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Here we are again on the cusp of the holiday season. November's big news, of course, was of terrorists running amuck in Europe. Through it all, financial markets behaved relatively well meaning, I suppose, that investors mustn't take the terrorist threat as an existential one. That's encouraging, but what's *dis* couraging is the panicked overreaction of our political "leaders"; i.e., refusing sanctuary to the greatest victims of these cowardly thugs, "registering" Muslims already in our country, etc. Any student of history is reminded of the anti-Semitism of the 1930s as Jews tried to flee Nazi Germany only to be turned back at the borders of more "tolerant" nations as well as the internment of Japanese-Americans during WWII. Sometimes I fear we haven't grown very much as a society during my lifetime. Hopefully the world will come to its senses and work together to save the lives and futures of hundreds of thousands of Syrian refugees.

Bruce Heling, CFP CPA

November 30, 2015

December 2015

HELING ASSOCIATES
Bringing the Personal to Financial Planning

THE PERSONAL PLANNER

Personal Financial Planning Tips for Today and the Rest of Your Life

Operating at the Intersection of Profits and Values

What motivates entrepreneurs to leave high-paying jobs and start their own companies? While having a great business idea or being their own boss are two reasons, another might be a desire to make a difference in their communities. Similarly, investors often target companies not just because they turn exceptional profits or post strong dividends but also because they effect positive change in the world.

Fortunately for these two like-minded groups, there are now ways for socially and environmentally conscious companies to distinguish themselves within the for-profit sector--by becoming a benefit corporation, a Certified B Corporation, or both.

Benefit corporations

Regulated on a state-by-state basis, benefit corporations are for-profit companies that voluntarily hold themselves to different standards of corporate purpose, accountability, and transparency than other companies. Specifically, according to benefitcorp.net, directors and management:

1. Must have a corporate purpose or mission to create a material positive impact on society and the environment
2. Are required to consider the impact of their decisions not only on shareholders but also on workers, the community, and the environment
3. Are required to make available to the public an annual benefit report that assesses their overall social and environmental performance against a third-party standard[1]

Becoming a benefit corporation does not affect a company's tax status. Companies may still elect a specific business entity (e.g., C or S corporation). However, the benefit corporation status may offer liability protection for corporate leadership by providing a legal umbrella under which they can make decisions that consider the interests of many different stakeholders, not just shareholders.

As of late summer 2015, 31 states had adopted legislation establishing benefit corporations, and five others were in progress.

Certified B Corporation

Companies may also choose to become Certified B Corps. According to B Lab, the nonprofit organization that provides the certification, "B Corp is to business what Fair Trade certification is to coffee or USDA Organic certification is to milk." Currently, there are more than 1,300 Certified B Corps in 41 countries and 121 different industries.[2]

To become a Certified B Corp, businesses must complete three steps:

1. First, the performance requirement must be met. Business leaders complete an online assessment that evaluates an organization's current impact on its stakeholders and must score at least 80 out of a possible 200 points. The questions vary depending on company size (based on number of employees), sector, and location of primary operation. Companies also take part in a review with a B Lab staff member and submit supporting documentation and a completed disclosure questionnaire.
2. Next, the company must meet the legal requirements, which depend largely on corporate structure and state of incorporation.
3. Finally, the leadership team signs the B Corp Declaration of Interdependence and Term Sheet, and pays the certification fee, which varies depending on an organization's annual sales.

B Corp Certification is good for two years, after which the organization must be recertified.

For more information, visit benefitcorp.net or bcorporation.net.

[1]Delaware is an exception.

[2]"Cash for B Corps," *Entrepreneur,* September 2015

Give Your Retirement Plan an Annual Checkup

As you reconsider your retirement income needs, it might also make sense to check your expected Social Security benefit and any other potential sources of income. To get an estimate of your future Social Security payments, go to socialsecurity.gov and select "my Social Security."

Asset allocation does not guarantee a profit or protect against a loss; it is a method used to help manage investment risk.

All investing involves risk, including the possible loss of principal. There can be no assurance that any investment strategy will be successful.

Financial professionals typically recommend that you review your employer-sponsored retirement savings plan annually and when major life changes occur. If you haven't revisited your plan yet in 2015, the end of the year may be an ideal time to do so.

Reexamine your risk tolerance

This past year saw moments that would try even the most resilient investor's resolve. When you hear media reports about stock market volatility, is your immediate reaction to consider selling some of the stock investments in your plan? If that's the case, you might begin your annual review by reexamining your risk tolerance.

Risk tolerance refers to how well you can ride out fluctuations in the value of your investments while pursuing your long-term goals. An assessment of your risk tolerance considers, among other factors, your investment time horizon, your accumulation goal, and assets you may have outside of your plan account. Your retirement plan's educational materials likely include tools to help you evaluate your risk tolerance, typically worksheets that ask a series of questions. After answering the questions, you will likely be assigned a risk tolerance ranking from conservative to aggressive. In addition, suggested asset allocations are often provided for consideration.

