You received a reprieve last year when the employer mandate of the Affordable Care Act was delayed until 2015. And certain employers, who jump through additional hoops, now have another extension until 2016. Whether you have another nine or 21 months, begin exploring your options now to come up with your company's insurance strategy.

You have to proceed with caution if you have between 50 and 99 employees – changing your insurance now can break your eligibility for the extra year's extension. Let's explore each option further.

**Participate in the Small Business Health Options Program (SHOP)**

If you are located in Ohio and have fewer than 50 employees, you should consider SHOP. If you have between 51 and 100 employees, this is an option to keep your eye on as it will expand to you in the next few years.

What is SHOP? It's the business portal to the health insurance exchange. A business owner can contribute amounts, from 0 to 100 percent, toward an employee's premium, and the employee uses pretax deductions to pay the premium. Some employers can get a tax credit through SHOP if they exceed certain contribution amounts.

There is a down side, though. Individuals cannot get federal subsidies through SHOP to help reduce premiums. However, if you have employees who would not qualify for subsidies, this option could save them money since these plans can cost less than traditional insurance plans.

SHOP is exchange insurance, so it’s important to note that it differs from traditional plans offered by insurance companies. Just because you currently offer insurance through, for example, Anthem, that doesn’t mean the coverage network through Anthem on the exchange will be the same. For example, the Cleveland Clinic may be in-network for one, but not the other.

**Consider Dropping Benefits**

The drop option, which means you would no longer offer any health benefits to employees, can be a good solution when you have an employee group that is largely entitled to subsidies. Let’s look at how this can actually be a win-win situation given the right factors.

continued on page 3
Business activity drives economic development, right? Absolutely. So why are there so many laws that make it harder to do business in Ohio? Governor John Kasich has been trying to remedy the situation since taking office and appointing Lt. Governor Mary Taylor to head Ohio’s Common Sense Initiative (CSI) in 2011. Now, they need your help.

The CSI aims to “create a regulatory climate that promotes economic development, is transparent and responsive to regulated businesses, makes compliance as easy as possible and provides predictability for businesses,” according to the state’s website.

“When legislators implement laws, they don’t always understand how they will impact individual businesses or industries. Yet, if Ohio wants to keep and attract businesses to the state, it needs to uncover these laws and fix them,” Rea CEO Lee Beall, CPA, Dublin office, said.

Solving problems is not just retroactive with the CSI. Beginning two years ago, any new regulation that impacts businesses has to be reviewed by the CSI. This includes new and amended rules as well as those that have to be reviewed under the state’s five-year review requirement. The office looks at the impact the rule has on businesses and ensures that stakeholders were involved in developing or reviewing it. When agencies had to begin making their cases as to why the regulations justify the impact to businesses, the number of rule filings in Ohio dropped by 44 percent in one year alone.

“Ohio still has a long way to go to be a more business-friendly state, but the CSI has improved the process,” Festi said. “That trend will continue.”

“But only if you take advantage of the situation and let your voice be heard. You can create the change your business needs to be successful,” said Beall.

Are there regulations that trouble you? Send your potential solutions to the CSI via email to CSIOhio@governor.ohio.gov or visit www.governor.ohio.gov/CSI and click on “Share Your Solutions.”

Sometimes the answer to a problem requires a common sense approach.

Ohio developed a state wide Small Business Advisory Council nearly three years ago to assist the CSI. It is tasked with reviewing governmental rules and regulations to identify those that place a burden on local businesses.

Michael Baach, president and CEO of Philpott Rubber in Brunswick, holds one of the nine seats and considers it a great honor to represent peer companies in the CSI process. As a member of the council, he takes the concerns of Ohio businesses directly to members of the Kasich administration.

“State government agencies, at times in concert with the Ohio legislature, have promptly and effectively taken action in a manner that has improved Ohio’s business environment,” Baach said. “These actions have promoted expansion, prosperity and job growth.”

Business-impacting rule filings are down 25 percent since CSI reviews began in 2012.

“This illustrates the impact of the CSI process on agency decisions about rulemaking,” said Baach.
ABC Company’s family-coverage insurance plan cost the company $400 a month and the employees $1,250. Most of these employees are the primary breadwinners for their families and are eligible for premium subsidies on the exchange. If they were to purchase insurance on the exchange, family costs would drop to $700 for equivalent coverage. When the premium subsidies are factored in, the cost would be further reduced to $250 a month.

