

FALL 2019

Client Newsletter

Dillard Financial Solutions, Inc.



Steve & Teresa Dillard

Greetings From

Dillard Financial Solutions, Inc.

With the holidays quickly approaching, Teresa and I have been reflecting on the year and are reminded of how blessed we are to have your friendship and continued support. As always, we're here to help guide and assist you through your retirement. In closing out the fiscal year, please contact us—or our amazing home office staff—with any last minute questions concerning your policies.

May God bless you and your family with good health and continued financial security in 2020 and beyond... way beyond.

— *Steve & Teresa Dillard*

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Dillard
Financial Solutions, Inc.

Your Federal Benefits & Retirement Specialists

PROVIDING BENEFITS FOR NASCOE, NACS, NAFEC, NAPS, FSA,
POSTAL, AND FEDERAL LAW ENFORCEMENT.



Just like any major move or life change, retirement takes careful planning, strategizing, and preparation. At retirement, you want to relax and enjoy time with friends and family—it's time to take those trips that you couldn't because of prior career commitments!

Risk-free retirement planning with an agency, such as Dillard Financial Solutions Inc., gives you the worry-free retirement you're looking for. Our licensed representatives will make the best choices for you or give you the knowledge you need to make those choices yourself.

Our personable staff offers a variety of ways to meet and discuss your retirement needs: home visits, office visits, retirement workshops, educational seminars, one-on-one discussions, skype/teleconferences, etc.—whatever fits best with your schedule.

Make sure that when you retire, you can do so knowing your future is secure. Get the peace of mind you deserve, call us today!

Toll-Free Nationwide

1-800-692-7643



Steve & Teresa Dillard

Love more, complain less

More smiles, less stress

Less hate, more blessed

So do not fear, for I am with you; do not be dismayed, for I am your God. I will strengthen you and help you; I will uphold you with my righteous right hand.

ISAIAH 41:10

Choose a Certified National Ethics Association Member

Now, more than ever, there's an increased need to know who you can trust in the retirement services field. By choosing an approved member of the National Ethics Association™, you gain the added assurance of knowing that you're working with a consultant who has successfully passed the Ethics Check System™*

and has agreed to uphold the principals and impeccable standards of the NEA.

Dillard Financial Solutions, Inc. is a Certified Member of the NEA and proudly featured on their online registry. Visit www.ethics.net to view our up-to-date member approval status and professional profile.

Dillard Financial Solutions, Inc. is a Certified Member of the NEA.

**Background check includes: Criminal, professional license & civil background verification.*

Visit www.ethics.net to learn about the NEA.

A BRIEF OVERVIEW OF Fixed Indexed Annuities



How Indexed Annuities earn interest.

Fixed indexed annuities offer the opportunity to earn returns based on the performance of a benchmark stock index, e.g., S&P 500. If the insurance company believes it can pay extra interest from their general account—above and beyond its minimum guarantee—it uses the extra interest to link those earnings to the performance of an external index, for a period.

The rate floor ensures that you won't see a negative return.

A fixed indexed annuity is governed by a rate floor and a rate cap, making them a safe alternative.

The rate floor ensures that no matter how poorly a stock index performs in a given year, you won't see a negative return. The rate cap allows insurance

companies to offer this type of guarantee. The annual return on your annuity is capped, usually between 3% & 7% a year. Caps can be adjusted by the issuing insurance company each year.

How they pay interest.

It might be easier if we compare how an index annuity pays interest with the way a bank pays interest...

When you place money in the bank, they invest the funds, earn a return, and after subtracting their costs, pay you net interest rate for a stated period. Your principal does not fluctuate, but the interest you receive can and usually does fluctuate from period to period—this fluctuation can be extreme. In essence, this sums up how a CD works.

Indexed annuities operate similarly, except... you place your money with an *insurance company*. The insurance company invests the funds, earns a return, and subtract their costs.

The difference between the CD and the index annuity is that the amount of interest paid is **linked to the movement of an external index**. When the index goes up, the amount of interest earned increases. However, because this is an income account and **not** an investment, the index annuity will never suffer any decreases of the index.

