



FINANCIAL  
ADVISORS, INC.

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Points of Interest:

- Warmest thoughts and best wishes for a wonderful holiday season
- 2015 year-end financial checklist
- Office update
- Holiday Hours
- Happy New Year!

## YOUR EXTENDED LIFE SPAN

*Why you may be 15 years younger than you think you are.*

How long are you and I going to live? None of us knows, of course, but this number is important for a variety of planning issues—including, of course, how long your money will have to last in retirement. Actuarial tables tell us how long people will live on average, but that isn't much help for planning a specific person's life, and the averages conceal a lot of variation.

over living in the past, and living in a developed nation is a benefit as well. As you can see from the chart, life expectancy continues to improve; today, the global average is 70, and people who make it to age 65 have a good chance of living to 85 or longer.

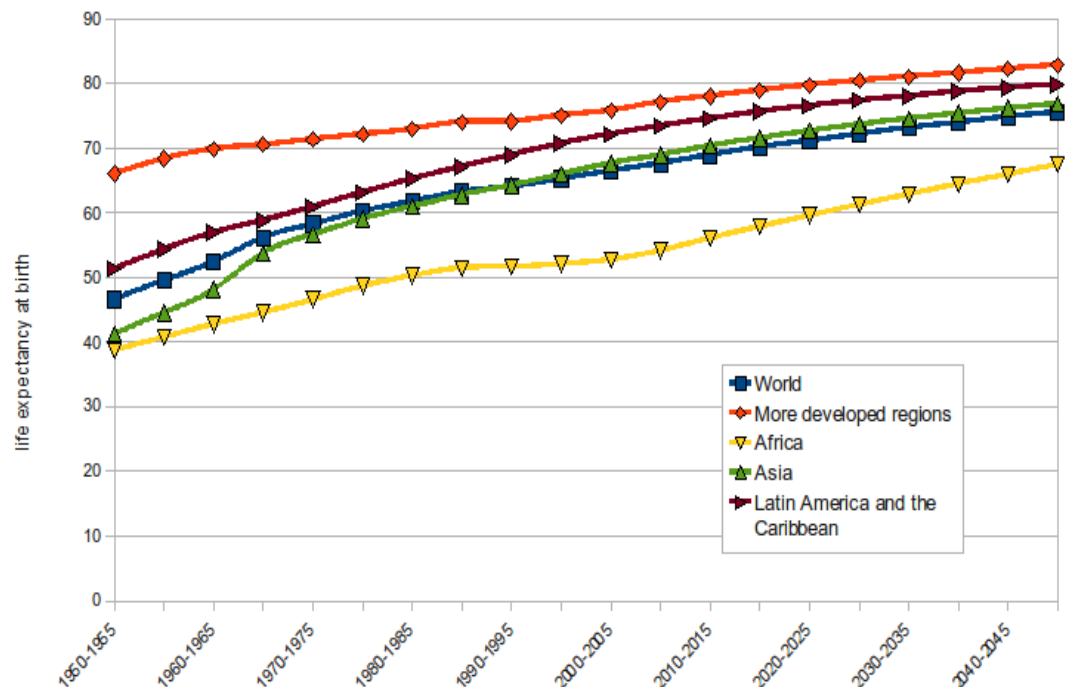
If you're above the national average in wealth and income, and especially if you have certain lifestyle characteristics like regular exercise and no tobacco usage, then there's a good chance you'll live longer than these averages.

Living today is a huge advantage

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Life Expectancy at Birth by Region, 1950-2050.

Source: UN World Population Prospects, 2008.



## YOUR EXTENDED LIFESPAN (CONTINUED)

There's a website that can help you get a better feel for your expected lifespan; it's called Living to 100 ([www.livingto100.com](http://www.livingto100.com)). The site asks you a series of questions including your birthday, gender and marital status, and some interesting questions related to the number of new relationships you've developed over the last 12 months, the way you cope with stress and some of the sources of stress you're currently experiencing, your normal sleep habits and your education level.

There are questions on nutrition, your height and weight, how often you eat red meat and sweets, and at the end, you are told how well your answers match up with the tendency to live a long life. At the end of a tutorial on your answers and suggestions for improvement, you get a calculated life expectancy and a list of things that could add as many as ten years to that life expectancy.

Chances are, you'll be surprised at how long you're expected to live, and astonished at the possibilities suggested in the list of potential changes to your lifestyle. That means that you've managed your life and your health intelligently, and the extra years could be an unexpected bonus. Of course, it also means that you should take a second look at how much you've saved and the possibilities of using your skills and experience to earn income during retirement.

Bottom line: you may discover that you have 15 more years to live than you expected based on your experience with your parents, which means you can start thinking of yourself as 15 years younger when you look at your options and personal timeline.

Source: Article by Bob Veres at [BobVeres.com](http://BobVeres.com)

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## YEAR END REMINDERS

Before the end of year, we always like to remind our clients to complete any of the following financial activities.

