[VINTAGE] FINANCIAL SERVICES, LLC

On the [MONEY]

Registered Investment Advisor | www.VintageFS.com | Fall 2017 Vol. XXXIII No. III

From the Grapevine...

We're excited to announce that we received yet another national recognition. In June, *Financial Times*, "one of the world's leading news organizations", included Vintage on their list of the top US Registered Investment Advisory firms. The *FT 300* list included just nine Michigan based firms this year. Vintage made the list based on our growth rate, history, compliance record, professional certifications, and online accessibility. See the full list and their methodology at FT.com.

Congratulations to Jack McCloskey on his August marriage to Ashley Rop. They were married in Kalamazoo and most of the Vintage team was able to attend and enjoy the weekend festivities. Jack and Ashley honeymooned on the Big Island in Hawaii.

On deck in the wedding department is Jim Burns. Jim and his fiancée, Angela DiNicola, are planning an October wedding in Detroit with the reception afterwards in Livonia.

CAVEAT EMPTOR

For those of you that haven't kept up on your Latin, the phrase "Caveat Emptor" means let the buyer beware. That seems to be the message that the Department of Labor is now sending to investors. In August, they proposed yet another delay in the full implementation of the rule that would require brokers and insurance agents to place their customer's interests first when it comes to retirement plan advice.

The "Fiduciary Rule" was in the works for six years during the Obama administration and was finalized in April, 2016 with an effective date in April, 2017. After Trump's inauguration, the DOL delayed the rule for 60 days and implemented parts of it, but in August they announced their intention to delay the rule until July, 2019.

Wall Street and the insurance industry rejoiced as they've spent tens of millions of dollars fighting the idea of protections for their customers. While their advertisements suggest that "you're in good hands" or that they are "on your side", the truth is that they are much more interested in protecting their profits and their agent's fat commissions.

We had hoped that the industry and the Trump administration would take a more consumer friendly approach, but now it's still important to research your financial advisor to learn who they work for because most of them clearly don't work for you. We've got a checklist and video on our website to help you out if you're not one of our clients. Visit www.VintageFS.com.

RETIREMENT TAX PLANNING OPPORTUNITIES

Pre-retirees are often focused on how much money that they'll be able to draw for their retirement income, but how much you can spend will depend on how the withdrawals are taxed. Incorporating sophisticated tax planning into your retirement income plans can offer some opportunities to save a substantial amount of taxes.

Most couples with retirement income of over $44,000 will find that 85% of their Social Security benefits are taxable. Determining the best time to start drawing Social Security benefits involves many variables, one of which is taxes. Delaying Social Security benefits may allow you to stay in a lower income tax bracket and that can open up other tax planning options.

For married couples, the 15% federal income tax bracket covers income up to about $95,000 when you factor in the standard deduction and personal exemptions. For itemizers, it can go even higher. One of the benefits of staying in the 15% bracket is that dividends and long-term capital gains can be free of federal income taxes.

At age 70, there is no longer any benefit to delaying Social Security benefits (prior to then, the benefits increase by 8% each year that you delay) and at age 70 ½ you become subject to Required Minimum Distributions from most retirement accounts. The addition of this taxable income can drive many retirees into a higher tax bracket and result in their retirement account distributions being taxed at 25% or higher federal rates. The ability to make partial Roth conversions in your 60's when you may be in a lower tax bracket can be a great opportunity to save significant tax dollars.

If you have a tax deferred annuity you'll want to carefully plan how to take withdrawals from it. These are often expensive, poor performing investments but cashing them out can result in substantial taxable gains that could drive you into a high tax bracket. Waiting to pass the annuity on to your heirs, though, can also backfire as they may get stuck with a large taxable gain on top of their other income.

If you have large taxable gains from the sale of a business, property, an annuity or something else, you'll also want to consider the impact on your Medicare premiums. A gain that pushes your taxable income above $214,000 (or $428,000 for joint filers) in 2017 can result in Medicare premiums that may be over $3,500 higher in 2019.

State income taxes can also be a factor. For retirees that spend part of their year in states like Florida, Texas or Nevada that have no income tax, it may make sense to consider changing your state of residence.

For many retirees, income taxes are their largest expense. Fortunately, there are ways to minimize the cost through a well-designed plan. If your financial advisor, like most, suggests that you "consult your tax advisor" it may be time to find one that can help. Similarly, if your tax advisor isn't looking at a multi-year retirement income strategy, you may want to hire an advisor that can offer more than simple tax preparation services.