Minimum guarantee.

A fixed annuity guarantees to credit a *minimum yield*—that's what makes a fixed annuity a fixed annuity, *instead of an investment*. In the case of an index annuity, the minimum guarantee is usually structured to simply protect the premium and perhaps pay back a little extra, rather than crediting a minimum interest rate each year.

Example

At the end of 7 years, an indexed annuity might guarantee a minimum return of \$1.10 for each original \$1.00 of premium. If the index does not produce this minimum index-linked return, the insurance company will retroactively go back and credit enough interest to reach \$1.10.

What they invest in.

Years ago, you could say that banks earned money by making loans and that insurance companies made money by primarily buying bonds, but only half of that still rings true. Due to the securitization of debt, many banks own few direct loans, but rather own lots of bonds, possibly some preferred stocks, and perhaps some real estate. By and large, insurance companies buy bonds because of their predictable income. When looking back, the stock market has gone up more than down, but when it **does** go down, it hurts—sometimes a lot!

What the indexed annuity lets you do is benefit in the up periods without sharing in the losses. The worst thing that can happen—from a market-risk point of view—is that you don't lose money. You can never lose principal or credited interest if the index declines.

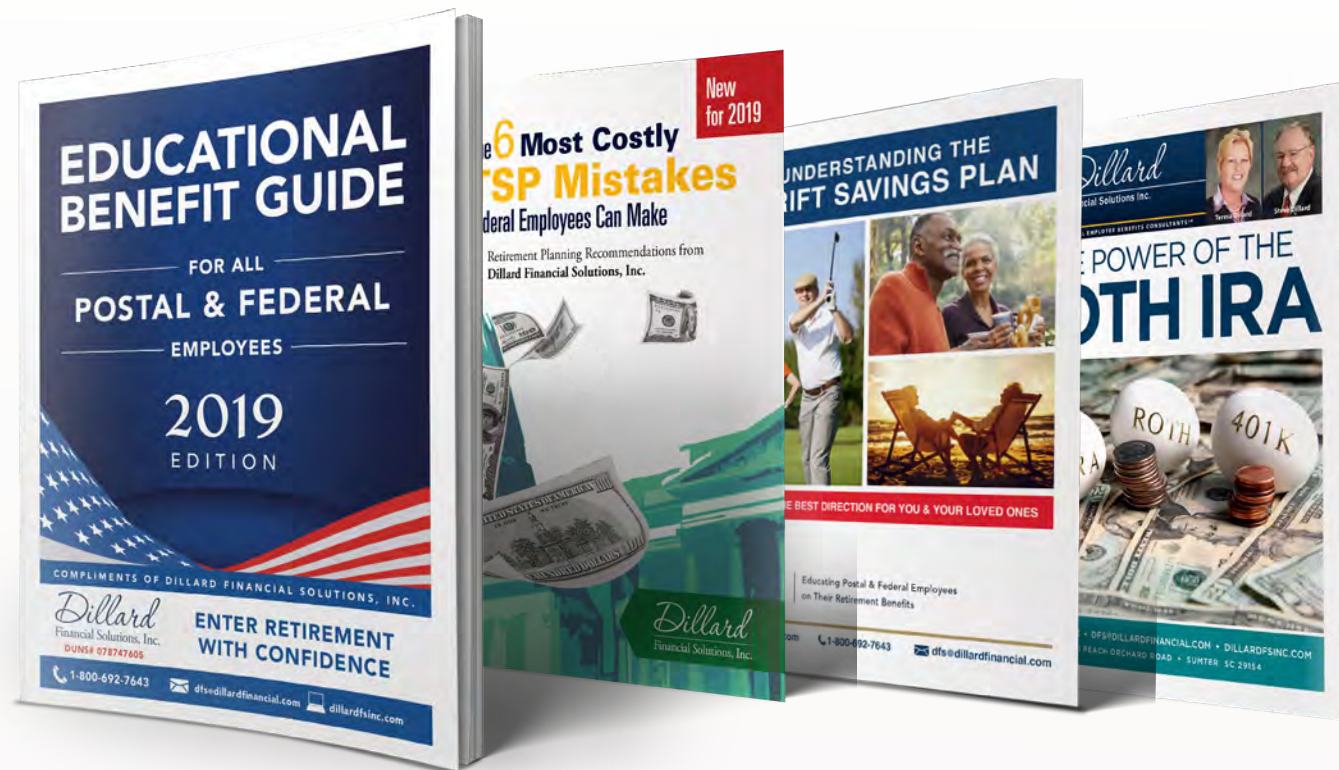
Applicants must meet suitability requirements. Returns are guaranteed by the reserves of the insurance companies. Dillard Financial Solutions, Inc. is not affiliated with any government agency.

