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# RETIREMENT PLANNING NEWSLETTER

AUGUST 2012

Dear Valued Clients,

Financial markets worldwide continue to be unpredictable, volatile and yet still offer extremely low rates of return for investors and retirees.

Having your nest egg exposed to ongoing low rates of return and potential loss of your retirement principal is not a suitable plan. A recent example of negative interest rates happened in Germany where the government sold two year notes at an average yield of minus 0.06%, meaning it will pay back less money in two years than it received from investors. In other words, European investors are willing to sacrifice returns for the safety of their principal.

In this country, our 10 year Treasury Note is yielding 1.40%; an unheard

of rate! In summary, retirees who have come to rely on the stock market to supplement or support their standard of living face an uncertain future. In addition, our country faces a fiscal cliff when capital gain taxes and dividend taxes rise substantially if Congress and the President continue to dither. Of course, the rise in taxation on dividends and capital gains affect retirees. Almost three of four dividend payments go to those over the age of 55, according to the IRS.

The last two weeks my wife and I have been assisting our clients who now will avoid this increased taxation on their retirement principal. Please call us if you would like some assistance to solve this problem.

In family news, our oldest daughter Allison

will be attending Rhodes College in Tennessee as a freshman and Lindsay continues her studies at Westover School in Middlebury, CT as a sophomore. Diane has received her Insurance license and will be assisting our clients in tax-free estate planning as well as everything else she does! Thank you to our new client Pam Manes for suggesting this step.

We will be away on a family vacation in Westport, MA from Friday, August 3<sup>rd</sup> and returning to our office on Monday, August 20<sup>th</sup>.

Thank you again for letting us assist in your plans for your retirement.

Sincerely,

*Syd and Diane Rogers*