



## Clarion Newsletter

January 2015

### Changes in the Retirement Benefits Landscape A rundown of the big & little alterations for this year.

2015 will bring COLAs, changes & something new. Each year, the retirement benefits landscape looks a little different, and this year is no exception. Here's a look at what will change, what might develop, and even what won't change for 2015.

The 401(k) contribution limit expands \$500 to \$18,000 this year. The catch-up contribution limit for plan participants 50 and older also rises by \$500 to \$6,000. If you are in the 25% tax bracket and put \$18,000 in your 401(k) in 2015, you will save \$4,500 in 2015 federal income taxes as a result. That tax savings comes with a regular 401(k), not the Roth version.<sup>1</sup>

IRA contribution limits will stay the same, but phase-out ranges are changing. The contribution limit for Roth and traditional IRAs will again be \$5,500 in 2015, with an additional \$1,000 catch-up contribution allowed for IRA owners 50 and older.<sup>2</sup>

Adjustments have been made to the phase-out ranges for the deduction of regular IRA contributions. If you own a traditional IRA and contribute to a retirement plan at work, you can claim a tax deduction for your traditional IRA contribution in 2015 until your adjusted gross income is between \$61,000-71,000 (single filers) and \$98,000-118,000 (married filing jointly). Those ranges are respectively \$1,000 and \$2,000 higher than they were in 2014. If you own an IRA and don't put money in an employer-sponsored retirement plan but your spouse does, you can claim a full tax deduction on traditional IRA contributions until your spouse's AGI reaches the phase-out range of \$183,000-193,000 in 2015.<sup>3</sup>

The phase-out ranges regarding eligibility for Roth IRA contributions have also moved a bit north. In 2015, the ranges start \$2,000 higher at AGIs of

*(Continued on page 2)*

#### Upcoming Seminars

Tuesday, March 17

#### Portfolio Review

Call us today to make an in-person or phone appointment to review your portfolio.

Contact Us  
866-557-1031



(Continued from page 1)

\$116,000-131,000 (single filers) and \$183,000-193,000 (married filing jointly).<sup>3</sup>

**Charitable IRA gifts may return (if not for 2015, then for 2014).** On December 3, the House approved a 2014 tax extenders bill and sent it towards the Senate for a final vote. If it is made law - and Treasury Secretary Jack Lew says President Obama is "open" to approving such a short-term bill - it would reinstate 55 expiring tax credits retroactive to January 1, 2014.<sup>4,5</sup>

Among them, according to *USA TODAY*: the IRA charitable rollover, the provision that permitted many IRA owners age 70½ and older the chance to donate up to \$100,000 from their IRAs to public charities while excluding the donated amount from their gross incomes. (The enhanced deduction for contribution of appreciated property for conservation purposes - attractive to more than a few retired farmers - would also be put back into place.)<sup>6</sup>

**Social Security incomes will rise.** A 1.7% COLA kicks in for 2015, and the maximum possible monthly benefit for those who claim Social Security at full retirement age increases \$21 to \$2,663. Social Security recipients younger than full retirement age at the end of 2015 will have \$1 of benefits withheld for every \$2 of income (AGI) they earn above \$15,720. Recipients who reach full retirement age in 2015 will have \$1 of benefits withheld for every \$3 earned past \$41,880. When you turn 66, Social Security doesn't impose this withholding any longer.<sup>7</sup>

America's retirement program will also start sending out paper statements again, but only to those who haven't created online accounts to track their earnings history and expected benefit. They will be sent annually to Social Security recipients older than 60.<sup>7</sup>

**Medicare premiums & deductibles are alternately rising & falling.** The Part A hospital stay deductible grows \$44 in 2015 to \$1,260. The standard monthly Part B premium will still be \$104.90 for 2015; the Part B deductible will still be at \$147. As for Part D premiums, a joint study conducted by the Kaiser Family Foundation, Georgetown University and the University of Chicago sees them averaging \$38.83 for 2015, about 4% higher. Part D deductibles will max out at \$320 for 2015, though many Part D plans charge smaller deductibles or no deductibles.<sup>8</sup>

**Many retirement savers could get a bit more help.** Eligibility limits for the saver's credit (the federal tax break created to help offset part of the first \$2,000 of voluntary contributions to IRAs and workplace retirement plans) are going up. In 2015, workers can claim the credit if their AGI is below \$30,500 (single filers), \$45,750 (heads of household) or \$61,000 (married filing jointly). The credit can be as big as \$1,000 for singles and \$2,000 for couples.<sup>1</sup>

We are also supposed to see the rollout of the myRA in January. This is a new retirement savings vehicle, basically a federally-backed Roth IRA whose value is guaranteed to increase over time (albeit

(Continued on page 3)



(Continued from page 2)

not dramatically). Individuals with incomes under \$129,000 and couples with combined incomes of less than \$191,000 are eligible for myRAs; when the myRA turns 30 or when its balance reaches \$15,000, the balance converts to a private-sector Roth IRA. (Accountholders can opt for that conversion prior to those conditions.) Annual myRA contribution limits are the same as for regular and Roth IRAs.<sup>8,9</sup>

This material was prepared by MarketingPro, Inc., and does not necessarily represent the views of the presenting party, nor their affiliates. This information has been derived from sources believed to be accurate. Please note - investing involves risk, and past performance is no guarantee of future results. The publisher is not engaged in rendering legal, accounting or other professional services. If assistance is needed, the reader is advised to engage the services of a competent professional. This information should not be construed as investment, tax or legal advice and may not be relied on for the purpose of avoiding any Federal tax penalty. This is neither a solicitation nor recommendation to purchase or sell any investment or insurance product or service, and should not be relied upon as such. All indices are unmanaged and are not illustrative of any particular investment.

