

On the

[MONEY]

Registered Investment Advisor

www.VintageFS.com

Fall 2014 Vol. XXX No. III

From the Grapevine...

Frank & Jennifer Moore, who co-founded Vintage nearly 30 years ago, became empty nesters at the end of August. Their youngest, Michelle, headed to Central Michigan University while their son, Mac, headed off for his senior year at Miami of Ohio. Kate, their oldest, is in a PhD program at Dartmouth. They'll celebrate their new freedom with their first trip to Europe in September.

Each year *Financial Advisor* magazine ranks the largest fee only financial planning firms in the country in their July issue. Vintage made the list again this year and was the only firm based in Washtenaw County to make the ranking. Of the 17 Michigan firms, Vintage ranked #10 based on assets under management.

In other staff news Candace recently got a cute puppy, Milo, and Joe Henderson took his family to Europe, including Germany, Austria, and a visit with his wife's family in Hungary.

FRANK NAMED TO NAPFA NATIONAL BOARD

Earlier this year Frank Moore was selected to serve on the national board of the National Association of Personal Financial Advisors (NAPFA). Beginning September 1, he'll serve a three year term on the ten member board that governs NAPFA. In his first year he'll serve as Treasurer and head up the Finance Committee.

Frank has been active with NAPFA since joining the organization in 2005. He just completed four years on the Midwest Region board where he served as Treasurer, President and then Chairman. In addition he's been involved with the Practice Foundations training for newer advisors and he served on the Practice Management committee of NAPFA University. Frank has spoken at several NAPFA conferences on topics ranging from technology to marketing to the investment management process.

NAPFA is the leading organization of financial planners who meet the highest standards in the profession. Members must be Certified Financial Planners (CFP®), work on a fee only basis, and have a financial plan peer reviewed to gain admittance. Continuing education requirements for NAPFA Registered Financial Advisors are 60 hours every two years, double the requirement for CFPs.

To learn more about NAPFA see their website at www.napfa.org.

PUTTING THE PIECES TOGETHER

Your financial life can get complicated and may involve several professionals that you turn to for various kinds of expertise, products and service. You may work with a tax preparer, a broker, an estate attorney, life insurance agent, and others to cover the different pieces of your financial life. Unfortunately, without a coordinated approach a number of problems can occur.

When it comes to income taxes a lot of people prefer to deal with it just once a year. They bundle up their tax related documents and dump them on their preparer or do their best to work through a software package like TurboTax. Too often this approach overlooks ongoing tax planning that could be done before the tax year is over. If there are taxable gains in a brokerage account, that information isn't always communicated to the tax preparer until it's too late which can create tax penalties come April.

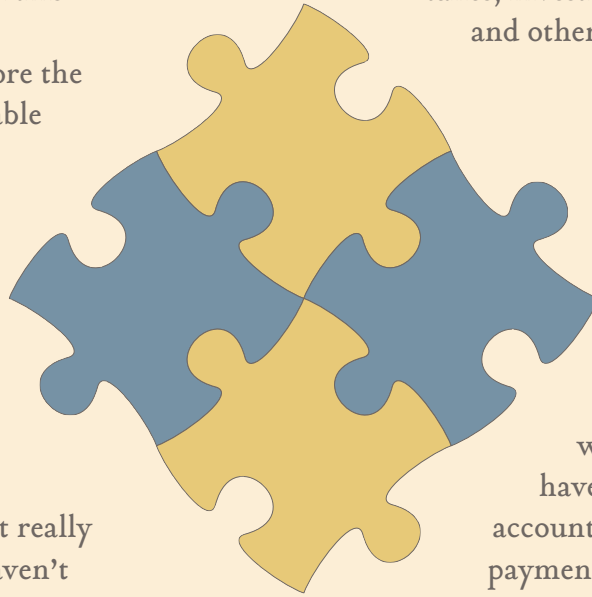
In the estate planning area we sometimes see clients that have established a trust but don't really understand how it works and haven't properly funded it. The estate attorneys typically charge by the hour and there's a reluctance to contact them with questions or to update plans that may have become outdated due to tax law changes.

Brokers can suggest some investments but they typically don't have a good idea of your overall financial picture and very few are well trained in financial planning. Your 401(k) can be a big part of your retirement income plan but they can't monitor it and balance it with your other investments.

If your employer provides a 401(k), 403(b) or other type of retirement savings plan there's usually very little advice on how best to invest the funds. Some providers may offer an asset allocation model but there's generally no ongoing investment management.

Planning for a sufficient retirement income takes decades of diligent savings, good investment results and a solid plan that gets updated regularly. Unfortunately most of the professionals listed above don't pull all the pieces together and very few offer a comprehensive financial plan.

