



From the Desk of Adam Ziff
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Americans' Top 5 Financial Resolutions for 2020

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Most Americans Do Not
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There's nothing like the beginning of a new year to rethink your financial circumstances and make plans to change them for the better. Here are Americans' top five money resolutions for 2020, according to a recent survey by Principal Financial. All of these are worthwhile goals, so consider adding some of them to your own list.

1. Save more money each month

Saving more money tops Americans' list of financial resolutions for 2020, and if you automate the process, you'll be more likely to have success. You can put your efforts on autopilot by signing up to have a portion of each paycheck you get land directly in a savings account, or by signing up for your employer's 401(k). And if you don't have access to a 401(k), find an IRA with an automatic transfer option and stash your retirement funds there.

2. Reduce spending each month

With saving more money each month being Americans' chief financial goal, it's not surprising to see reducing spending as a secondary objective, since the latter lends to the former. If your goal is to spend less on a regular basis, get yourself on a budget. That way, you'll be able to track your expenses and identify ways to cut corners.

3. Pay off credit card debt

Credit card debt is pretty much the least healthy kind to have. Not only can it cost you a boatload of money in interest, but it can also damage your credit score if it gets too high. The fact that Americans are pledging to shake their credit card debt is a good thing, so if you'd like to do the same, use your budget to make smart lifestyle adjustments that free up cash. At the same time, come up with a smart debt payoff plan. Often, that means paying your debts with the highest interest rates first, though a balance transfer -- where you move your various debts on to a single credit card with a lower interest rate -- could also be a viable solution.

Current News:

How Will the Repeal of Stretch IRAs Affect Estate Planning?

On December 19, 2019 Congress approved a \$1.4 trillion appropriations bill that included significant changes to the way IRAs and qualified plans will be administered, effective on January 1, 2020.

Two of the changes are to eliminate the maximum age at which an individual can make contributions to a traditional IRA and to delay the starting date for required minimum distributions from age 70½ to 72. The most significant changes, however, relate to required minimum distributions from inherited retirement plans and IRAs.

For account owners dying after 2019, the new law creates a new category of designated beneficiaries known as “eligible designated beneficiaries.” For eligible designated beneficiaries and non-designated beneficiaries, the law has not changed, except that the payout for minors is 10 years from attaining majority.

For any other designated beneficiary, the payment period from an inherited IRA or plan may not exceed 10 years from the death of the participant. As a result, in some cases, the best result will be to avoid designated beneficiary status. These changes will significantly impact estate planning for retirement benefits.

(Source: Lexology)

4. Build an emergency fund

An estimated 39% of U.S. adults don't have the cash on hand to cover a mere \$400 emergency, the Federal Reserve Board reported earlier this year. If you're in a similar boat, it's imperative that you make boosting your cash reserves a major priority. In addition to cutting back on spending to carve out money for your savings account, consider getting a second job if you're really low on emergency funds. That way, you won't need to resort to debt when unplanned bills pop up out of the blue. You should, at the very least, aim to sock away three months of essential living expenses for solid protection against unforeseen expenses.

5. Save more for retirement

Social Security isn't designed to sustain seniors by itself. Those benefits will generally replace about 40% of your income if you're an average earner, and most retirees need more like 70% to 80% of their former wages to maintain a comfortable lifestyle. If you're behind on retirement savings, cut back on spending and consider boosting your income with a side gig to catch up. In 2020, you can contribute up to \$6,000 annually to an IRA, or \$19,500 to a 401(k), if you're under 50. And if you're 50 or older, you can benefit from an even higher annual contribution threshold -- \$7,000 for an IRA, or \$26,000 for a 401(k).

Nearly 70% of Americans are making a money-related New Year's resolution, and more than half of those making one are prioritizing saving more, according to Fidelity Investments' 2020 New Year Financial Resolutions study.

It's easy to make New Year's resolutions, but sticking to them is much harder. Once you map out your financial goals for the coming year, come up with a plan to fulfill them. You'll be really grateful for it when your finances wind up in much better shape.

Throughout the year, reflect on how you're progressing, and make changes as needed. To be successful, you want to make sure your goals are attainable, but also that they make sense with the life you want to lead.