8 OUT OF 10
Americans are concerned
that they may outlive
their retirement funds.



Eight Advantages OF FIXED INDEXED ANNUITIES

1. Gain Compounded Earnings While Deferring Income Taxes
2. Earn Higher Interest Rates
3. Make Contributions to Your Tax-Deferred Account
4. Protect Your Principal from Downturns in the Credit Markets
5. Retire Early Without Penalty
6. Satisfy Required Minimum Distributions (RMDs)
7. Retire With Lifetime Income
8. Create Probate-Free Inheritance



Get Your Complimentary Copies Today!

TOPICS INCLUDE

- Benefit Guides for all Postal and Federal Employees
- The 6 Most Costly TSP Mistakes
- Understanding the Thrift Savings Plan
- The Power of the Roth IRA
- Complete Guide to Social Security
- Complete Guide to Insurance
- Smarter Guide to College Funds
- Retirement Education
- And more!



Get in Touch!
1-800-692-7643

NATIONAL HOME OFFICE

2381 Peach Orchard Rd
SUMTER, SC 29154



2020 Premium Increase

Expected for FEHB Enrollees.

The Office of Personnel Management announced that federal employees and retirees will pay—on average—5.6% **more** toward their Federal Employee Health Benefits (FEHB) premiums in 2020.

The government's share of FEHB premiums will go up by an average of 3.2% in 2020. On average, the government's share of the of the total cost of an employee's health insurance premiums is 70%. The specific 2020 FEHB premiums rate change will vary based on the plan an enrollee chooses.

“Today’s announcement is the culmination of a year-long effort,” said OPM Director Dale Cabaniss. “Our employees have worked tirelessly on behalf of all Feds and retirees to secure them world-class healthcare and give them the knowledge to make informed decisions for their families.”

*This Year The
Providers Fee Was
Not Waived...*

The Affordable Care Act's Health Insurance Providers Fee was waived last year by Congress (2018 H.R 195), which contributed to the historic low premium rate increase. The Providers Fee is an excise tax on many health insurers. This year the fee was not waived, which has an effect on the premium rate increase.

The Federal Benefits Open Season begins November 11 and ends December 9, 2019. The annual open season gives Federal employees, retirees, and other eligible individuals the opportunity to review their FEHB and FEDVIP plan options, make changes, and enroll for the upcoming benefit year that begins January 1, 2020.



SOURCE: myfederalretirement.com | October 2019

Prayer of Thanks

O, HEAVENLY FATHER:

We thank thee for food and remember the hungry. We thank thee for health and remember the sick. We thank thee for friends and remember the friendless. We thank thee for freedom and remember the enslaved. May these remembrances stir us to service, that thy gifts to us may be used for others. In Jesus' name, Amen.

Dillard
Financial Solutions, Inc.

Join Our

AWARD WINNING TEAM



We're Hiring Representatives Nationwide

CALL TERESA DILLARD FOR DETAILS: 803-316-6240



Celebrating You! IN 2020

Join the fun at our
**NEW YEAR
CLIENT CELEBRATION**

Don't miss out, RSVP today!
803-499-6623



Highlights from last year.

A wonderful time was had by all at the 2018 Christmas Client Social! We're gearing up for our 2020 New Year Client Celebration right now and can't wait to see you! If you haven't already done so, please RSVP now: **803-499-6623**



The New TSP Partial Withdrawal Rules

With more flexibility to make partial withdrawals from TSP—“Age-based” in-service and post-separation from federal service—participants will be able to better meet their financial needs.*



EXAMPLE 1

Jeff, age 60, plans to make some home improvements in July. His renovation estimates totalled \$12,000. Rather than taking out a TSP General Purpose loan, he requests an age-based in-service withdrawal of \$12,000. He’s eligible because he’s over 59½ years old.



