

the SGROI FINANCIAL

NEWSLETTER

403(b) For Teachers

The most popular option for teachers to save for retirement is through a 403(b). Like a private sector 401k, contributions are automatically deducted pre-tax from the teachers' pay, and their money grows tax-deferred until it's withdrawn in retirement. It is superior to an IRA in that there are no income limits and the contribution limits are much higher at \$18,500/year or \$24,500/year for those over the age of 50. Also for those looking to retire early, it can serve as a bridge to social security in that you can draw on it penalty free beginning at age 55 if you are separated from service.

Pension Supplement

Although no one becomes a teacher with thoughts of becoming a millionaire, teachers can still retire comfortably after their chosen life of service.

Teachers typically relied on state-run pension plans to provide a large portion of their retirement income. Although this is a great benefit that most people in the private sector would love to have, teachers should not depend on this solely to provide the same retirement lifestyle yesterday's teachers enjoyed. It's now more important than ever that teachers plan to supplement their pensions with their own savings.

Know Your Fees

Generally speaking you have a choice between insurance based products such as annuities and variable annuities or mutual fund based products.

Let's start with insurance based products. At first glance, these options can seem like a good idea. Many offer guarantees to provide an income for life at retirement and certain death benefit options.

But like anything else these guarantees come with a price—as much as \$3.75 per year for every \$100 invested in one 403(b) annuity option. High fees can make a big difference over time as they cut into the rate of return on your investments. Many also carry surrender charges should

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you decide to take the money out or move it to another investment before the end of the contract terms.

Mutual funds, on the other hand, don't have any guarantees of income or death benefits. Without the guarantees, their fees are significantly lower and as such you keep more of your money, thus over time, you have higher potential for growth. Most growth stock mutual funds' fees are a fraction of even the least expensive annuities' costs. Although some firms can only offer a very limited choice of mutual fund families and funds, working with an "independent" firm you have access to a wide variety of choices and are offered full transparency in regards to fees, so you know what you are paying. So regardless of which type of plan you decide is

best for you, be sure to ask how much in fees am I paying for this product?

Planning for a Comfortable Retirement

The ideal starting point is to begin from a debt free position with at least a three month "emergency" fund set aside. Once you have that, a great goal is to invest 15% of your income for retirement if you can afford to. That may sound like a lot, but this may be enough to help you reach your retirement savings goals while still allowing for a healthy standard of living. Budgeting is the key. If you can't do 15%, start with what you can afford and be sure to increase your contributions as your pay increases.

Also the earlier you start the better. This allows you to take advantage of the power of compound interest. 

Disclaimer: Guarantees are backed by the claims paying ability of the issuing insurance company. Investing in mutual funds involves risk, including loss of principal. Mutual funds and variable annuities are offered and sold by prospectus only. You should carefully consider the investment objectives, risks, expenses and charges of the investment company before you invest.

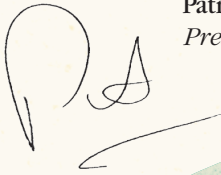


3rd Annual JMS Tournament



On Friday, September 14th, over 200 golfers, volunteers and sponsors, gathered to celebrate the life of Jeffrey Sgroi at the third annual JMS Foundation Golf Tournament. With perfect late summer weather, friends and family from all over participated in a day full of laughs, hugs and reminiscing. Those in attendance enjoyed various games on the course along with food and entertainment from The Strictly Hip.

The JMS Foundation was started to carry on the good work that Jeff did for the community. He was passionate about giving back and helping others. Many that had the pleasure of knowing Jeff have supported his vision to continue his good work. Since the inception of the JMS Foundation in 2016, over \$250,000 has been raised. Every dollar of those funds has gone back into the community to support some of Jeff's most cherished interests. The funds raised from this year's tournament will go towards scholarships for graduating high school seniors. For more information about the JMS Foundation or how to get involved, visit www.JMSFoundation.com.



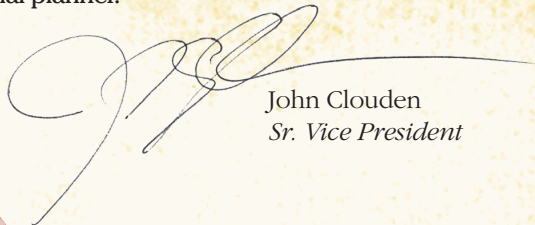
Patrick Sgroi,
President

Partnerships to Benefit Client Experience

2018 has been a year of investing in improving our client experience. In our first quarter newsletter, we highlighted our new partnership with TD Ameritrade and the formation of Sgroi Wealth Advisory Group. We are continuing to look for ways to bring more resources to our clients. As you will see in this newsletter, we have broadened our services to include our new insurance review process and Medicare Insurance Solutions. The best part is that these services are available with no cost or obligation to you, our client.



