DILLARD BENEFITS GROUP | Dillard Financial Solutions, Inc.

2023 Newsletter

Greetings

As we look forward to the return of fall/winter, we cannot help but think about our future and your future as well. That's why we are always excited to share with you, information on your retirement benefits and products; helping you secure a comfortable future. There are many options available to you and we encourage everyone to take the time to educate themselves on all of the plans and services we offer. As we move into the fall season, we look forward to sharing with you, Thanksgiving & Christmas; along with a new Dillard Financial 2.0 coming in 2024.

Steve & Teresa Dillard


Save The Date
Dillard
Financial Solutions, Inc.
Invites You & A Guest To Our
New Year
Client Social
January 6th, 2024
Sumter County Civic Center
700 W Liberty St, Sumter, SC 29150
6:00PM – 9:00PM
Featuring
CATERED DINNER
LIVE ENTERTAINMENT
DOOR - PRIZES
AND GIFTS FOR ALL CLIENTS
CLIENT DESSERT CONTEST
BRING YOUR BEST DESSERT
RSVP TO DFS@DILLARDFINANCIAL.COM BY DEC. 19
No children, please. If you are ill, we kindly ask that you not attend.
Christian Environment

FEDERAL
RETIREMENT
CONSULTANT℠

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Find All Of The Hidden Pumpkins Located Throughout The Newsletter

Email Your Answers To
dfs@dillardfinancial.com

We are Fiduciaries for your retirement needs.
We strive to always act in the best interest of our clients.

Myths About Life Insurance

Source: www.unitedbenefits.com

Myth 1: Life Insurance is Too Expensive

Reality: While the cost of life insurance will vary depending on your age and health history, a Federal Retirement Consultant can help you explore life insurance options to help you find an affordable policy. According to a study by LIMRA, many Americans estimate the cost of life insurance to be more than three times its actual average. Price is the main reason people decide to skip life insurance, but it may be more affordable than you realize, especially if you purchase life insurance.

Myth 2: Young, Healthy People Don't Need Life Insurance

Reality: Life insurance can benefit your beneficiaries in the event of your death. Since death is inevitable, everyone, including healthy people and young people, can benefit from life insurance coverage.

The purpose of life insurance is to provide your beneficiaries with money to help cover expenses. The right life insurance policy will factor in the needs of your beneficiaries and what expenses you'd like to cover. Even if you have savings, a life insurance policy can offer another layer of financial security.

Myth 3: You Can't Get Life Insurance with a Pre-Existing Condition

Reality: You may be able to get life insurance if you have a pre-existing condition depending on the life insurance provider, whether a physical is necessary, among other things. These factors may impact your premium if you are issued a policy.

As part of the application process for a life insurance policy, you may need to undergo a medical exam. This exam typically includes blood work, an assessment of your health history, and a few health tests like checking your blood pressure, height and weight, and pulse. Your premium will depend on the results of the medical exam. The healthier you are, the lower your premium will be for comparable coverage.

Myth 4: Life Insurance Through Your Employer is Good Enough

Reality: Employer-provided life insurance is typically group life insurance. If you are in federal service, the life insurance provided is through Federal Employee Group Life Insurance (FEGLI).

You can purchase your own life insurance to supplement or replace employer-provided insurance if you need more coverage, want flexible options, and want to take your life insurance with you when you change jobs or retire. Purchasing your own life insurance also allows you to save more money than FEGLI over the long haul and that increases after age 50.

Myth 5: Stay-at-Home Spouses Don't Need Life Insurance

Reality: Stay-at-home spouses perform a lot of work that costs a lot to outsource, including cooking, cleaning, household management, financial planning and management, and childcare.

When a stay-at-home spouse dies, the surviving spouse may need to outsource some of these daily tasks, especially if there aren't other family members near by who can help. This can affect the family finances tremendously. A life insurance policy for the stay-at-home spouse can help provide essential resources in the event of their passing.