At Vintage, our team of Certified Financial Planners work together to create a coordinated financial plan for our clients. We have expertise in taxes, investments, estate planning, insurance and other areas.



Consider one example of how our integrated approach works. When we look to take a gain on an investment we'll consider the tax impact and then determine if the gain requires an update to your quarterly estimated taxes. If so we'll let you know, ensure that you have the cash available in your account, and we can even make the tax payments for you.

In retirement planning we can pull together your 401(k), IRAs and other retirement assets and manage them as one balanced portfolio. We can take advantage of the better options in your 401(k) and balance them with other asset classes with your IRA and other funds.

There are many other examples of how our integrated services can improve your financial life. If you'd like to learn how we can optimize your puzzling financial life, see our website at www.vintagefs.com or give us a call.

MEET DAN GALLAGHER

We're excited to announce the addition of another financial planner at Vintage. Dan Gallagher recently joined our firm after a 25 year career in Product Planning and Strategy at Ford Motor Company. He has passed the CFP board exam and is currently working to fulfill the experience requirement to become a Certified Financial Planner. Dan is a graduate of the University of Michigan where he earned a Bachelor of Science in Industrial Engineering and an MBA in Finance.

ANNUAL CHECK UP

Our Annual Financial Report that we prepare for our clients reviews their investment performance vs. benchmarks, updates their retirement planning and education funding as well as their net worth statement. In addition to these items, though, it's good to do an annual check up on a couple other items.

The website www.annualcreditreport.com lets you check on your credit rating and review credit card and loan accounts you have. This is the official free site, not to be confused with others that charge for your reports. It's a good idea to ensure that the reporting is accurate and that no one has stolen your identity and opened additional accounts.

It's also a good idea to review your Social Security statement if you haven't retired yet. Your Social Security benefit is based on your income during your working years so it's important to get the proper credit. If there's an error you need to catch it as Social Security won't be able to correct errors that are more than a few years old. Retrieve your statement online at ssa.gov.

HOW MUCH RETIREMENT INCOME WILL YOU NEED?

If you read a lot of the popular financial press you may see references to retirees needing 60-80% of their pre-retirement income. That's a pretty big range and really misses a number of factors including your pre-retirement income level, whether your mortgage is paid off, and how much you are used to saving every year.

At Vintage we developed a more accurate estimate of your retirement income needs back in the 1990's and it's worked well for our retiring clients. What we've found over the past thirty years is that most people are pretty comfortable if they can maintain their same standard of living after they retire. That doesn't mean you'll need 100% of your pre-retirement income, though.

Our analysis looks at your pre-retirement income and then deducts state, federal and FICA income taxes. Most retirees will see a significant drop in taxes upon retirement due to the end of FICA (Social Security and Medicare) taxes, a generally lower taxable income, and state taxes that may drop depending on state tax laws or a change in residence.

Next you won't need to save additional funds for retirement or college funding so those figures can be deducted as well. Finally your mortgage may be paid off either by retirement or shortly thereafter and we'll adjust for that. By looking at your net, after tax, after savings, after mortgage payment lifestyle costs we can then determine how much you'll need to maintain a similar lifestyle in retirement. This "lifestyle" figure is often similar to your regular "take home" pay less any mortgage payment.

If you'd like to learn how this method may work for you, please contact our office or see our website at www.vintagefs.com.

VINTAGE FINANCIAL SERVICES OFFERS

Fee only investment management, financial planning,
and tax preparation.

Minimum portfolio \$250,000
(401(k) balance may count toward minimum).

For a no charge, no obligation initial interview please call our office
at (734) 668-4040 or (800) 666-9237 or e-mail:

Joe Henderson, CFP, CLU Joe.Henderson@VintageFS.com

James Burns, CFP, CPA James.Burns@VintageFS.com

Or visit our website at www.VintageFS.com

- Retirement Planning
- Education Funding
- Investment Management
- Estate Planning
- Insurance Review
- Trust Investment Management
- Income Tax Preparation

Plan to succeed.

VINTAGE FINANCIAL SERVICES, LLC

Presorted Standard
U.S. POSTAGE
PAID
ANN ARBOR, MI
PERMIT NO. 898

101 North Main Street, Suite 800
Ann Arbor, MI 48104

On the

MONEY

**INSIDE
THIS
ISSUE:**

FRANK NAMED TO NAPFA BOARD
PUTTING THE PIECES TOGETHER
HOW MUCH RETIREMENT INCOME WILL YOU NEED?
MEET DAN GALLAGHER