



# Dillard

## Financial Solutions Inc.

### Smarter Retirement Planning



## THIRD QUARTER 2015 NEWSLETTER

### Three Types of Retirement Risk

STEVE DILLARD

To Our Clients and Friends,

In this newsletter, I want to share with you some of the headaches you may face during your retirement years. There are three types of risk that you will be up against. **The first of these risks is inflation.** Most of you will be retiring on a fixed income. With the rising cost of gas, food, taxes and utilities, the money you make today will not go as far in 5 or 10 or 20 years. Are you prepared to take less money in the future to combat inflation?

**The second risk you will face is longevity.** Reports indicate that for couples between the ages of 50 and 65, at least one of them will live to be 88 years old. Couples 65-70 have a high probability of seeing 90+, meaning that it is entirely possible that you could run out of money before you die. Alternatively, you will have to make significant lifestyle changes to take less income in an effort to make it last the rest of your life.

**The third risk comes from the markets.** If you take a look at the S&P500 or DOW over the past 15 years, there is a substantial amount of movement, both up and down. With the amount of risk in the market, who do you want to be in control of your money? What protection do you have in-place for your future income?

There are many opportunities for us to protect our money. But at what cost? Who will be in control? What will the markets look like in 5 or 10 years? What changes will you have to make to protect your retirement income and insure it is in-place when you will need it most?

So what is the solution? The Hybrid Annuity. We have spent the past 15 years building and understanding this strategy and it works. It offers growth and protection on the same dollar at the same time and has the ability to offset the three types of risk mentioned above, sometimes even outperforming them. If you are interested in learning more about how our strategies can help you live a better retirement lifestyle, call us toll-free at 1.800.692.7643 or email us at [Info@DillardFinancial.com](mailto:Info@DillardFinancial.com) today!

God Bless,

Steve Dillard, ChFEBC<sup>SM</sup>



We are a **Verified Vendor** on the United States  
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**Steve and Teresa Dillard**  
Chartered Federal Employee Benefit Consultants<sup>SM</sup>

Sources: [www.nafa.com](http://www.nafa.com), [www.banking.sc.gov](http://www.banking.sc.gov) and [www.sec.gov](http://www.sec.gov)

\*Returns are guaranteed by the reserves of the insurance companies.

# A NATIONAL DEBT OF \$14 TRILLION? TRY \$211 TRILLION

SOURCE: NPR'S "ALL THINGS CONSIDERED"

**W**hen Standard & Poor's reduced the nation's credit rating from AAA to AA-plus, the United States suffered the first downgrade to its credit rating ever. S&P took this action despite the plan Congress passed this past week to raise the debt limit.

The downgrade, S&P said, "reflects our opinion that the fiscal consolidation plan that Congress and the administration recently agreed to falls short of what, in our view, would be necessary to stabilize the government's medium-term debt dynamics."

It's those medium- and long-term debt problems that also worry economics professor Laurence J. Kotlikoff, who served as a senior economist on President Reagan's Council of Economic Advisers. He says the national debt, which the U.S. Treasury has accounted at about \$14 trillion, is just the tip of the iceberg.

"We have all these unofficial debts that are massive compared to the official debt," Kotlikoff tells David Greene, guest host of weekends on All Things Considered. "We're focused just on the official debt, so we're trying to balance the wrong books."

Kotlikoff explains that America's "unofficial" payment obligations — like Social Security, Medicare and Medicaid benefits — jack up the debt figure substantially.

"If you add up all the promises that have been made for spending obligations, including defense expenditures, and you subtract all the taxes that we expect to collect, the difference is \$211 trillion. That's the fiscal gap," he says. "That's our true indebtedness."

We don't hear more about this enormous number, Kotlikoff says, because politicians have chosen their language carefully to keep most of the problem off the books.

"Why are these guys thinking about balancing the budget?"

he says. "They should try and think about our long-term fiscal problems."

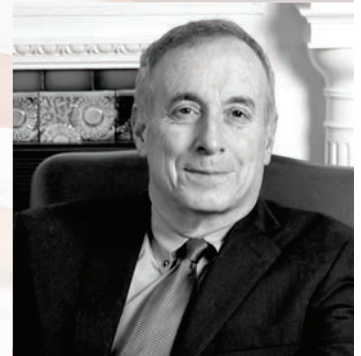
According to Kotlikoff, one of the biggest fiscal problems Congress should focus on is America's obligation to make Social Security payments to future generations of the elderly.