At Vintage, our tax team works proactively with our clients to implement optimal strategies for reducing taxes. We're one of just a few firms in the area that offer the integrated expertise of investment management, financial planning and tax planning and preparation. Find out more by giving us a call or see www.VintageFS.com.

CREDIT SCORES

Much ado is made about credit scores but it's not much ado about nothing. Credit scores affect interest rates for home loans, car loans, credit cards, financing large purchases, and even physical property insurance. The caliber of your credit can determine whether you are approved or rejected, the terms and rate you'll receive, as well as the maximum borrowing amount.

CREDIT SCORE

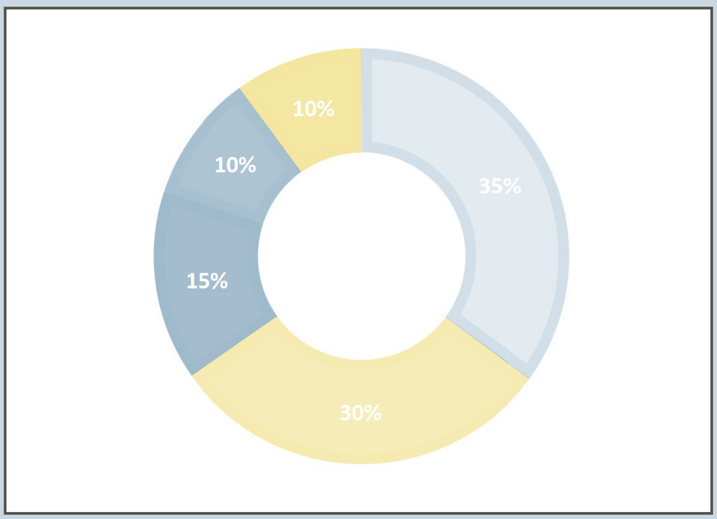
35% PAYMENT HISTORY

30% CREDIT UTILIZATION

15% LENGTH OF CREDIT HISTORY

10% CREDIT MIX

10% NEW CREDIT



Understanding how your score is determined offers some insight into how to maintain and boost your credit score. The pie chart above breaks down credit scores into 5 main components.

- To FICO, the most important indicator of trustworthy credit is payment history, whether you always pay on time or continually miss payments.

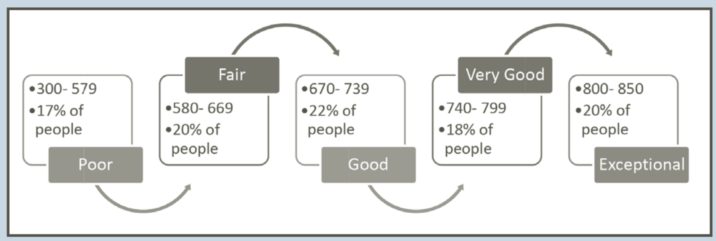
- Credit utilization looks at the total balance owed, number of accounts with balances, and the amount of credit you use in relation to your available credit.

- A third determining factor considers the age of your oldest account as well as the average age of your aggregate accounts.

- Credit mix refers to the different types of credit accounts you hold, including credit cards, retail accounts, installment loans and mortgage loans.

- The final piece considers how many new accounts you've opened or inquiries for new credit. Opening multiple new credit accounts within a short period poses the greatest risk to this component of your credit score.

In general, credit scores range from 300 – 850 and are broken down roughly into the following categories.



*from www.experian.com *What is a Good Credit Score?*

Qualifying for the best interest rate varies depending on the type of credit. For example, if you're looking for a credit card, a score greater than 690 is recommended while prime rates on mortgages or auto loans might require 730. Even further, one lender's definition of a "good" score may not be the same as a different lender down the street.

One more item to bear in mind, your FICO Score is not the only method of calculating credit scores, it is merely the primary. Another source used by credit issuing institutions is VantageScore, a joint venture owned by the major credit bureaus of Equifax, Experian and TransUnion.

VINTAGE FINANCIAL SERVICES OFFERS

Fee only investment management, financial planning,
and tax preparation.
Minimum portfolio $500,000
(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:
Succeed@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.

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INSIDE THIS ISSUE:

CAVEAT EMPTOR
RETIREMENT TAX PLANNING OPPORTUNITIES
CREDIT SCORES