Five Important Facts to Remember About Social Security

1. What is Social Security?

Social security started in 1935 when it was signed into law by President Franklin D. Roosevelt. Taxes were first collected for social security in 1937 and monthly benefit payments began in 1940 for individuals aged 65 and older. Unlike other aspects of federal benefits we've covered in this series, social security is available for all American citizens, not just federal workers. Retirement benefits are paid to individuals who are at least 62 and have earned at least 40 "credits," which are garnered by working for a minimum amount of hours in a given year for a certain wage at a job that pays social security taxes. Survivor benefits were added in 1939 and disability benefits began in 1956.

2. The Earnings Test and Benefit Amount

Choosing when to start taking social security benefits depends on several factors, but one option is to claim the retirement benefits at age 62, the earliest age possible. Other than the monthly amount being less than the full benefit one would receive if they waited until their "full retirement age," the income is also subject to the earnings test. For 2023, if one's annual income is at least $21,240 ($1770/month) from employment, the earnings test would reduce their social security benefits by $1 for every $2 in earnings over this limit. (Note the special retirement supplement for FERS retirees under age 62 is also subject to the earnings test after reaching the minimum retirement age.) Regarding how the benefit is calculated, remember the 35 years of work with the most earnings are used. If someone has less than 35 years, a zero is used for all the years less than 35, considerably lowing the average that is used to compute the dollar amount to be received from social security.

3. When to Withdraw

Other than age 62, you can also choose to take social security at your "full retirement age" (FRA) or at age 70, after which it makes no sense to keep delaying. Taking the retirement benefits before reaching the FRA (which is 67 for those born in 1960 or later) entails a reduction in the income amount. Similarly, waiting until age 70 means a boost to your monthly amount. With all else considered equal, this is where life expectancy and health comes into play. Although the IRS life expectancy tables are not involved in calculating social security, longevity and family health history should be considered. If you pass at 71 after taking a higher benefit amount at age 70, the total dollar amount received would be considerably less than if you had been collecting a lesser annual benefit amount for more years (since age 62, for example).

4. Social Security for Federal Employees

Along with the TSP and the FERS pension, social security is considered one of the three legs of a figurative stool comprising a "FERS" retirement. For the older CSRS retirees, they do not pay into social security and therefore don't receive the retirement benefit in normal circumstances. However, CSRS-offset, trans-FERS, and CSRS employees who received social security credits from outside employment might be entitled to some social security income. However, these three categories of Feds have to worry about the Windfall Elimination Provision (WEP), which reduces the amount received. For trans-FERS and CSRS employees who paid into social security outside of their federal employment (but not CSRS-offset retirees), their spouse might get hit with a similar reduction when claiming social security survivorship after the federal employee has passed. This reduction of benefits is known as the Government Pension Offset (GPO). Then, for FERS workers who retire before age 62 under normal requirements, they are eligible for the Special Retirement Supplement (SRS), which is paid from FERS (not the social security administration) and acts as a supplement to social security benefits before reaching 62. With the SRS, it is important to keep in mind that the income might be subject to an earnings test and also, there are no cost-of-living adjustments (COLAs).

5. COLAs and Medicare B

Like both the FERS and CSRS annuities, social security income experiences a COLA in any year where the CPI-W (consumers price index for clerical workers) shows positive inflation for the year prior. If the CPI-W increases 1% for example, social security benefits see a 1% bump the following year. (If there's 0% inflation or deflation, there is no COLA the following year.) The 2023 COLA for social security was 8.7% - the largest such adjustment since the 1980s. And lastly, Medicare B premiums are taken out of your social security income on a monthly basis. Increases in Medicare B premiums can therefore sometimes cancel out any boosts from a COLA. For example, in 2022, there was a 5.9% COLA but Medicare B premiums shot up by 14.77%, so affected social security recipients saw a net decrease in their benefit amount of -8.87%. Thankfully, for 2023, the COLA was 8.7% and Medicare B premiums actually dropped by -3%, making up the difference from the previous year's adjustments.