"We've got 78 million baby boomers who are poised to collect, in about 15 to 20 years, about \$40,000 per person. Multiply 78 million by \$40,000 — you're talking about more than \$3 trillion a year just to give to a portion of the population," he says. "That's an enormous bill that's overhanging our heads, and Congress isn't focused on it."

"We've consistently done too little too late, looked too short-term, said the future would take care of itself, we'll deal with that tomorrow," he says. "Well, guess what? You can't keep putting off these problems."

To eliminate the fiscal gap, Kotlikoff says, the U.S. would have to have tax increases and spending reductions far beyond what's being negotiated right now in Washington.

"What you have to do is either immediately and permanently raise taxes by about two-thirds, or immediately and permanently cut every dollar of spending by 40 percent forever. The [Congressional Budget Office's] numbers say we have an absolutely enormous problem facing us."



**"WE'VE GOT 78 MILLION BABY BOOMERS WHO ARE POISED TO COLLECT, IN ABOUT 15 TO 20 YEARS, ABOUT \$40,000 PER PERSON. MULTIPLY 78 MILLION BY \$40,000 — YOU'RE TALKING ABOUT MORE THAN \$3 TRILLION A YEAR"**

**IS YOUR RETIREMENT SECURE? DON'T RELY ON AN UNSURE FINANCIAL FUTURE!  
CALL US AT 1.800.692.7643 TODAY TO LEARN ABOUT YOUR OPTIONS.**





# ADVENTURES WITH NASCOE!

NATIONAL ASSOCIATION OF FARM SERVICE AGENCY  
COUNTY OFFICE EMPLOYEES



**OUR FRIENDS AT VASCOE!**



**NORTHWEST AREA RALLY**



**JAZZIN' UP NASCOE  
IN NEW ORLEANS  
AT THE SOUTHEAST  
AREA RALLY!**



**SOUTHWEST AREA MEETING IN DALLAS, TX**

# DON'T LET THE IRS TAKE 20-30% OF YOUR COMPANY RETIREMENT ACCOUNT

**W**hen you change jobs or retire, you'll face one of the most important financial decisions you'll ever need to make: What do I do with the Lump Sum Distribution from my company's retirement plan?

The amount you've saved in your company's retirement plan could represent the largest asset you own. Your investment may represent years of hard-earned savings – and be a sizable part of your financial support during retirement. If you are eligible to take a distribution from the plan, make sure you know your distribution options and the tax consequences involved before withdrawing money.

## CONSIDER THESE NUMBERS WHEN FACING A RETIREMENT PLAN DISTRIBUTION

If you have your Lump Sum Distribution directly paid to you, 20 percent must be withheld automatically. Why? Because this payout is considered part of your income now and the 20 percent withholding is credited against federal income taxes you may owe. Note: You may owe additional federal and state income tax on this income, depending upon your tax bracket.

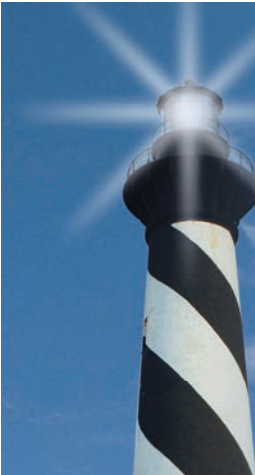
In certain situations, you must pay a 10 percent penalty for taking your retirement plan money. You pay this 10 percent in addition to any income taxes you pay on the money. You're subject to the penalty if you are under the age of 59½.

You can avoid the 10 percent penalty if you open an IRA within the 60 days of your distribution and put the 80 percent you were paid plus 20 percent out of your own pocket to make up for the withholding. The 20 percent withheld counts toward your income tax liability when you file your federal return.

You can entirely avoid penalties and withholding and preserve 100 percent of your investment by establishing a Direct Rollover IRA. The key is to have the distribution check deposited directly into your new IRA, so you never even see it. Your savings will continue to grow tax-deferred, and you can withdraw money as you need it.

**A DIRECT ROLLOVER IRA ISN'T  
YOUR ONLY OPTION...  
BUT IT'S YOUR BEST OPTION.  
IT KEEPS YOUR MONEY WORKING  
FOR RETIREMENT, AND IT'S EASY!**

**Preserving your retirement savings' tax-advantaged status with a Direct Rollover IRA is simple: call us at 1-800-692-7643 today to discuss all of your options.**



THERE ARE MANY  
THAT GIVE ADVICE,  
BUT FEW THAT  
OFFER GUIDANCE.