#### Citations.

- 1 - [money.usnews.com/money/retirement/articles/2014/12/01/how-to-max-out-your-retirement-accounts-in-2015](http://money.usnews.com/money/retirement/articles/2014/12/01/how-to-max-out-your-retirement-accounts-in-2015) [12/1/14]
- 2 - [irs.gov/Retirement-Plans/COLA-Increases-for-Dollar-Limitations-on-Benefits-and-Contributions](http://irs.gov/Retirement-Plans/COLA-Increases-for-Dollar-Limitations-on-Benefits-and-Contributions) [10/23/14]
- 3 - [irs.gov/uac/Newsroom/IRS-Announces-2015-Pension-Plan-Limitations;-Taxpayers-May-Contribute-up-to-\\$18,000-to-their-401%28k%29-plans-in-2015](http://irs.gov/uac/Newsroom/IRS-Announces-2015-Pension-Plan-Limitations;-Taxpayers-May-Contribute-up-to-$18,000-to-their-401%28k%29-plans-in-2015) [10/23/14]
- 4 - [reviewjournal.com/news/nevada/us-house-votes-extend-50-tax-breaks-another-year](http://reviewjournal.com/news/nevada/us-house-votes-extend-50-tax-breaks-another-year) [12/4/14]
- 5 - [marketwatch.com/story/lew-says-white-house-would-strike-short-term-deal-on-taxes-2014-12-02](http://marketwatch.com/story/lew-says-white-house-would-strike-short-term-deal-on-taxes-2014-12-02) [12/2/14]
- 6 - [usatoday.com/story/news/politics/2014/12/02/tax-extend-congress/19798289/](http://usatoday.com/story/news/politics/2014/12/02/tax-extend-congress/19798289/) [12/2/14]
- 7 - [money.usnews.com/money/blogs/planning-to-retire/2014/10/22/5-social-security-changes-coming-in-2015](http://money.usnews.com/money/blogs/planning-to-retire/2014/10/22/5-social-security-changes-coming-in-2015) [10/22/14]
- 8 - [money.usnews.com/money/retirement/articles/2014/11/24/how-retirement-benefits-will-change-in-2015](http://money.usnews.com/money/retirement/articles/2014/11/24/how-retirement-benefits-will-change-in-2015) [11/24/14]
- 9 - [myra.treasury.gov/about/](http://myra.treasury.gov/about/) [11/24/14]

## ClearView's Statement of Services

When my wife, Leslie, and I formed The ClearView Group, Inc. in 1986, we had no idea what a wonderful journey lay ahead of us. In 1996 the firm began focusing exclusively on financial services. Over the last 19 years we have had the pleasure of helping our clients invest in a diversified portfolio of investment products designed to preserve their assets, provide monthly income and maintain substantial liquidity. Today we represent over 200 accredited investors around the country who require a broad range of advice and services to manage their assets, insure their future and then pass on their remaining wealth to beneficiaries in the most tax-advantaged ways available.

We have developed a statement of services to reflect the broad array of investment options, advice and financial services we provide to our clients at ClearView. Please turn the page to review our Statement of Services and call us if we can answer any questions, provide advice or help you evaluate a potential investment.

(continued on page 4)



## INVESTING WITH CLARITY AND VISION

**ClearView Wealth Management** is a full-service investment firm, serving the needs of high net worth clients and small to medium-sized businesses, providing investment and advisory services through our Broker/Dealer, Centaurus Financial, Inc.

We help our clients create, build and retain wealth. We utilize non-correlated alternative and traditional investment products to provide a broad array of financial services to clients, based upon an asset allocation plan that diversifies\* their investment portfolio, maintains substantial liquidity and is designed to preserve their assets and provide monthly income.

Our goal is to help our clients create financial independence and achieve their long-term objectives. Our clients work hard for their money. Our job is to make their money work hard for them.

We welcome the opportunity to work with you and help you build wealth for your future. To learn more about our products and services listed below, please call our office at (425) 557-0559 or toll free at (866) 557-1031.

### Fee Based Investments for Liquidity

- ❖ Stocks
- ❖ Bonds
- ❖ Mutual Funds

### Income Based Investments

- ❖ 1031/DST Exchange \*\*
- ❖ Business Development Companies (BDCs)
- ❖ Real Estate Investment Trusts (REITs)
- ❖ Energy \*\*
- ❖ Equipment Leasing
- ❖ Real Estate Funds \*\*
- ❖ Fixed Indexed Annuities
- ❖ Variable Annuities

### Estate/Legacy Strategies

- ❖ Self-insuring for Health & Welfare; Inflation Protection; Guaranteed Income
- ❖ Estate Planning
- ❖ Wealth Preservation & Transfer
- ❖ Whole Life Insurance
- ❖ Universal Life Insurance
- ❖ Fixed Indexed Universal Life Insurance
- ❖ Living Trust
- ❖ College Funding
- ❖ Charitable Giving

### Small Business Solutions

- ❖ Pension Plans (401k, SEP, Defined Benefit, etc.)
- ❖ Key Man Insurance
- ❖ Buy/Sell Agreements
- ❖ Expansion/Transition Planning

\* Asset allocation and diversification do not guarantee a profit or protect assets in a declining market.

\*\* Accredited investors only: those with a net worth of \$1,000,000 or more (excluding equity in primary residence) or an annual income of at least \$200,000 for individuals or \$300,000 for married couples.

This is not an offer to buy or sell securities of any kind. Offers to purchase securities can only be made by means of a prospectus or private placement memorandum which can be obtained by contacting our office.

## Thought for the Day

*"Those who are not looking for happiness are the most likely to find it, because those who are searching forget that the surest way to be happy is to seek happiness for others. "*

~ Martin Luther King, Jr. ~