Source: stwserve.com

NASCOE 2023 National Convention

National Association of Farm Service Agency County Office Empolyees

CONGRATULATIONS, NEW NASCOE BOARD MEMBERS!

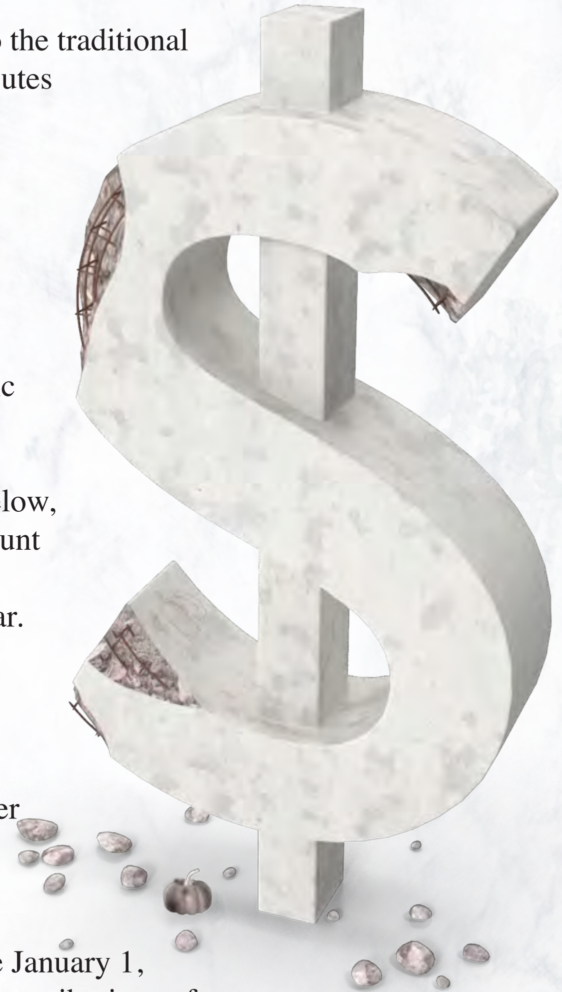
President	Vice President	Secretary	Treasurer
Joel Foster	**Kayla Mattson**	**Taylor Stucki**	**Jessi Colgrove**

How the Additional Pay Period in 2023 Affects Maximizing TSP Contributions

On June 26, 2023, the Office of Personnel Management (OPM) issued a memorandum for Human Resources Directors explaining that at most federal agencies there will be 27 pay periods during leave year 2023. The 2023 leave year at most agencies started January 1, 2023 and will end on January 13, 2024. The memorandum explained that employees will accrue annual leave hours for each full biweekly pay period the employee is employed within the leave year.

Elective Deferral and Catch-Up TSP Contribution Limits During 2023

It is important to first discuss maximum TSP contribution limits for all employees during the calendar year 2023. In general, a retirement plan's "elective deferral" is the dollar amount that an employee asks his or her employer to deduct from his or her salary, to be contributed to an employer-sponsored "defined contribution" retirement plan, such as the TSP.



All before-taxed contributions that a federal employee contributes to the traditional TSP and all after-taxed contributions that a federal employee contributes to the Roth TSP constitute "elective deferrals." Their combined total in any calendar year is limited by the IRS' annual "elective deferral" limit. Employees at least age 50 as of December 31 are limited in their payroll deduction TSP contributions each calendar year to the combined total of their annual "elective deferral" and "catch-up" contribution limits.

It should be noted that a FERS-covered employee's agency automatic 1 percent of gross (SF 50) salary and 4 percent maximum matching TSP contributions are not included in the "elective deferral" and "catch-up" contribution limits. However, as will be discussed below, a FERS-covered employee is required to contribute a minimum amount each pay date throughout the calendar year in order to receive the maximum 4 percent TSP matching contributions for the calendar year.