We feel that it's in your best interest to periodically review your life and disability insurance and to review your Medicare plan annually to make certain that the products you have still fit your needs and are performing as expected. These reviews will give you the peace of mind of knowing that everything is working as it should or may show that you may benefit from making some changes. I encourage you to take advantage of these new services and discuss this further with your financial planner.



John Clouden
Sr. Vice President



John Clouden

Medicare Insurance Solutions

How can you be sure you selected the right plan for your individual circumstances?

In 2016 Sgroi Financial formed a strategic partnership with Lawley to give our clients access to comprehensive property and casualty insurance products. Lawley has now expanded their product offerings by adding a team of Senior & Individual Health Insurance Benefits Consultants led by Anthony Dolce, Craig Colburn and Ben Lindquist.

In announcing this new service, Pat and I are very pleased to be able to add access to Medicare insurance policies for our client's right here in our West Seneca office. We feel this is the natural next step for our partnership with Lawley. Lawley has access to all carriers and their fee is paid by the insurance company, not by you. Thus there is no fee to work with them and no obligation on your part.


If you have already reached the age 65 milestone, you have probably gone through the Medicare selection process. But how can you be sure you selected the right plan for your individual circumstances? According to Anthony (AJ) Dolce, this is where Lawley comes in. "There are an overwhelming number of plans in the marketplace. We use our expertise to review each client's individual circumstances to pick the best plan for their individual needs. Furthermore, for a married couple in many cases we choose different plans for both as they may have different medical issues and needs to consider."



For those over 65 years of age with existing plans, AJ recommends that you review your plans annually during the annual enrollment period which runs from October 15 to December 7th. There is also a second special open enrollment period that runs from January 1 through March 31st for those enrolled in Medicare Advantage Plans. "Everyone should review their plans each year as they may have had a change in their health and the plan offerings could also have changed."

For those approaching age 65, AJ recommends sitting down with them

to begin evaluating your options within six months of your 65th birthday. "As you approach your 65th birthday, you will be inundated with various solicitations in the mail that can be quite overwhelming. We will help you understand all of the plans and insurance carriers and help you pick a budget friendly plan that covers all of your health insurance needs."

To schedule a one on one, no fee no obligation appointment please call us at the 674-6700 and ask to speak to you planner's assistant who will coordinate your appointment. 



Urmaz M. Lupkin

Is Your Life Insurance Performing as Expected?



35% of the time your policy is not performing and you will need to **stop**, review the situation and then proceed in a new direction with some other choices.

17% chance your policy is performing. However, you should **slow down** and take a look because there are some other options for you to consider that may provide more coverage for the same premium or a lower premium for your same coverage.

48% chance your policy is performing as expected and you can **continue on your way**.

Life insurance may be the most important product that you can purchase to protect your family. But you shouldn't just buy it and throw it into a drawer and forget about it. Over time, changes may occur that effect the performance of your life insurance policy. In order to determine whether your life insurance policy still meets your needs and goals, it must be reviewed periodically to evaluate its current performance.

Several factors can affect the performance of your policy, including the cost of insurance, interest rate changes, outstanding loans, premium payment history and the insurance company's financial strength and well-being. There can also be changes in your life that can affect your needs such as a marriage, divorce, the purchase of a new home, the birth or adoption of a child or retirement. Life changes, so should your life insurance.

Through our partner-


ship with Specific Solutions, Inc., a Buffalo, NY based General Insurance Agency, we are excited to be able to offer our clients a complimentary insurance review that will determine:

- Whether your life insurance policy is performing as expected and will stay in force during your lifetime.
- If there are opportunities for greater coverage at a lower or equal premium.
- Make sure your beneficiary designations are up to date with your current wishes.

Proficiency in policy reviews matters, Specific Solutions will allow you to assess your current insurance program along with your advisor. You will be provided a report that summarizes your current coverage at no charge. Specific Solutions findings are that 48% of the time the insurance is performing as expected. 17% of the time it is performing, but you may have other options

to purchase additional coverage at the same premium or get a lower premium for the same coverage. Finally, 35% of the time the policy is not performing and you need to take corrective action.

All that is required for us to perform a policy review is a signed authorization form and the insurance company name & policy number. If you haven't had your policy reviewed you should do so. If we find that everything is working as intended, it will provide peace of mind. If it isn't, we will look to provide you with options to rectify the situation.

To learn more or to get started with a policy review, please reach out to your advisor at 716-674-6700. 

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Congratulations to the Haxton family!



We'd like to welcome a new addition to the Sgroi Financial family! Financial Planner, Jeff Haxton CFP,[®] and his wife, Lauren, welcomed Haley on July 31st.



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