For ABC, dropping was the most attractive option. Not only would the company save $400 a month per family, the employees’ savings could be substantial with or without subsidies. ABC didn’t simply drop insurance. They actually used their savings to increase the wages for those few employees who would pay more for exchange insurance so that no one would be in a worse financial position because of their decision.

The company, since it has more than 50 employees, will have to pay a monthly $166 penalty per employee for dropping insurance starting in 2015. Even when factoring these penalties and the increased wages into the equation, the overall costs to employer were less. And that doesn’t take into account the savings that will come from ABC no longer having to use internal resources to manage the benefits process and address employee questions.

In some instances, both the business and the employees can have a large net financial benefit as a result of the company dropping insurance. Be careful, though – dropping coverage this year can break your eligibility for transitional relief in 2015, meaning the pay-or-play mandate will apply in 2015.

Roll with Current Insurance
Is all this too uncertain for you? Are you the type of person who would rather wait to see how the exchanges actually work before taking action? Then, you probably want to roll with your current insurance for another year. You will almost certainly see increased premiums, but it’s less of a change. To offset costs, companies are using strategies like raising deductibles and co-pays and increasing the amount employees pay for premiums. If you’re looking for another way to help maintain costs, consider a wellness program that promotes the health of your employees.

Evaluate Self-Insurance
When you self-insure, you’re basically functioning like an insurance company, and that is the biggest drawback of this option. You are accepting risk in return for lower costs.

To help control your risk, stop-loss policies are available. This means you pay, for example, the first $25,000 of claims for each of your employees. After that, the stop-loss coverage you purchase from an insurance company kicks in to pay any claims above that amount. For some businesses, the savings can be substantial. These policies are still medically underwritten so the health of participants is important. Those businesses with a relatively healthy employee group are the ones that might consider this option.

Analyze Your Options
These four options are the most often discussed, but they aren’t the only ones that exist. Other options to consider include things like a private exchange or using entity planning to reduce penalties and costs. Since there are so many options to consider, you need to start planning now. Talk to your accounting, financial and insurance advisers to see how you and your employees might be able to reduce insurance costs.

SHOP, Drop, Roll or Self-Insure

Major CSI Accomplishments
Ohio’s Common Sense Initiative works to balance Ohio’s need for regulation with job creation and economic development. Here are some 2013 highlights:

1,543 regulations were reviewed

More than 850 business-impacting rules were amended ...

49 were rescinded

1,061 comments received ...

Nearly 60% of rule packages were reviewed in 60 days or less

100% of recommendations were implemented

Source: 2013 CSI Annual Report
Retire Windows XP. Effective April 8, 2014, Microsoft will no longer support its Windows XP operating system. That means they will stop developing security patches for it. If you have computers on this operating system, they will become increasingly susceptible to spyware, malware and other viruses designed to steal your – and your customers’ – personal information. Update these computers now or minimally stop using them to connect to the Internet.

Utilize a Dashboard. A dashboard is a simple report that summarizes your key performance indicators (KPIs) in an easy-to-read format. Just like the dashboard in your car, it gives you the pertinent information you need to drive your business. Most off-the-shelf, canned accounting packages have a dashboard that can be modified to suit your needs. More sophisticated accounting packages may require the use of report writer software or human interface to prepare the dashboard.

Budget for Continuing Education. Chances are your training budget took a big cut during the recession, but things have changed and there is an increased focus on retaining top talent. Now is the time to add dollars back into the budget; consider a 10 percent increase. Not only will this ensure your people are at the top of their game, it may also be the thing that keeps them at your company and not looking for a new opportunity.

PART THREE:
Create the Retirement of Your Dreams

Tina and Gina have been attached at the hip their whole lives. They attended the same schools, bought houses on the same street and eventually opened a business together. They each plan to retire in a few years, and even though they live parallel lives, their retirement goals are like night and day.

You see, Tina put four kids through college and is now saving up to travel. She was late to the retirement plan party and worries about funding her golden years. Luckily, she now has some discretionary cash. And as a business owner, she can adopt a cash balance plan that will allow her to make significantly larger contributions than other plans.

In retirement, Gina just wants to spend time with her grandkids. She has been saving for retirement all along and replacing her income shouldn’t be an issue. But she has some health issues that are hard to plan and budget for, including the number of years she’ll ultimately spend in a nursing home.

Preparing for retirement is different for everyone. So how can you be sure that you have enough set aside for the retirement you want?