The following are the "elective deferral" and "catch-up" contribution limits for calendar year 2023:

• Employees younger than age 50 during 2023 – employees born after December 31, 1973 – can make a combined total of traditional TSP and Roth TSP contributions of no more than $22,500.

• Employees older than age 49 during 2023 – employees born before January 1, 1974 – can make a combined total of traditional TSP and Roth TSP contributions of no more than $30,000. This includes the $22,500 "elective deferral" limit plus the $7,500 "catch-up" contribution limit.

How a FERS-Covered Employee Can Lose Some TSP Matching Contributions from Their Agencies During 2023

When a FERS-covered employee younger than age 50 throughout 2023 reaches the $22,500 "elective deferral" limit, or a FERS-covered employee older than age 49 during 2023 reaches the $30,000 combined "elective deferral" and "catch-up limit" at some point during calendar year 2023, the employee is prohibited from contributing to his or her TSP account during the remainder of calendar year 2023. The employee can resume contributing to the TSP starting with the employee's first pay date in January 2024.

Although employees will earn an additional pay period's worth of leave, the maximum carryover ceiling on annual leave from one leave year to the next leave year still remains in effect. For most employees, the maximum annual leave carryover is 240 hours or 360 hours (for employees who currently work or at some point of their federal service worked overseas).

Most importantly, a FERS-covered employee who reaches the $22,500/$30,000 limit before his or her final pay date during 2023 will have their agency matching contributions suspended for the remainder of 2023.

This is because the employee agency's TSP matching contributions are based on the amount of employee TSP contributions – combined traditional and Roth TSP contributions – that are made each pay date during 2023. In particular, for a FERS-covered employee to receive the maximum agency matching contribution of 4 percent during 2023, the employee must contribute at least 5 percent of their salary to the TSP (either to the traditional TSP or to the Roth TSP, or to a combination of both) each pay date.
If there are no employee TSP contributions allowed because the employee reached the $22,500/$30,000 limit at a certain pay date, then there will no longer be any employee agency TSP matching contributions for the remainder of calendar year 2023.

How FERS-Covered Employees Can Maximize Their TSP Contributions During 2023 and Receive the Maximum Agency Matching Contributions

As explained above, a FERS-covered employee must contribute at least 5 percent each pay date during calendar year 2023 in order to receive the maximum 4 percent TSP matching contribution from their agencies. Note the following:

• A CSRS or CSRS Offset employee (who does not receive any agency matching contributions) can accelerate his or her TSP contribution during 2023 reaching the maximum $22,500/$30,000 without "losing" anything because CSRS/CSRS Offset employees receive no agency matching contributions.

• If a FERS-covered employee reaches the $22,500/$30,000 limit sometime before his or her last paydate during 2023, the employee will not receive any matching contributions from the employee's agency through Dec. 31, 2023, but will receive the agency automatic 1 percent of their SF 50 salary contribution from his or her agency.

Meeting A Client's Needs with a Roth IRA

When I was in the Air Force, I use to hear the terms Roth IRA and Roth conversions from time to time. I never really understood those terms until I joined the Dillard's team. Then this February, I was able to help out a client from Houston create a Roth IRA using the Roth Conversion process. Here are the highlights of the process.

I met her at a National Convention after she saw Steve do his presentation. During the presentation, she heard and Roth Individual Retirement Accounts (IRAs) and wanted to learn more. During our first meeting, I explained to her a Roth is different than a Traditional IRA because the money that is deposited into the account has been taxed. As a result, when a person withdraws the fund from a Roth IRA, they enjoy the benefit of the tax-free withdrawals. For many retirees, the tax-free income from Roth IRAs can keep them from moving up in a tax bracket as well as reduce the percentage of taxable Social Security Income. Another major benefit of a Roth IRA is it can be used to create a tax-free inheritance account for your beneficiaries. When I explained that concept to her, she said, make it happen.

