

THE Rational Optimist™



The Lost Art of Confidentiality

Will there Finally be a Price to Pay for Giving Away our Private Data? BY JASON PRINT, CFP®, CO-PRESIDENT & CEO



Equifax struck a \$700 million settlement to resolve investigations and lawsuits from the 2017 data breach, which exposed sensitive information for 150 million Americans. That breach was one of several nine-figure settlements over the last couple of months.

In the US, the Consumer Financial Protection Bureau and the FTC have been flexing their regulatory muscle. Internationally, the General Data Protection Regulation (GDPR) is a Regulation in the making by which the European Commission intends to strengthen and unify data protection for individuals within the European Union (EU). The GDPR has set the grounds for record-breaking fines.

In September of 2018, British Airways (BA) announced its website breach that disclosed 380,000 financial records. It made front-page news, and as always happens with today's big headline, it quickly became yesterday's news.



This breach was not unique from a technical standpoint – the tool used to hack their website, Magecart, has claimed over 7,000 successful website attacks. What made this attack unique was that GDPR had taken effect just several months earlier, and it was the first significant breach since GDPR became law.

In November of 2018, Marriott disclosed that the details of 383 million guests breaches, and that the cybercriminals had been in Marriott's systems for four years. The scope of this hack was enormous! Three hundred eighty-three million guests- that's 5% of the planet's population.

The Equifax breach was a result of a software flaw the company had neglected to patch. Hackers were able to work their way into

the system, and a malfunctioning scanning tool allowed the hackers to roam undetected in the network for months. Sensitive personal data for nearly 150 million Americans were exposed.

Recently, British Airways was fined \$239 million for its breach. The fine came from the Information Commissioner's Office (ICO), which is the United Kingdom's data protection regulator. Previously the largest GDPR fine was under \$1 million, which for many large companies, isn't enough to warrant much attention- \$239 million is enough to get any company's attention.

The very next day, Marriott's ICO announced a 123 million dollar fine. It appears that regulators are trying to demonstrate that GDPR has some power. Now, it's likely that both fines will get challenged and possibly reduced over time. Nonetheless, it's encouraging to see regulators holding companies accountable.

The Equifax Agreement requires the company to establish a \$425 million fund for monetary relief to consumers, along with civil penalties. Consumers can file claims online or by mail and could be eligible for \$20,000. You can file a claim through Equifax's data breach settlement page. Equifax also has a website where you can find out whether your personal information was exposed.

According to the commission's online claims process, those whose personal information was exposed can get free credit monitoring for ten years total. Four of the ten years are offered through the three major credit bureaus (Equifax, Experian, and TransUnion), and the other six years, specifically through Equifax. If you already have credit monitoring, you can choose to receive \$125.

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The Power of Perspective

BY JEFFREY JANSON, CFP®, AIFA®, SENIOR WEALTH ADVISOR



We all have reasons to complain, feel disappointed, or be bitter. Things don't always (or rarely) go as we planned. Things take longer, cost more, break or rust too quickly, or don't pan out as we had hoped.

People disappoint us; sometimes considerably. Relationships can fracture and fall apart. People can betray us, talk badly about us behind our back, or even actively work against us.

Our health eventually fails, investments don't always pan out, and it seems you still have to wait longer than you think reasonable. People act (or drive) selfishly. Unless you're careful, it can begin to feel like life is conspiring to make things difficult for you.

We can't control what happens to us, but we can control what we think about it, do about it, say about it, and how we respond to it.

Here is the crazy thing, it's not even that hard, it just takes a little bit of practice. It's all in where we choose to place our mind's focus. The agency is ours alone.

At the risk of sounding trite and cliché, if you have ever taken 5 minutes to consider how blessed/lucky/fortunate you are, you will immediately recognize it is a humbling experience!

If you're having trouble thinking about the good in your life, here are some questions to ponder to get you started:

Is there freedom where you live or did you wake up this morning living under an authoritarian dictatorship?

Did you have to spill your blood to secure that freedom? No? Consider how many who did before you and how many made the ultimate sacrifice so you could experience freedom in your life.

Does everyone in your life love you? No? Well, is there *anyone* in your life that loves you?

Focus on those relationships and be grateful for them. I think you will quickly recognize that most people in your life either like or love you, even if not everyone does. Choose to focus on the lovers, not the haters.

Do you have any family? Either parent, siblings, or your children?

Did you sleep indoors last night? Remember, not everyone gets that privilege.

Did you eat more than once yesterday? That is not a foregone conclusion for everyone on planet earth.



Did you go to bed hungry last night? No? Be grateful for that fact. Nearly 13% of the world (800 million people) does go to bed hungry every night.

Do you have a vehicle to drive?

Ever been on vacation?

Do you have a job or profession (or did you ever) that allowed you to earn a living?

Did you make over \$32,400 last year? Do you realize that according to Global Rich List, you are in the top 1% of income earners on earth? Let that one sink in. 99% of income earners made less than \$32,400 last year.

Did you get to retire from active work?

Have you ever gotten better at something?

Have you ever enjoyed anyone's trust?

Have you ever given anyone else your trust and found them to be worthy of it?

Do you have a hobby?

Do you have a pet (or did you ever)?

Did you have a choice in what you wore today?

Do you have a smartphone and/or computer?

Do you have access to health care?

Do you know how to read? Did you receive an education? Did you get to attend college? Have you ever graduated?