The Basics

Here’s a good rule of thumb: For every dollar you make for a year of work, you’ll need 70 cents for a year of retirement. How do you create that cash flow? If you’re young and just starting your career, you should budget about 9 to 10 percent of your income for retirement plan contributions, including your employer’s contribution. If you’re older and closer to retirement, you will have to contribute significantly more than that.

Social Security will certainly help. Just remember that if you reach your Social Security benefit cap, you’ll need to make up the difference elsewhere. On the other hand, if you don’t make enough to max out Social Security, you probably have a large portion of what you need for retirement without drastic lifestyle adjustments.
The value of one’s business most often represents a large portion of their net worth. When business owners retire, they can monetize the value of their business by selling it outright or over time. If you own a business and have not started thinking about a succession plan, now is the time.

Picking a Goal

How much should you have saved before walking away from your professional life? How long should you plan to live off that stash? What do you want your retirement to look like? It’s different for everyone … but everyone needs to make sure cash flow in retirement meets (or exceeds) expenses. Consider these questions:

- Do you want to leave assets to your spouse, kids, a charity or university?
- Do you have a succession plan for your business? Do you know what it is worth?
- How long will you support your children and in what capacity?
- Do they have special, long-term needs?
- At what age do you want to retire?
- What will post-retirement health insurance cost if you are not yet Medicare-eligible?
- At what age should you apply for Social Security benefits?
- Will you spend more in retirement than you currently do, or less?
- How long does your retirement savings need to last? Is your spouse younger or older than you?
- Will you have a large estate tax bill upon your death?
- How will it be paid?

It’s impossible to answer these questions in just one sitting. You need to think about it … and think about it some more. Sit down with your spouse and a trusted advisor and run different scenarios.

Stretching Your Dollars

Try to continue growing your 401(k) balance after you retire. But when you’re not making contributions, how do you do that? Through earnings – over time.

If you can avoid touching your 401(k) for, say, 10 years after you retire – and your account balance is properly allocated – your balance will grow through earnings. In the meantime, try living off other assets that are generating cash flow, your Social Security benefits and/or personal savings outside your retirement account. Seek out areas in your life where you can be thrifty, too.

Your physical health plays a huge part in your retirement finances. Research your family history so you know what to expect. And adopt a healthy lifestyle now so you can spend your money how you want – and not at the doctor’s office.

One Last Thought

One of the biggest threats to happiness in retirement is no sense of purpose. If your job has always been the most important thing in your life, how is it going to feel when it’s suddenly gone? Depression is a real problem for retired individuals. It’s important to have meaningful relationships and other interests before you retire.

In some cases, that might involve travel or photography or some other expensive hobby. In others, it might include spending time with children and grandchildren, volunteering for a local charity or working a part-time job during retirement – consider these interests when developing your plan.

A secure retirement is all about balancing your income with your expenses, and living with a purpose. Think about what you want your lifestyle to be and chart your course. These can be the best years of your life!

bright idea:

Your physical health plays a huge part in your retirement finances. Research your family history so you know what to expect. And adopt a healthy lifestyle now so you can spend your money how you want – and not at the doctor’s office.
The Money on Your Shop Floor

Take advantage of Ohio’s manufacturer’s sales tax exemption

The 11 herbs and spices in KFC’s special blend. What goes on at Area 51. Ohio’s manufacturer’s sales tax exemption. These are some of the world’s best-kept secrets … and it’s time to shine some light on one of them.

If you’re like most manufacturers, you have no idea that some of the equipment and materials you purchase to use in your manufacturing process are exempt from sales tax. But it’s true – and claiming this exemption could save you some real cash.

Show Me the Money

Chances are, you use power (such as electricity, gas or water) to manufacture your products. Or maybe you have some parts that need repaired. Or maybe you need a completely new piece of manufacturing equipment. These things could be exempt from sales tax, as are:

- Manufacturing consumables
- In-process materials handling equipment
- Temporary storage
- The reclamation and reuse of scrap in the manufacturing process
- Manufacturing equipment parts and related installation
- The repair/renovate of items used during manufacturing

Not everything you use in your manufacturing process is sales tax-exempt, though. You’ll still have to pay taxes on:

- Administration
- Personnel
- Security
- Inventory control
- Recordkeeping
- Ordering/billing
- Waste collection handling

To determine what’s eligible, you also have to understand how the State of Ohio defines the manufacturing process – because only items you use between the beginning and the end of the manufacturing process is sales tax-exempt.

The beginning. The manufacturing process begins when the raw materials are “committed” to the manufacturing process. These materials don’t necessarily have to be irrevocable, but they must reach the point where they will be utilized within a short period of time. Simply having them on site and in storage isn’t good enough – they’ve got to be ready to use.