EXAMPLE 2

Same specs as Example 1, except that 3 months after making his first in-service withdrawal, Jeff needed to buy a new car that required a \$5,000 down payment. To cover the down payment, he again forgoes a TSP General Purpose loan and requests another age-based in-service withdrawal. He can do so because he’s over 59½ and this is his second such withdrawal in the current year.



EXAMPLE 3

Emily, age 66, retired in Dec. 2018. She receives her FERS annuity, but chose to postpone Social Security benefits until turning 70.** To cover costs, Emily takes monthly TSP payments. Less than a year after retiring—on Sept. 16, 2019—she had to relocate and incurred hefty moving expenses. Emily made a partial TSP withdrawal even though she’s receiving monthly payments. She can do this because the new rule became effective Sept. 15, 2019.

*Age-based is post-age 59½.

**By delaying payment, Emily will receive 32% more in Social Security at age 70.

Note

TSP participants who made either an age-based in-service or a post-separation from federal service partial withdrawal before the new TSP withdrawal options became effective on Sept. 15, are eligible to use the new rules with respect to TSP partial withdrawals.

Another advantage of multiple partial withdrawals: Participants can request an unlimited number of transfers of their traditional TSP account to a Traditional IRA or Roth IRA. Under the old rules, only 1 one-time age-based post-age 59½ in-service or a post-separation from federal service transfer to an IRA was allowed. Some or all of the Traditional TSP account could be directly transferred to a Traditional IRA (nontaxable) or to a Roth IRA (fully taxable).

The fact that a Traditional TSP account owner is now able to make a direct transfer to a Roth IRA will benefit many who previously couldn’t contribute to a Roth IRA because their incomes are too large.

Roth IRAs can be tremendously advantageous to federal employees in retirement for 2 reasons:

1.) Withdrawals are tax-free; and 2.) the Roth IRA is the only type of retirement account that is not subject to the required minimum distribution (RMD) rules.

All employees are eligible to contribute to the Roth TSP, but keep in mind, the Roth TSP is subject to RMD requirements. To avoid RMDs, directly transfer your Roth TSP to a rollover Roth IRA. *Roth TSP rollovers should happen at the later of the participant’s federal retirement or the year before turning age 70½.*

The same type of direct transfer to a rollover Roth IRA can be made from the Traditional TSP with no income restrictions. But, full federal and state income taxes must be paid on the amount transferred. Under the old rules regarding TSP withdrawal options, only 1 such transfer was allowed. If the traditional TSP participant wanted to transfer a substantial amount to a rollover Roth IRA, then a substantial amount of federal and state income taxes would have to be paid.

Under the new TSP withdrawal rules, the Traditional TSP participant can do a series of transfers to “rollover” Roth IRAs over a period of years. Each year, the participant can transfer an amount that will not result in the them being pushed into a higher tax bracket.

For employees and annuitants who are able to make these transfers between now and the end of 2025, they will most likely save in federal income taxes. This is because the Tax Cuts and Jobs Act of 2017 lowered individual tax rates until the end of 2025. Starting in 2026, individual tax rates will revert back to what they were in 2017, inflation adjusted.

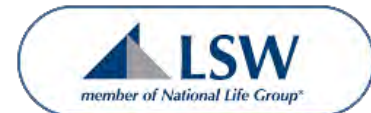
*Roth IRAs
can be
tremendously
advantageous
to federal
employees.*

Contact us to learn all about the new TSP Changes.