# HISTORY OF THE \$1 BILL

## AMERICA'S JUDEO-CHRISTIAN BEGINNING

BY DR. ESTELLA SNEIDER

DO YOUR CHILDREN KNOW THIS?  
DO THEIR TEACHERS? DO YOU?  
WHO WAS HAYM SOLOMON?

**R**ead this fascinating history of the \$1 bill all the way to the bottom to know about Haym Solomon. You may be in for quite a surprise!

On the rear of the One Dollar bill, you'll see two circles. Together, they comprise the Great Seal of the United States. The First Continental Congress requested that Benjamin Franklin and a group of men come up with a Seal. It took them four years to accomplish this task and another two years to get it approved.

If you look at the left-hand circle, you'll see a Pyramid.

Notice the face is lighted, and the western side is dark. This country was just beginning. We hadn't begun to explore the west or decide what we could do for Western Civilization. The Pyramid is uncapped, again signifying that we weren't even close to being finished. Inside the Capstone you have the all-seeing eye, an ancient symbol for divinity. It was Franklin's belief that one man couldn't do it alone, but a group of men, with the help of God, could do anything.

"IN GOD WE TRUST" is on this currency.

The Latin above the pyramid, ANNUIT COEPTIS, means, "God has favored our undertaking."

The Latin below the pyramid, NOVUS ORDO SECLORUM, means, "a new order has begun."

At the base of the pyramid is the Roman numeral for 1776. (MDCCLXXVI)

If you look at the right-hand circle, and check it carefully, you'll learn that it's on every National Cemetery in the United States. It's also on the Parade of Flags Walkway at the Bushnell, Florida National Cemetery, and is the centerpiece of most heroes' monuments.

Slightly modified, it's the seal of the President of the United States, and it's always visible whenever he speaks, yet very few people know what the symbols mean.

The Bald Eagle was used as a victory symbol for two reasons:

First, he isn't afraid of a storm; he's strong, and he's smart enough to soar above it. Secondly, he wears no material crown. We had just broken from the King of England.

Also, notice the shield is unsupported. This country can now stand on its own.

At the top of the shield there's a white bar signifying congress, a unifying factor. We were coming together as one nation.

In the Eagle's beak you read, "E PLURIBUS UNUM" meaning, "from many – one."

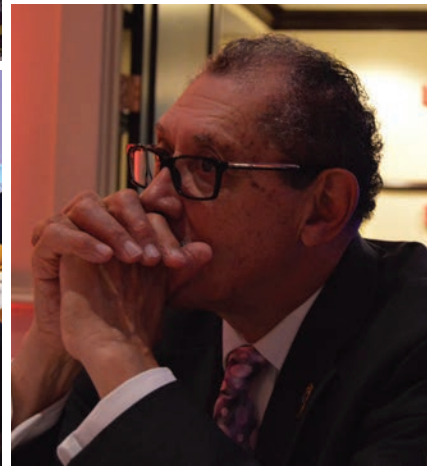
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# NAPS CAPITOL ATLANTIC AREA CONVENTION



## What Does Your Retirement Income Look Like?

Contact us today for a

**Complimentary Federal Employee  
Benefits Analysis**

# 800.692.7643



# INTRODUCING THE 2015 DILLARD RACING DAC



**W**e are proud to announce our new boat for the 2015 racing season. Last year our son, Brent Dillard, retired from his veteran status in the Formula 2 SST 120 Racing Class where he holds several championship titles and class-leading records, and we began building a brand new boat for the Formula 1 Racing Class.

We purchased our new boat, a DAC Hull, from the Chinese Formula 1 Team late last year and have spent the past several months building it up from scratch; hand-picking and turning the wrenches on each and every component to create the best boat Dillard Racing has ever owned.

Brent is a rookie this year in Formula 1, but at his first race, he held his own by making his way from the back of a 22-boat pack for an average finish of 7th place across the weekend's races and earning himself a little "street cred" in the process.

Armed with his brand new boat, capable of topping 120 mph, nearly 15 years of driving experience under his belt and an

excellent crew behind him, Brent Dillard and the Dillard Racing Team is a force to be reckoned with.