So any items used in any activity – including the movement or storage of the materials before they are committed to the manufacturing process – are taxable. Simply put, you still have to pay sales tax on any items you purchase and use before the manufacturing process begins.

The end. The manufacturing process ends when your work with the item is done and it’s ready for sale. If the manufacturing portion is done, but the product still has to be packaged, your manufacturing process isn’t over and you will have to pay sales tax on any items you use between the time the manufacturing process ends and before your product is packaged. Such items may include the forklift or other piece of equipment used to transport the manufactured item to the packaging area.

Give Me the Exemption

Now that you know this exemption exists, here’s how to take advantage of it.

Go to www.tax.ohio.gov to get an exemption certificate. Then, you’ll just present this certificate to the retailer when you’re making your purchase.

Every manufacturer is different and has different business needs. Maintain constant contact with your financial advisor so you can determine how to best utilize and apply this sales tax exemption to your business. Why not keep more of your money in your own pocket.

You may also be able to take advantage of a packaging exemption. This exemption states that once a product has completed the manufacturing cycle, and after it has been transported to the packaging area, any packaging materials and processes you purchase and use during packaging may be sales tax-exempt.

By Kyle Stemple, CPA, principal/director of manufacturing services, and Josh Carlisle, senior accountant (both in the New Philadelphia office)
2013 Client Satisfaction Survey Results

Response Rate:
Most surveys (electronic): 15-20%
Our survey (interactive): 72%

The Four Measures of Satisfaction:

- **OVERALL SATISFACTION**: 96%
The most important measure of your desire to stay with us.

- **EASE OF DOING BUSINESS**: 96%
This greatly influences who you do business with.

- **LOYALTY**: 97%
While there are no guarantees, provides idea of your intent to repurchase.

- **RECOMMENDATION**: 95%
Shows your confidence in our performance.

Specific Performance Areas:

<table>
<thead>
<tr>
<th>Performance Area</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>OVERALL COMMUNICATION EFFORTS</td>
<td>96%</td>
</tr>
<tr>
<td>CLIENT IMPRESSIONS OF US AS A BUSINESS PARTNER</td>
<td>96%</td>
</tr>
<tr>
<td>RELATIONSHIP WITH OUR TEAM</td>
<td>98%</td>
</tr>
<tr>
<td>INTERACTIONS WITH PARTNERS</td>
<td>96%</td>
</tr>
<tr>
<td>RESPONSIVENESS OF OUR FIRM</td>
<td>96%</td>
</tr>
<tr>
<td>RANGE OF SERVICES OFFERED</td>
<td>96%</td>
</tr>
<tr>
<td>VALUE OF SERVICES</td>
<td>90%</td>
</tr>
<tr>
<td>PERFORMANCE OF YOUR SERVICE TEAM</td>
<td>92%</td>
</tr>
<tr>
<td>A RESOURCE FOR YOUR BUSINESS NEEDS</td>
<td>96%</td>
</tr>
</tbody>
</table>

0                                                100%

THE HIGHEST SCORING AREAS:
Receive honest advice
Know who to contact for advice and with questions
Partners are client-focused

AREAS IN WHICH WE ARE WORKING TO IMPROVE:
Performing above & beyond your expectations
Being a better business partner
Increased, proactive communications

Joe Popp (Dublin) spoke about Obama care at the Ohio Association of Public Treasurers’ annual conference, as well as to a Wooster area law firm. He also has been busy recording two webinars related to health care reform for the Ohio Society of CPAs.


Dave Cain (Dublin) presented at the Ohio State Fisher College of Business Center for Entrepreneurship on identifying and managing the risks of your business.

Tim McDaniel (Dublin) presented “Know and Grow the Value of Your Business” to a number of financial institutions and gatherings of business owners.

Kevin Bill (Lima) recently spoke in a “Fraud for Auditing” class at the University of Northwestern Ohio.

Maribeth Wright (Cambridge) was named the 2013 School-Based Big of the Year from the local Big Brothers Big Sisters.

Kyle Stemple (New Phila.) will be sharing how companies can maximize their potential by focusing on what’s most important in their business during a series of local presentations.

continued on page 9
From Flipping Burgers to Building Dreams:
Ken Cleveland is a True American Success

To learn how Ken Cleveland of Ken Cleveland Builders got his drive for success, you have to go back to the beginning – his rugged life in a small farming town called Charlton, Mass., to be exact.