She wanted to fund her Roth IRA using her TSP. After I reviewed her TSP account, I learned she only had a Traditional TSP account. She had never established her TSP Roth account. Remember, due to the tax situation, you cannot mix Traditional and Roth funds together. This applies to the TSP and Outside IRA accounts. So, for her to establish an Outside Roth IRA using her TSP Traditional account, we would have to do a Roth Conversion.

A Roth Conversion is the process of paying taxes on the funds prior to being placed in the Roth IRA. You have a choice; you can choose to pay taxes on your entire deposit at once or you can choose to set up smaller annual deposits. At this point, I had her speak with her Tax Guy to see what makes sense for her from a tax perspective.

In the end, she created a $100K Roth IRA using the Roth Conversion process that will take 2 years to complete. Each year, she is going to convert, or pay the taxes on $50K and the remaining amount will be placed in the Roth IRA to earn interest. She is very happy to know that her children will not to worry about paying taxes on their inheritance.

If you would like to learn more about Roth IRAs and Roth Conversions. Reach out to any of the Dillard Financial Team and we will be glad to review your situation during our consultation.

Johnny Grassi

Federal Retirement Consultant

A Banknote Can Be Folded 4,000 Times

1.4 Billion $2 Bills Are Still In Circulation

IT COSTS 2.1 CENTS TO MAKE A PENNY

The Dollar Sign Was First Used in 1785

A Coin Can Last Around 30 Years Before Breaking Down

You Can Make Your Money Crisp by Ironing It

Only 8% of the World's Currency Is Physical Money

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"We are Fiduciaries for your retirement needs. We strive to always act in the best interest of our clients."

BENEFITS FOR MEMBERS

- Complimentary consultations and analysis
- Licensed representation for FERS questions and answers
- In-house team to service active employees and retirees
- Providing spousal retirement income planning
- Retirement benefit education materials
- Assistance with retirement paperwork and questions
- Full tax preparation services*
- Complimentary CPA reviews *
- Estate planning services *
- Education plans for children
- Annual reviews of your FERS benefit statement
- Assistance with conversions and rollovers for your TSP
- Quarterly & annual retirement check-ups

SERVICES WE OFFER

- Federally Licensed Consultants throughout all 50 states
- Phone support for our NASCOE members - Monday through Friday 9am to 5pm EST
- Supporting states and members through comprehensive federal benefit training
- Quarterly and Annual TSP Reviews
- TSP Rollovers and Conversions
- Spousal Rollovers and Conversions
- Assist with spousal retirement benefits
- Lifestyle planning while working and during retirement
- Provide in–house design services to assist conventions and rallies
- Analysis on your retirement income
- Provide downside protection of your income

PRODUCTS WE OFFER

- Roth IRA's, IRA's, Non-Qualified Plans
- Roth Conversions
- Indexed Annuities
- Fixed Annuities
- Insurance with Critical Care Coverage
- Lifetime Income Products
- Accidental Injury Insurance
- Term Life Insurance
- Whole Life Insurance
- Universal Life Insurance
- Cancer Insurance
- Disability Insurance
- Accidental Insurance
- Pet Insurance
- Spousal & Child Insurance Plans
- LifeLock - Identity Theft Protection
- Tax preparation

* We partner with affiliate companies to provide these services.

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United States Retirement Facts

- The average retirement age in the United States is 62 for retirees, while the expected retirement age for current workers is 64. The full retirement age is 67 for those born after 1959.
- The retirement age is lowest in Alaska and West Virginia, where people retire at 61 on average.
- The retirement age is highest in South Dakota, Massachusetts and Hawaii, where people retire at 66 on average.
- Fifty-five percent of adult SSI recipients are women.
- Of retired U.S. adults, 57 percent rely on Social Security income.

Source: www.annuity.org/retirement/retirement-statistics/

WORD SEARCH

S	F	E	S	T	I	M	A	T	E	E	I	R	I
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DISTRIBUTION
SOCIAL SECURITY
FUNDS
COVERAGE
INFLATION
PAYMENTS
INCOME
NEEDS
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Let Us Be Your Guide Through Retirement!