(Sources: Motley Fool & Forbes)



The Underwriter's Corner: *Underwriting Q & A*

Automated Life Insurance Underwriting

Leveraging information compiled by data aggregators, and using advanced mathematical procedures closely related to those that created and continue to improve artificial intelligence, the life insurance industry has started to establish procedures that aim to streamline the process of life insurance underwriting. A decision for approval can now take place well within 24 hours, drastically faster than it took only a few years ago.

Thousands of people have already benefited from this quick turnaround that makes buying life insurance almost work like it's 2020 versus 1920. Applying for and obtaining life insurance has never been easier than it is today.

(Source: InsurancePro Blog)

Most Americans Do Not Have a Financial Back-up Plan

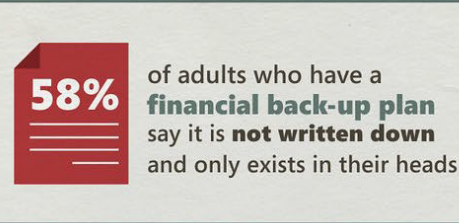
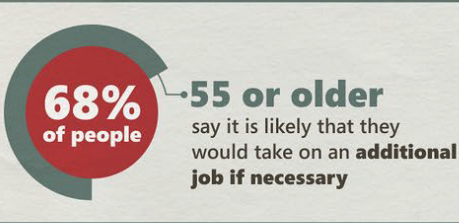
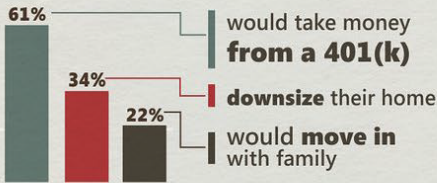
Most Americans are unprepared to financially handle the impact of an unexpected major life crisis.



PLAN B

Not Ready, Not Realistic

Despite efforts to plan ahead, the options many people consider often include:



PLAN A

Retirement Falling Short

Many assumptions about retirement once thought to be unshakable also are coming under pressure:



Slightly more than **six in 10 Americans** say they will not be able to retire without **Social Security and/or Medicare** being available as it exists today



NAME: Ric Ocasek
DIED: September 15, 2019
AGE: 75

CAUSE: Cardiovascular disease

ESTATE BLUNDER:

Dragging out a divorce

Ric Ocasek - lead singer of The Cars and successful record producer - recently passed away while still divorcing his wife, Sports Illustrated swimsuit model Paulina Porizkova. They started divorce proceedings all the way back in May 2018.

Normally, when someone dies in the midst of a divorce, the couple is still treated as having been married. This gives the spouse certain rights to the estate. The language in Ocasek's will gives ammunition to his executor to contest any election rights that Porizkova tries to assert, but this doesn't mean that Porizkova will lose. Ultimately, it will be up to a probate judge.

What's at stake? About \$1.7 million, potentially. The court filing to open Ocasek's estate listed \$5 million in copyrights, and another \$115,000 in personal property and cash. But this would not include any assets held in trust, joint accounts with others, life insurance or similar assets that have beneficiary designations.

(Source: State Farm)

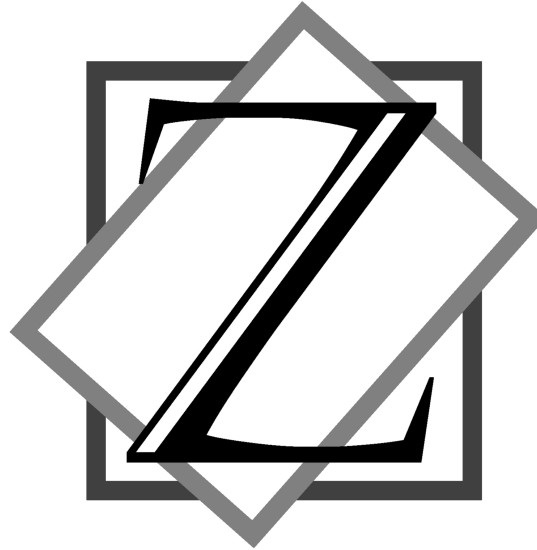
(Source: Forbes)



HERE'S A THOUGHT...

*"Cheers to a new year and
another chance for us to
get it right."*

- Oprah Winfrey



The Ziff Agency, LLC

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*January marks the start of a
New Decade!
Make sure your family is
protected and have your
Life Insurance reviewed
today!*