Ken’s story begins like so many others: When he was a boy, he walked a mile to school, uphill (only one way, though!) – sometimes in snow so deep that the drifts nearly reached the telephone wires. His destination was a small country school with no indoor plumbing. And he worked countless hours after those long school days.

“I learned at a young age the importance of helping contribute to the family financially,” he said. It is that hard work-focused upbringing that got Ken to where he is today.

As a junior in high school at one of his first real jobs – a short order cook, sometimes up to 48 hours a week – Ken brought in just 50 cents per hour. “They liked me. I was a hustler,” he said. At another job, he was given a 25 percent raise on his weekly wages to reward his fast work just days after starting.

These early experiences – working around the clock and learning the value of hard work and dedication – helped shape the character that Ken is so well-known for today.

A Career in Motion

In 1953, a 20-year-old Ken came to Cleveland to learn a trade: He began an apprenticeship with a commercial builder, bringing in $1.12 per hour.

As Ken finessed his skills, he became carpenter foreman, then superintendent. “My dad was on the first crew that I ever oversaw,” he said. “He’s where I get my strong will, so it was challenging at times, to say the least. I don’t know if he liked answering to a kid – especially his own.”

In 1960, Ken decided to go into business for himself. His mentor warned him, “It’s a tough road out there,” but that just pushed him harder … and Ken Cleveland Builders was born.

Help others. Follow your heart. Love what you do and be the best you can be.
– Ken Cleveland
With a focus on residential construction, Ken Cleveland Builders made waves in the industry. Ken was always on the lookout for opportunities to expand and innovate. “I once took a personal trip to Florida, and ended up seeing an opportunity there,” he said. The market for condominiums in that area was booming, and Ken wanted in. “We expanded and started building condos in Florida.”

By the 1970s, Ken’s business was one of the top 500 builders in the country, constructing more than 300 homes per year. At the time, the industry standard was to use sub-contractors. But Ken went against the grain and employed more than 100 tradespeople. Since his team worked in both Ohio and Florida, he was able to provide them with year-round employment.

“I was always watching the trends in California and other Western states. They were always two to three years ahead of us,” said Ken, “so by following in their footsteps, I could offer home plans that no one else around here was offering.” Ken introduced patio homes and zero-lot-lines to the Medina area, changing the footprint of how homes were built in the area.

Although Ken’s focus has always been residential, he dabbled in commercial construction as well – including the Rea & Associates office in Medina.

The Next Chapter

At 81 years old, Ken shows no signs of slowing down. “I’m a workaholic. I can’t sit still for long … it’s just who I am,” he said. “But I’m getting older. That’s the heck of it.”

For a man whose generosity knows no bounds, his focus now is on sharing what he has and helping others. On his most recent birthday, he made a $4 million donation to the Cleveland Clinic Brunswick Family Health Center – something he never dreamed of being able to do while flipping burgers at a greasy spoon in Massachusetts … and something he never could have done if not for his strong will and work ethic.

So when Ken finally does settle down, his impact will be far from over. The Ken Cleveland Foundation will continue to give back to the community. Members of the community will continue to enjoy the Ken Cleveland Park. And if things go Ken’s way, avid readers will one day be able to read a book about his life.

“The only thing we get to take with us when we leave this world is what we leave behind. Help others. Follow your heart. Love what you do and be the best you can be,” he said.
Going Green to Save Some Green

Who doesn’t want to keep Uncle Sam’s greedy hand out of their pockets? What if you could do just that … while helping Mother Earth at the same time? That’s right – you can save money in taxes by going green.

A couple years ago, the IRS instated several energy tax savings initiatives that reward you for making improvements to your existing home and business property. A few of them expired on Dec. 31, 2013, but if you made eligible updates while the initiative was in effect, you may still qualify for the credit.

In Your Home

You could receive a 10 percent tax credit up to $500 if you made any of the following improvements to your home in 2012 or 2013 (in some instances, there may be lower dollar limitations):

- biomass stove
- energy-efficient HVAC equipment
- new insulation
- a mental or asphalt roof
- a non-solar water heater
- energy-efficient windows and doors

Tax credits, up to 30 percent of the project costs, are also available if you installed a geothermal heat pump, small wind turbine or another solar energy system at your home in the last two years. If these improvements are on your horizon, you’ve got time to claim this credit since it doesn’t expire until 2016.

Planning to install a residential fuel cell and microturbine system in the near future? Through the end of 2016 you may qualify for a tax credit of 30 percent of the cost of the project, up to $500 per 0.5 kilowatt of power capacity.