WE OFFER COMPLIMENTARY ONE-ON-ONE SESSIONS OR GROUP TRAININGS BOTH IN zoom

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Proudly Supporting Our IBEW

(International Brotherhood of Electrical Workers)

Kickin' BBQ Crockpot Green Beans

Ingredients:

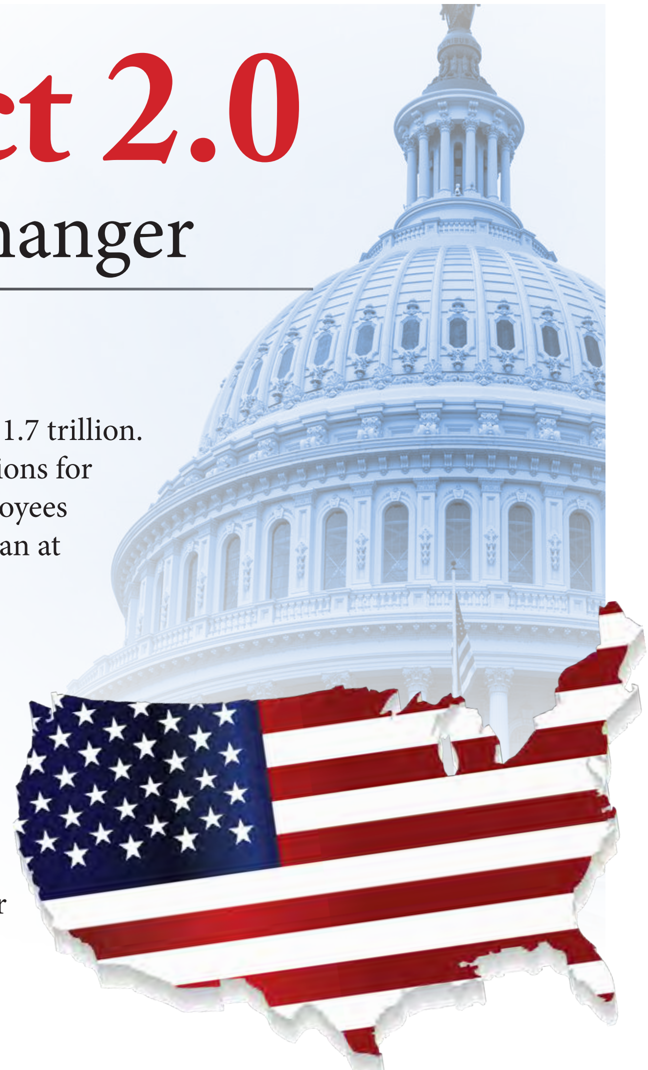
3-4 14.5 oz Cans Green Beans, drained (Cut style, not French style)
½ Cup or so Onion, Chopped
6-7 Slices Bacon, cut into pieces
1 Cup Brown Sugar
1 Cup Ketchup
1-2 Tsp. Franks Hot Sauce (optional)
Salt and Pepper, to taste
*For better flavor, sauté bacon and onions, then put into the crockpot (oil and all).
(Sautéing is not required but brings a better flavor to the dish.)

Directions:

Put bacon pieces and chopped onions into the crockpot; add brown sugar, ketchup and hot sauce;
mix all together gently.
Crockpot on Low 8 hours or High for 4 hours. Salt and pepper to taste when done.
Note: You can also put this in the crockpot the night before if you are going to a party and won't have all day to cook it.
Serves: 8

SECURE Act 2.0

A Retirement Game Changer



Matching Student Loan Payments

According to Forbes, student loan debt has reached a staggering $1.7 trillion. To combat this, the House provisions include matching contributions for those dealing with student loan payments. This would allow employees to both pay off student loans and contribute to their retirement plan at the same time.

