possible loss of principal, and there can be no guarantee that any strategy will be successful. Past performance is no guarantee of future results.

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How much can I contribute to my IRA in 2015?

The combined amount you can contribute to your traditional and Roth IRAs remains at \$5,500 for 2015, or \$6,500 if you'll be 50 or older by the end of the year. You can contribute to an IRA in addition to an employer-sponsored retirement plan like a 401(k). But if you (or your spouse) participate in an employer-sponsored plan, the amount of traditional IRA contributions you can deduct may be reduced or eliminated (phased out), depending on your modified adjusted gross income (MAGI). Your ability to make annual Roth contributions may also be phased out, depending on your MAGI. These income limits (phaseout ranges) have increased for 2015:

Income phaseout range for deductibility of traditional IRA contributions in 2015	
1. Covered by an employer-sponsored plan and filing as:	
Single/Head of household	\$61,000 - \$71,000
Married filing jointly	\$98,000 - \$118,000
Married filing separately	\$0 - \$10,000
2. Not covered by an employer-sponsored retirement plan, but filing joint return with a spouse who is covered by a plan	
	\$183,000 - \$193,000

Income phaseout range for ability to contribute to a Roth IRA in 2015	
Single/Head of household	\$116,000 - \$131,000
Married filing jointly	\$183,000 - \$193,000
Married filing separately	\$0 - \$10,000



Is there a new one-rollover-per-year rule for 2015?

Yes. The Internal Revenue Code says that if you receive a distribution from an IRA, you can't make a tax-free (60-day) rollover into another IRA if you've already completed a tax-free rollover within the previous one-year (12-month) period. The long-standing position of the IRS was that this rule applied separately to each IRA someone owns. In 2014, however, the Tax Court held that regardless of how many IRAs he or she owns, a taxpayer may make only one nontaxable 60-day rollover within each 12-month period.

The IRS announced that it would follow the Tax Court's decision, but that the revised rule would not apply to any rollover involving an IRA distribution that occurred before January 1, 2015. The IRS recently issued further guidance on how the revised one-rollover-per-year limit is to be applied. Most importantly, the IRS has clarified that:

- All IRAs, including traditional, Roth, SEP, and SIMPLE IRAs, are aggregated and treated as one IRA when applying the new rule. For example, if you make a 60-day rollover from a Roth IRA to the same or another Roth IRA,

you will be precluded from making a 60-day rollover from any other IRA--including traditional IRAs--within 12 months. The converse is also true--a 60-day rollover from a traditional IRA to the same or another traditional IRA will preclude you from making a 60-day rollover from one Roth IRA to another Roth IRA.

- The exclusion for 2014 distributions is not absolute. While you can generally ignore rollovers of 2014 distributions when determining whether a 2015 rollover violates the new one-rollover-per-year limit, this special transition rule will NOT apply if the 2015 rollover is from the same IRA that either made, or received, the 2014 rollover.

In general, it's best to avoid 60-day rollovers if possible. Use direct (trustee-to-trustee) transfers--as opposed to 60-day rollovers--between IRAs, as direct transfers aren't subject to the one-rollover-per-year limit. The tax consequences of making a mistake can be significant--a failed rollover will be treated as a taxable distribution (with potential early-distribution penalties if you're not yet 59½) and a potential excess contribution to the receiving IRA.