- Gifting you would like to qualify for 2015. This year's annual gift exclusion remains \$14,000, which means you can gift this amount to as many people as you would like this year, tax free.
- Any charitable contributions which you would like to be deductible for 2015.
- Any contributions to 529 accounts that you would like to count as a 2015 contribution.
- Any catch-up contributions to 401(k) accounts. The maximum contribution to a 401(k) is \$18,000 this year, plus a catch-up contribution of \$6,000 if you are age 50 or over. If you are self-employed, you may want to consider setting up a Solo 401(k) by year-end. Although you must establish the 401(k) before year-end, you can still fund it until April 15, 2016, if you have an unincorporated business, or 15 days after your fiscal year-end if you are incorporated. A SEP-IRA is another option for the self-employed and needs to be established and funded before the individual's personal tax deadline (April 15, 2016).



As always, we are glad to help with any of these year-end items so please give us a call if you'd like to discuss.

## UPDATES ON MEDICARE AND SOCIAL SECURITY

The news has been filled lately with updates and legislation that affect Social Security and Medicare. The first bit of news, as many Social Security recipients already know, is that there will be no cost of living adjustment to payments for 2016.

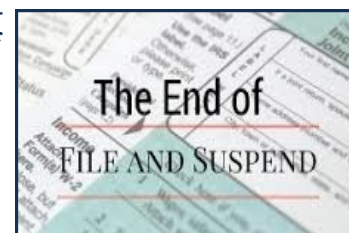
Medicare also announced recent premium changes. Some of these changes may dramatically increase Medicare Part B premiums for certain participants. Ironically, much of the increase is brought about by the absence of a cost of living adjustment for Social Security recipients. Under the “hold harmless” clause in Social Security, the government has to keep Part B premiums level for Social Security recipients in years when they receive no increase. However, the government is also required to collect 25% of all expected Part B costs from participants each year. As a result, Medicare participants who are not currently receiving Social Security may see an increase to their premiums. For those with income above \$85,000 (single) or \$170,000 (married), monthly premiums are expected to go up as much as 15%.



Additionally, a recent budget bill is closing the door on two rules that allowed spouses to coordinate benefits to increase the overall amount of money they receive from Social Security. Some have mourned the loss of strategies that allowed a couple to receive thousands more than they may have otherwise; others have called these rules loopholes that are now being closed. In either case, we now know that they will be phased out.

### File-and-Suspend

Once you had reached your Full Retirement Age (66 for most of today’s retirees), File and Suspend allowed your spouse to collect Social Security benefits based on your record, while you delayed collecting on your benefit. This allowed your benefit to continue to grow, while your spouse collected a benefit. This option is being discontinued as of May 2016. After this date, if you are not already using File and Suspend, you will not be allowed to start. In order for your spouse to collect their benefit based on your work record after May 2016, you must be receiving your benefit as well.



### Restricted Applications

A Restricted Application was a strategy to allow you to receive your spousal benefit, leaving your own benefit to grow. This option is also phasing out.

Despite the changes coming, some currently eligible to receive Social Security will be allowed to continue these strategies:

1. If you or your spouse currently receives benefits, nothing will change. You will continue to receive the same benefits.
2. If you are a widow or widower collecting survivor benefits, nothing will change.
3. If you are eligible to receive benefits but have not yet filed, you still MAY be able to take advantage of File and Suspend and/or Restricted Application.
4. If you are not currently eligible to receive Social Security benefits, you will likely NOT be able to take advantage of these strategies. The earliest age at which most are eligible to receive Social Security benefits is 62.

If you have any questions about the new Social Security rules and how they apply to your unique situation, please contact HC Financial Advisors.



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*Helping You  
Successfully  
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Financial Life*

If you no longer wish  
to receive our  
newsletter, please  
send us an email at  
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## ABOUT HC FINANCIAL ADVISORS, INC.

HC Financial Advisors, Inc. is a fee-only investment advisory firm offering full financial management services to individuals and their families. We offer ongoing investment management and financial planning services for an annual fee based on assets managed.

Our current minimum annual fee for investment management clients is \$10,000 (\$1,000,000 under management). This fee includes the management of all assets as well as financial planning services.

We welcome your referrals to our firm. There is no charge for a preliminary, one hour informational meeting to find out more about our services, investment philosophy, and backgrounds. You can also find us at our website [www.hcfincial.com](http://www.hcfincial.com).

## AROUND THE OFFICE

In October, after successfully completing a course through the College of Financial Planning, DeAnne Cardona passed the exam and is now a "Chartered Mutual Fund Counselor<sup>SM</sup>." She will use this knowledge to assist with our mutual fund research and analysis.

Kim Yuers, our Office Manager, has extended her hours and is now full-time. We look forward to her continuing to provide great service to our clients.



## HOLIDAY HOURS

During the holidays, our offices will be open during normal business hours, with the exception of the following days:

December 24 – close at 2pm  
December 25 – office closed  
December 31 – close at 2pm  
January 1 – office closed

We wish each of you a wonderful holiday season and Happy New Year!