The Formula 1 tour will be taking us to Michigan, Pennsylvania and across the northern border to Quebec this year, where Brent will take part in his first race outside of US waters. With the upcoming busy race schedule, Brent will be squeezing in plenty of practice time to hone his skills with his new craft and will be sure to turn heads Stateside and abroad.

Stay tuned for more updates from Brent and the Dillard Racing Team this summer!

## U N D E R S T A N D I N G TSP IN-SERVICE WITHDRAWALS

**I**n-service withdrawals are withdrawals you make from your TSP account while you are still actively employed in Federal service or a member of the uniformed services.

The TSP permits two types of in-service withdrawals: financial hardship and age-based.

### Before You Make an In-Service Withdrawal

An in-service withdrawal can have a serious impact on your TSP account. Remember that the purpose of your account is to accumulate savings so that you will have income during retirement. If you withdraw money now, you'll have less money later. So, you should be aware of the following:

- When you take an in-service withdrawal, you cannot return or repay the money you remove from your TSP account. You permanently reduce your retirement savings by the amount of the withdrawal as well as any future earnings you would have accrued on that money.

- You are subject to income taxes on your withdrawal except on any portion that consists of tax-exempt contributions, Roth contributions, or qualified Roth earnings. With a hardship withdrawal, you may be subject to the IRS 10% early withdrawal penalty tax.
- If you take a financial hardship withdrawal, you will not be able to make contributions to your account for 6 months. Also, if you are a FERS participant, you will not receive any Agency Matching Contributions for 6 months. This lost opportunity could amount to a significant sum of money.
- Spouse's rights affect your in-service withdrawal. If you are a married FERS participant or a member of the uniformed services, your spouse must sign a consent waiver for your in-service withdrawal. If you are a married CSRS participant, the TSP must notify your spouse before the in-service withdrawal can be made. These rights apply even if you are legally separated from your spouse.



**JESUS ANSWERED, "I AM THE WAY AND THE TRUTH  
AND THE LIFE. NO ONE COMES TO THE FATHER  
EXCEPT THROUGH ME."**

*John 14:6*



Above the Eagle, we have the thirteen stars, representing the thirteen original colonies, and any clouds of misunderstanding rolling away. Again, we were coming together as one.

Notice what the Eagle holds in his talons. He holds an olive branch and arrows. This country wants peace, but we will never be afraid to fight to preserve peace. The Eagle always wants to face the olive branch, but in time of war, his gaze turns toward the arrows. An (untrue) old-fashioned belief says that the number 13 is an unlucky number which is almost a worldwide belief. You'll almost never see a room numbered 13, or any hotels or motels with a 13th floor. But think about this:

America, which relies on God (not a number) to direct and lead, boldly chose:

- 13 original colonies,
- 13 signers of the Declaration of Independence ,
- 13 stripes on our flag,
- 13 steps on the pyramid,
- 13 letters in "Annuit Coeptis,"
- 13 letters in "E Pluribus Unum,"
- 13 stars above the eagle,
- 13 bars on that shield,
- 13 leaves on the olive branch,
- 13 fruits,
- and if you look closely,
- 13 arrows.

And finally, notice the arrangement of the 13 stars in the right-hand circle. You'll see that they are arranged as a Star of David.

This was ordered by George Washington who, when he asked Haym Solomon, a wealthy Philadelphia Jew, what he would like as a personal reward for his services to the Continental Army. Solomon said he wanted nothing for himself, but he would like something for his people. The Star of David was the result. Few people know it was Solomon who saved the Army through his financial contributions ... then died a pauper.

Haym Solomon gave \$25 million to save the Continental Army, money that was sorely needed to help realize America's and our freedom and independence from England. Therein lies America's Judeo-Christian beginning.

Most American children do NOT know any of this. They aren't taught because their history teachers do NOT know this. (They were not taught!)

On America's Freedom:

- Too many veterans gave up too much to let the meaning fade.
- Many veterans came home to an America that did not care.
- Too many veterans never came home at all.
- They served, they died for you and for me.

I hope you will share this story with many so they can learn about the UNITED STATES DOLLAR BILL, and what it stands for.

America is at a critical juncture. Let's do whatever we can to save her while never, ever forgetting:

**IN GOD WE TRUST!**

We have a team of agents nationwide to assist you with your retirement needs.  
Call us toll-free at 1.800.692.7643 to set up a complimentary benefits consultation.

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**Home Office: 2381 Peach Orchard Road • Sumter, SC 29154**

**We have representatives to assist you nationwide!**