Have you experienced any life changes?

Since your last retirement plan review, did you get married or divorced, buy or sell a house, have a baby, or send a child to college? Perhaps you or your spouse changed jobs, received a promotion, or left the workforce entirely. Has someone in your family experienced a change in health? Or maybe you inherited a sum of money that has had a material impact on your net worth. Any of these situations can affect both your current and future financial situation.

In addition, if your marital situation has changed, you may want to review the beneficiary designations in your plan account to make sure they reflect your current wishes. With many employer-sponsored plans, your spouse is automatically your plan beneficiary unless he or she waives that right in writing.

Reassess your retirement income needs

After you evaluate your risk tolerance and consider any life changes, you may want to take another look at the future. Have your dreams for retirement changed at all? And if so, will those changes affect how much money you will need to live on? Maybe you've reconsidered plans to relocate or travel extensively, or now plan to start a business or work part-time during retirement.

All of these factors can affect your retirement income needs, which in turn affects how much you need to save and how you invest today.

Is your asset allocation still on track?

Once you have assessed your current situation related to your risk tolerance, life changes, and retirement income needs, a good next step is to revisit the asset allocation in your plan. Is your investment mix still appropriate? Should you aim for a higher or lower percentage of aggressive investments, such as stocks? Or maybe your original target is still on track but your portfolio calls for a little rebalancing.

There are two ways to rebalance your retirement plan portfolio. The quickest way is to sell investments in which you are overweighted and invest the proceeds in underweighted assets until you hit your target. For example, if your target allocation is 75% stocks, 20% bonds, and 5% cash but your current allocation is 80% stocks, 15% bonds, and 5% cash, then you'd likely sell some stock investments and invest the proceeds in bonds. Another way to rebalance is to direct new investments into the underweighted assets until the target is achieved. In the example above, you would direct new money into bond investments until you reach your 75/20/5 target allocation.

Revisit your plan rules and features

Finally, an annual review is also a good time to take a fresh look at your employer-sponsored plan documents and plan features. For example, if your plan offers a Roth account and you haven't investigated its potential benefits, you might consider whether directing a portion of your contributions into it might be a good idea. Also consider how much you're contributing in relation to plan maximums. Could you add a little more each pay period? If you're 50 or older, you might also review the rules for catch-up contributions, which allow those approaching retirement to contribute more than younger employees.

Although it's generally not a good idea to monitor your employer-sponsored retirement plan on a daily, or even monthly, basis, it's important to take a look at least once a year. With a little annual maintenance, you can help your plan keep working for you.

Financial Tips for Going Back to College at Any Age

Education Tax Benefits

Several education tax credits and deductions could help reduce the cost of college or vocational training, including the American Opportunity credit, the Lifetime Learning credit, and the student loan interest deduction. To learn more, consult a tax professional or IRS Publication 970, Tax Benefits for Education.

You're never too old to learn, but you might be wondering how you can meet your educational goals without breaking the bank. Believe it or not, there are ways to make college more affordable no matter what your age.

In your 20s

Perhaps you weren't ready to go to college immediately after graduating from high school. You took time off to travel, work, raise children, or pursue a military career. But after getting some "real world" experience under your belt, you've decided now is the time to go back to college.

Should you jump into a four-year bachelor's program or a two-year associate's degree? The answer may depend on what you want to study, how much time you have to devote to your studies, and how much you can afford. Keep in mind that federal financial aid eligibility is based on a student attending school on at least a half-time basis. Also bear in mind that the more time you spend in school, the higher the overall tuition bill and the more money you may need to borrow--and pay back.

Certificate or vocational training programs may also be worth considering as viable alternatives to more traditional four- or two-year options. Usually, they are less expensive and can be a faster way to build a skill set needed to start your career.

If you spent time in the military, you could be eligible for education benefits that may cover the cost of tuition/fees, housing, and books. To learn more about available benefits and eligibility requirements for military members, visit benefits.va.gov.

In your 30s, 40s, and 50s

The prospect of paying for college may seem impossible if you're struggling to balance your family life, job, and finances. It might make sense, though, if you need or want to upgrade your job skills or change your career.

Some employers offer tuition reimbursement benefits to help employees improve their skills or gain new skills. This can be a very valuable financial resource, so check with your human resources department to see if your company offers tuition benefits. However, employers typically require employees to remain at the company for a certain length of time after the benefits are paid, so make sure to check out the details.

If you have a particularly hectic schedule, registering for night classes, online classes, or as a part-time student may be more convenient for you.

Nontraditional class times or virtual attendance can also be more cost-effective by eliminating additional expenses like the cost of commuting or housing that are associated with conventional enrollment.