1-800-692-7643 • dfs@dillardfinancial.com

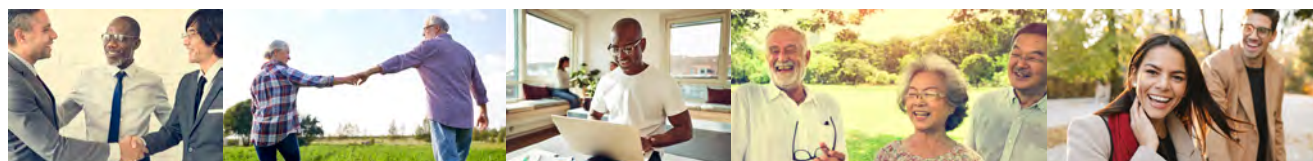
YOU HAVE CHOICES

Our Partners Offer a Wide Selection of Insurance, Secure Income Products, and more.



Applicants must meet suitability requirements. Returns are guaranteed by the reserves of the insurance companies.
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Providing TSP Rollovers, SEP IRAs, 401Ks, Traditional IRAs & Roth IRAs,
and Annuities & Insurance Products.



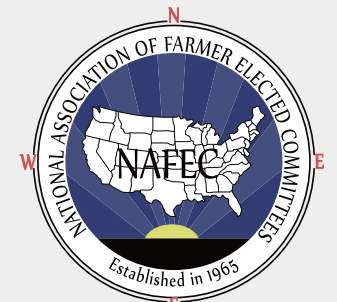
As your National Retirement Benefits Provider, we'd like to say...



NASCOE



NACS



NAFEC

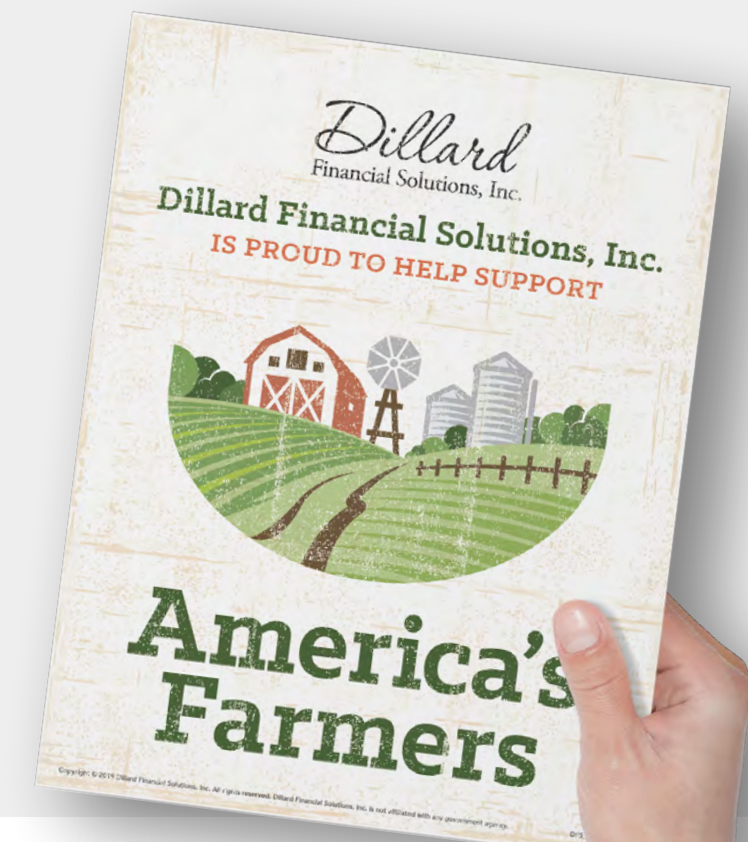
Thank You!

Dillard
Financial Solutions, Inc.

We're proud to be the
exclusive Retirement
Benefits Provider to these
National Associations:

**NASCOE, NACS,
and NAFEC.**

Thank you for working
tirelessly to assist
America's Farmers
and Ranchers.



DILLARD FINANCIAL SOLUTIONS, INC. IS A Friend to All Federal Employees.

We have longstanding relationships with our Federal Employee friends and their families, and are blessed to serve numerous departments: USDA, Farm Service Agency, Law Enforcement, Military, Postal, and TSA - to name a few.

