

Tips for Teens

Retirement Income

By Stephen Bowman

Maybe you're a little young to think about where your paycheck will come from when you officially retire but it's better to start young than when retirement is looming around the corner. Many people look at their finances for retirement when they are around 50 (if at all) and typically it's a bit late by then!



So, we wanted to spell out a few tips and tools that may come in handy before you call it quits. These are some topics that you may have heard of but will become increasingly important to you as you earn income and start to plan.

First, let's talk about Social Security.

This is the catch all that everyone who is working pays into every paycheck. Over 7% of your pay goes into this fund. Your employer also puts in 7%, so it seems like a pretty good deal for you. But the issue is that if you look at your annual statement this fund is heading into trouble around the year 2037, perhaps before it's your turn to collect. There are some fixes out there and we are monitoring what the changes may look like, but as of now nobody knows.

Now let's talk about company retirement plans.

If you work somewhere that has a plan, do your best to get involved in it. In some cases the employer will match what you are putting in dollar for dollar up to a certain percentage. Like Social Security, it may be the case that if you put in \$1000, your employer will match it and put in an additional \$1000. So that means you received a \$1000 bonus or a 100% return on your original investment. Not too

bad! Even if there is no match the company's plan will provide you with an easy way to save money.

There are ways to save money as well. However, if you take advantage of the programs early, often and with dedication, it can lead you to a road of financial independence that can be very rewarding.

No company plan, no problem.

You can be self sufficient and start your own Roth or Traditional IRA. There are many, many different things you can invest in but this type of account will grow tax-free or tax deferred until you reach retirement age. These dollars will be set aside and you can't get at them until age 59½ without penalty, but that too may be a good thing.

What about a pension plan?

These are becoming increasingly rare but if you're lucky enough to work somewhere that has one, study it and make sure you do what you can to become eligible and maximize your benefits. A pension can provide you with a lifetime of income that will supplement your Social Security.

There are ways to save money as well. However, if you take advantage of the programs early, often and with dedication, it can lead you to a road of financial independence that can be very rewarding.



Securities offered through ValMark Securities, Inc. Member FINRA, SIPC. Financial Planning and Investment Advisory Services offered through B&E Investment Advisers, Inc., a State Registered Investment Adviser. Business & Estate Advisers, Inc. and B&E Investment Advisers, Inc. are separate entities from ValMark Securities, Inc.

QUIZ

1. A Roth IRA grows tax free forever:

- TRUE
 FALSE

2. If Congress and America don't do something, Social Security will be heading for trouble by the year 2037:

- TRUE
 FALSE

3. A person should not participate in a company retirement plan that has a matching program:

- TRUE
 FALSE

All correct quizzes will receive a Business & Estate Advisers, Inc. pizza cutter!
Please fill in your name below and send your quiz via email, fax or mail to:

Business & Estate Advisers, Inc.
Attention: Jane
738 North Wilson Ave.
Rice Lake, WI 54868
Fax: 715-434-0441
Email: jane@business-estate.com

NAME _____ PHONE _____ EMAIL _____

PRIVACY NOTICE THIS NOTICE IS FOR YOUR INFORMATION. NO RESPONSE IS REQUIRED.

Business & Estate Advisers, Inc. and B & E Investment Advisers, Inc. and B & E Pension Advisers, Inc. collectively referred to as "B & E", strongly believe in protecting the confidentiality and security of information we collect about you. This notice describes our privacy policy and describes how we treat the information we receive ("information") about you. It applies to all current, former and prospective clients

Why We Collect and How We Use Information: We collect and use information for business purposes with respect to our business relationships involving you. These include evaluating a request for products or services, administering our products or services, and processing transactions requested by you. We may also use information to offer you other products or services we provide.

How We Collect Information: We get most information directly from you. The information that you give us when applying for our products or services generally provides the information we need. If we need to verify information or need additional information, we may obtain information from third parties. Information collected may relate to your finances, employment, avocations, or other personal characteristics as well as transactions with us or with others.

How We Protect Information: We treat information in a confidential manner. Our employees, registered representatives, and investment adviser representatives acting on our behalf are required to protect the confidentiality of information. These employees and representatives may access information only when there is an appropriate reason to do so, such as to administer or offer our products or services. We also maintain physical, electronic, and procedural safeguards to protect information; these safeguards comply with all applicable laws. Employees, registered representatives, and investment adviser representatives are required to comply with our established policies.

Information Disclosure: We may disclose any information when we believe it necessary to conduct our business or where disclosure is required by law. For example, information may be disclosed to others to enable them to provide business services for us such as, performing general administrative activities for us and assisting us in processing a transaction requested by you. Information may also be disclosed for audit or research purposes or to law enforcement and regulatory agencies, for example, to help us prevent fraud. Information may be disclosed to others that are outside of B & E, such as companies that process data for us or companies that provide general administrative services for us. We may make other disclosures of Information as permitted by law.

We may provide information to nonaffiliated financial services companies with which we have a joint agreement. We do not make any disclosures of information to other companies who may want to sell their products to you. For example, we will not sell your name to a catalog company. We may disclose any information, other than consumer report or health information, for the purposes described in this paragraph.

Access to and Correction of Information: Generally, upon your written request, we will make available information for your review. Information collected in connection with, or in anticipation of, any claim or legal proceeding will not be made available. If you notify us that the information is incorrect, we will review it. If we agree, we will correct our records. If we do not agree, you may submit a short statement of dispute, which we will include in any future disclosure of information.

Further Information: In addition to any other privacy notice we may provide, a recently enacted federal law established new privacy standards and requires us to provide this summary of our privacy policy. You may have additional rights under other applicable laws. For additional information regarding our privacy policy, please write us at 282 East Wayzata Boulevard, Wayzata, MN, 55391.

* Clients of B&E Investment Advisers, Inc. desiring an annual update of our Form ADV may call (952) 475-0440 to request an updated copy. August 2010.