Emergency Funds

Wish you had access to your retirement funds in an emergency? One provision allows employees to automatically contribute to an emergency fund up to $2,500. Any additional contributions would go directly to their retirement account. Another provision would simply allow withdrawals from your retirement account for emergencies up to $1,000, once a month.

401(k)s for Part-time Workers

Currently, for those who work between 500-999 hours, a retirement plan is not available for three years. Both the bills put forth by the Senate and House seek to reduce this to two.

Catch-up Contributions

Under the House of Representatives' provisions, catch-up contributions for those between 62 and 64 are increased. The current catch-up contributions are at $5,000, but the new catch-up contributions reach 10,000. For SIMPLE Plans, the catch-up contributions are $5,000 for the same age group.

Retirement Savings Lost and Found

According to a 2021 study by Capitalize, there are almost 25 million forgotten 401(k) accounts. Combined, these assets reach a staggering $1.35 trillion across the US.

This bill will create an online database no later than two years after the Secure Act 2.0 is passed. It will serve to assist plan participants in tracking down lost retirement funds.

As of now, the most effective way to track down lost retirement funds is to contact previous employers or use a financial advisor. This database is poised to save participants time and money to track down the money they have earned.

Source: www.leadingretirement.com/blog/secure-act-two

Proudly Supporting NAPS
(National Association of Postal Supervisors)
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ATTENTION

POST MASTERS & POSTAL SUPERVISORS

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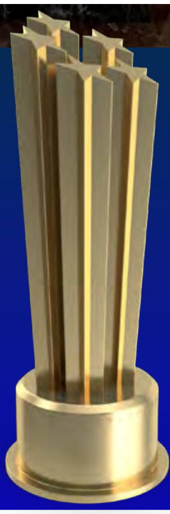
Welcome To The Team

Lynn Yut

West Coast National Benefits Consultant (Postal)

FRC℠ FEDERAL RETIREMENT CONSULTANT℠

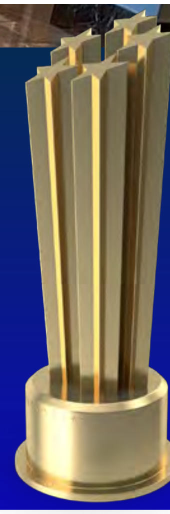


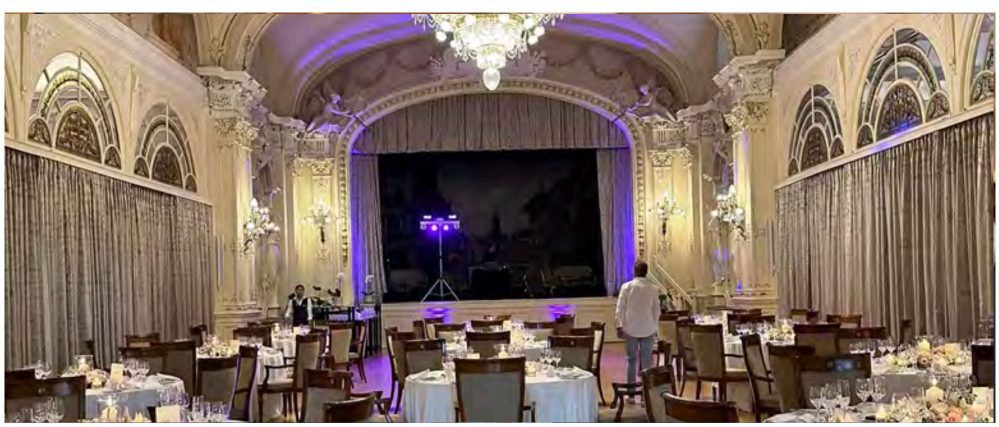
CONGRATULATIONS

Steve & Teresa Dillard

on being the recipients of

American Equity's 2023 Noble Achievement Award





"For it is by grace you have been saved, through faith and this is not from yourselves, it is the gift of God"

Ephesians 2:8

We help you navigate the Federal Retirement Benefits Programs.

DUNS # 078747605

FRC

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