If you're in your 50s, it may be worth looking into colleges supported by programs like the American Association of Community Colleges Plus 50 Initiative. This program provides funding to community colleges for the creation and expansion of campus programs that target individuals aged 50 and older who seek workforce training or preparation for a new career. To see colleges in your area that are associated with the initiative, visit plus50.aacc.nche.edu.

In your 60s and beyond

If you're approaching retirement or already retired, you might be inspired to pursue a college degree or attend classes merely for educational enrichment. If so, you don't necessarily have to tap into your retirement funds to pay for college.

A growing number of state universities and community colleges offer a selection of tuition-free classes for older students. Other schools may offer reduced tuition based on your age.

And if you don't mind learning online, massive open online courses (MOOCs) could be a cost-effective option. MOOCs offer a wide variety of classes at little or no cost, allowing you to quench your thirst for more knowledge on a variety of topics at the time of your choosing.

Tips for all ages

Renting textbooks, registering for online courses, and applying for financial aid are examples of money-saving strategies that could help a college student at any age. Remember that most students are eligible for some form of financial aid, so you will want to fill out the federal government's Free Application for Federal Student Aid (FAFSA) to determine how much aid you might be eligible for. To learn how much aid you might receive, visit a college's financial aid office, run a college's net price calculator on its website, or visit fafsa.ed.gov.

If you receive a smaller amount of financial aid than you hoped, research local, state, and national scholarships. Accomplishments you've made over the years from your nontraditional education path could help you qualify.

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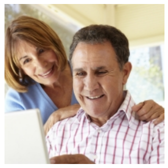

What is a phased retirement?

In its broadest sense, a phased retirement is a gradual change in your work patterns as you head into retirement. Specifically, a phased retirement usually refers to an arrangement that allows employees who have reached retirement age to continue working for the same employer with a reduced work schedule or workload.

A phased retirement has advantages for both employees and employers. Employees benefit from the opportunity to continue active employment at a level that allows greater flexibility and time away from work, smoothing the transition from full-time employment to retirement. And employers benefit by retaining the services of experienced workers.

There may be other advantages attributable to a phased retirement. When you work during retirement, your earnings can be applied toward living expenses, allowing you to spend less of your retirement savings and giving them a chance to potentially grow for future use. You may also elect to work for personal fulfillment--to stay mentally and physically active and to enjoy the social benefits of continuing to work with the same co-workers.

Not all employers offer a phased retirement option, but if it's available, you may want to consider whether you'll still have access to affordable health care during this period, especially if you aren't old enough to qualify for Medicare. Also, some employer-sponsored pension benefit formulas may place a higher weighting on earnings during the final years of employment. If you're lucky enough to have an employer-sponsored pension plan, will working a reduced schedule with presumably reduced pay negatively affect your pension benefit? Some employers offer life insurance to their full-time employees. However, this benefit might be reduced or eliminated if you work fewer hours, which can affect your dependents at your death.

Will a phased retirement affect your Social Security retirement benefit? The Social Security website, socialsecurity.gov, provides some calculators that can help you determine the impact a phased retirement may have on your benefits.

Before enrolling in a phased retirement program, consider its impact on your entire financial picture.

Are federal employees eligible for phased retirement?

Yes, a phased retirement program is authorized by the Moving Ahead for Progress in the 21st Century Act or MAP-21. In 2014, the United States Office of Personnel Management (OPM) issued final rules relative to the program that provide guidance to agencies and employees about who may elect phased retirement, what benefits are provided, how the retirement pension/annuity is computed during and following phased retirement, and how federal employees may exit the phased retirement program.

Generally, each federal agency has the option of offering a phased retirement program--employees have no right to phased retirement. Otherwise, only employees who have worked full-time for the preceding three years--who meet certain age and years of service combinations for immediate retirement in either the Civil Service Retirement System (CSRS) or the Federal Employees Retirement System (FERS)--may be eligible. Employees subject to mandatory retirement (law enforcement officers, firefighters, air traffic controllers, etc.) may not participate.

According to OPM regulations, phased retirement program participants must spend at least a fifth of their working time mentoring co-workers. Also, phased retirees continue to be subject to applicable retirement deductions, and Social Security and Medicare payroll taxes. During phased retirement, health and life insurance benefits continue to be provided through the employing agency with no reduction. Phased retirees may exit the program to full retirement at any time without agency approval.

During phased retirement, the employee's pension/annuity is treated as if the employee fully retired, then one-half of that amount (without reduction for survivor benefits) is paid to the employee while receiving half of his or her pay. When the employee fully retires, the full pension/annuity is paid, reflecting an increase as if the employee had been employed full-time during the phased retirement period. While a survivor benefit election is not available on a phased retirement annuity, a survivor election can be made once the employee fully retires. For more information, visit the Office of Personnel Management website at opm.gov.