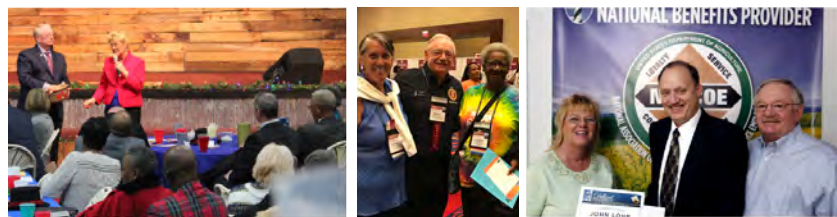
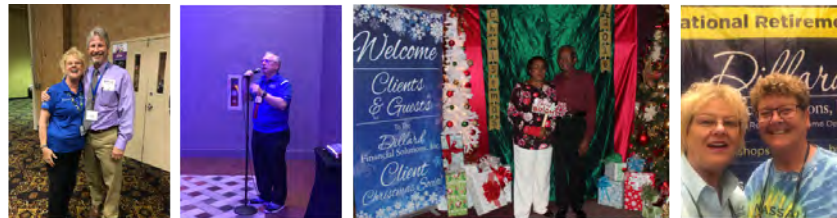
If you're a Federal Employee, we urge you to get in touch. Our fiduciary duty is to clearly explain your Federal Government Benefits and offer rock solid retirement solutions for you and your family.*

Our Mission.

Educate you on your Federal Government Benefits.

Educate you on alternatives to your Federal Government Benefits.

Provide the most competitive, manageable, and secure Retirement Benefits & Insurance Product options available.*



OUR CREDENTIALS



*Applicants must meet suitability requirements. Returns are guaranteed by the reserves of the insurance companies.

Book your workshop today!

TOLL-FREE NATIONWIDE

1-800-692-7643

EMAIL: dfs@dillardfinancial.com

GROUP SEMINARS • INDIVIDUAL CONSULTS • SKYPE / VIDEO CHATS

SOME OF OUR MOST POPULAR EDUCATIONAL WORKSHOP TOPICS INCLUDE:

- Thrift Savings Plan Options
- Personal Benefits Statement
- FERS & CSRS Retirement Systems
- Federal Benefits Analysis
- FEGLI Alternatives
- Personal Retirement Reviews
- Survivor Benefit Plan
- Spouse Benefit Plans
- Individual Life Insurance Options
- Family Life Insurance Options
- Traditional & Roth IRAs
- Monthly Deposit Roth IRAs
- Insuring Your Retirement Income
- Products That Provide Income for Life

SMART PRESENTATIONS

Our easy to follow seminars are intuitively presented and tailor-made to satisfy your educational needs.

EXPERT KNOWLEDGE

We are your federal retirement benefits authority—dedicated to arming you with the knowledge required to make confident retirement and insurance decisions.

LICENSED AUTHORITY

We're sanctioned to advise you on your current benefits and insurance products, and will educate you on viable alternatives.



As licensed Chartered Federal Employee Benefits ConsultantsSM, we offer true insight on how to avoid common pitfalls of the Federal Benefits Programs.



End of the Year Note



As we sail into 2020, we'd like to take a moment to thank you for your trust and friendship. Teresa and I are beyond blessed to have you in our lives and by our sides through this awesome journey! In closing out the fiscal year, please contact us with any last minute questions regarding your retirement benefits or insurance needs.

We, and our amazing home office staff, are here to assist you—now and well into the future.

From our family to yours, we wish you a wonderful holiday season, and remember... in Jesus, all things are possible. Glory to him! Good tidings to you and yours—Merry Christmas!

Steve & Teresa Dillard

HOME OFFICE HOLIDAY SCHEDULE



November

— 27th–29th —
CLOSED FOR
THANKSGIVING

Happy
Thanks giving



December

— 17th —
CLOSED FOR
OFFICE STAFF DAY

— 24th–26th —
CLOSED FOR
CHRISTMAS

— 31st–1st —
CLOSED FOR
NEW YEAR



January

— 2nd —
**RETURN TO
WORK**

— 4th —
**NEW YEAR
CLIENT
CELEBRATION**

Please RSVP by Dec 13th
803-499-6623

Happy
New Year!