At Your Business

If your business installed solar panels at company properties, then you may be eligible for up to a 30 percent tax credit for installation and project costs. While this credit is available until Dec. 31, 2016, your system could qualify for an increased depreciation deduction through bonus depreciation if you added it in 2013.

An energy-efficient commercial building tax deduction allows businesses to deduct certain costs related to making a building energy-efficient rather than capitalize those costs over 39 years. Some improvements that might apply include:

- interior lighting systems
- HVAC systems
- hot water systems
- insulation and exterior windows and doors

But there’s a catch – you have to get a certified licensed engineer to review the project and verify that it meets the IRS’s requirements for a tax deduction. The maximum deduction that can be taken is calculated at $1.80 times the building square footage for property placed into service in 2013.

Finally, if you plan to install a geothermal system, your business may qualify for a 10 percent tax credit.

With rising electric costs, implementing some of these green initiatives can garner you tax savings now and future energy cost savings in the future.
Maybe you just received your college diploma. Or perhaps you’re getting ready for a little one to join your family. Your youngest child may have just moved out. Maybe retirement is in sight. Each life phase is different, but one thing’s for sure – if you invest all along, you’ll have a better chance of being financially successful.

**Getting Started**

If you’re just out of college, investing might not be the first thing on your mind. But according to Doug Bambeck, AIF, principal and financial adviser, Investment Partners LTD (New Philadelphia), the earlier you get in the habit of saving a certain percentage of your paycheck, the better off you’ll be.

You should focus on building your emergency fund. Unexpected hiccups in life can happen at any time. “This is the time to start saving for any emergencies,” Bambeck said. “You should save anywhere between three to six months’ worth of wages.”

**Raising Your Brood**

For you, the next logical step in your life might be starting a family. If you hope to help your children out with college expenses, now is the time to start saving money for their college educations through a 529 plan.

“With an Ohio 529 plan, you deduct up to $2,000 off your Ohio tax return per beneficiary, per plan owner,” said Doug Feller, CFP®, CFA, and principal, Investment Partners LTD (Columbus). “This money grows tax-deferred if you use it for a qualified educational expense. If you pull it out 20 years from now and use it toward tuition, you won’t owe anything on the growth.”

**Empty Nester**

Did your youngest child just move out? Congratulations, you’re an empty nester. According to Bambeck, you’ll want to watch any money you give to your children.

“We’re seeing many individuals serve as ‘banks’ for their children, and in some cases, disregard their savings and financial plans,” Bambeck said. “People are taking money out of their retirement to help pay for college, and depending on where they take this money from, it could have an impact on their retirement plans.”

At this stage, it’s still important for you to save for your impending retirement, but you should also focus on strategic investments. One of the biggest risk factors for you is the pattern of investment returns the two years before and the two years after retirement. How the returns fall around your retirement date can dramatically impact your future retirement.

Feller recommends you diversify your investments in terms of tax brackets. “You don’t want every penny of your retirement income to be taxable,” he said. “If you’re 60 and plan to take out money at 75, there’s a huge risk because you don’t know what the tax rate is going to be. A lot can change in 15 years. And if you live to see your 90s, think how much taxes can change during that period.”

You should have three diversified tax buckets:

- **Non-qualified money like savings. You pay taxes on it every year.**
- **Tax-free money like a Roth IRA.**
- **Taxable money like a traditional IRA, 401(k) plan or pension plan.**

---

THE FOUR STAGES OF INVESTMENT ADVICE

The earlier you start, the better off you’ll be
If you have this diversity, you can decide where to take your money from based on the tax landscape. If taxes are low, you should withdrawal from your traditional IRA. But if taxes are high, maybe you should use your Roth IRA instead.

**Hanging Up Your Hat**

Retirement is so close you can taste it, but you still don’t know what it looks like. At this stage, most people are behind in savings. So what can you do to best prepare a few years before you hang up your hat for good?

For starters, ensure that you’re saving enough money. According to Feller, many people think they should get more conservative 10 years before retirement. “The tendency is for these individuals to be too conservative. The date of retirement isn’t the critical date because you still have to live on that money for 30 years. You need to be careful not to hit your retirement date more conservatively than you should.”

Bambeck recommends that before you retire, be sure you can live off your retirement income. “You should live for a few months on your retirement income budget to see if it’s realistic,” he said.

There’s a huge difference between the money you need to live off of and the money you want to live off of. The key to being prepared for retirement is saving early and being smart and strategic about the financial decisions you make. 😊