Do you have a retirement plan or investments? Do you receive a pension or Social Security?

Have you ever been forgiven for something you did to harm or hurt someone even though you didn't deserve the forgiveness?

You get the idea. There is no end to the items that could go on a list like this. Not all things on this list are ubiquitous in life for everyone, but it is a reasonably good bet that 90+% of these items are currently or have been a part of your life at some point.

It is up to you regarding what you choose to focus on. I challenge you to try this exercise for 5 minutes and then consider how you feel afterward. I'm guessing you will walk away in a new, positive, and very grateful frame of mind; which leads toward happiness.

It's all about perspective people! Let's get some.

Best Regards,

A stylized, handwritten signature in black ink, appearing to read 'Jeffrey Janson'.

Millennials and the Prepaid Credit Card

BY MEAGAN HERNANDEZ, CLIENT SERVICE SPECIALIST

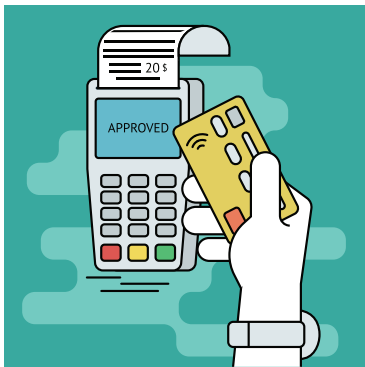


Who would have known that by the year 2019, millennials would have a say in just about everything we do. From how we buy groceries to calling for taxi service, which has since then been replaced by online food delivery within minutes to services like Uber and Lyft.

It's no surprise when it comes to changing the way we bank or use credit cards, millennials will likely play a role in that too. Prepaid Credit cards are a favorite amongst low-income households, those without bank accounts, and now millennials.

Approximately 60% of millennials that are in financially stable situations (household incomes of \$100,000.00 and higher) use prepaid credit cards. Millennials also account for the largest working generation in the U.S. So, what is the reasoning behind this?

Prepaid credit cards are similar to debit cards in the sense that you only spend money that belongs to you; it is a considerable advantage for budgeting purposes and keeping track of spending.



* *Prepaid credit cards are certainly "trending" at the moment*

A Bank of America survey showed that 73% of millennials have a budget and stick to it - most months. Prepaid credit cards require you to have the actual funds upfront; this eliminates the possibility of overspending.

Considering that this is the generation with the most student loan debt in U.S. history, budgeting is crucial. You cannot overdraft a prepaid card, so the \$5.1 billion in overdraft fees large banks collected last year does not apply to prepaid users.

Millennials may also choose a prepaid card as credit scores are not a factor when applying for one, nor are they affected while using; No overdrafts, no credit checks, no loans, no risks. Millennials have an average total debt amount of \$80,666.00 and an average FICO Score of 665, which makes it very difficult to both obtain and build credit.

Millennials have more financial payment options than ever. Prepaid cards provide them the spending advantages of a regular card, without the consequences of a traditional credit card. They are the safer choice even though they do not offer rewards, airline miles, or interest opportunities like conventional credit cards.

This increasingly popular prepaid alternative to credit cards has allowed companies like Venmo, a popular mobile payment

service, to launch the Venmo MasterCard, which can be used at any store that accepts MasterCard.

Even millennials' favorite international coffee shop chain, Starbucks, also recently announced that it's offering a prepaid Visa card that offers bonus points on every purchase. High-end credit card companies are also adding diversity to the prepaid card industry, American Express is now pushing cards like Serve and Bluebird to customers, and in terms of spending volume, these cards are seeing enormous growth.

What are the disadvantages of prepaid cards? Prepaid cards are far less regulated, so their terms of use can be confusing. For example, if a prepaid card is lost or stolen, the protections in place might be fewer than those with a traditional debit or credit card.

You might also pay a fee every time you charge on the card or pay fees whenever you load the card with money and get cashback from an ATM. The charge could be just a few cents or dollars, but over time, they will add up.

It can be a disadvantage when it comes to more significant purchases as well, such as buying a house or a car; credit cards help build the necessary credit history that prepaid cards can not.

So what's next for millennials and their credit alternatives? Retail can be a possibility. Afterpay is an online layaway program that allows customers to receive products immediately and pay for them in 4 installments - every two weeks. It launched in the U.S. market just over a year ago, and over 6,500 U.S. retailers are currently utilizing it.

Afterpay allows customers to buy products without taking out a traditional loan or paying upfront fees or interest. Large companies such as Wayfair, Home Depot, and La-Z-Boy are proposing similar instant point-of-sale loans as well.

All in all, prepaid credit cards are certainly increasing in popularity, but they might be what is "trending" at the moment for millennials. While they are convenient for eliminating debt and come with a few other perks, they are far from taking over the traditional credit card.

Warm Regards,

A handwritten signature in cursive script that reads 'Meagan'.

<https://www.doughroller.net/credit-cards/why-are-millennials-using-prepaid-credit-cards/>

<https://www.philadelphiafed.org/-/media/consumer-finance-institute/payment-cards-center/publications/discussion-papers/2014/D-2014-Millennials.pdf>

<https://fimeoutthere.com/2018/03/millennials-prepaid-card-usage/>

Kicking the Heart and Sole of the Footwear Industry

BY TRAVIS MARTIN, CLIENT SERVICE SPECIALIST



The yearlong trade dispute between the United States and China has revolved around matters such as tariffs, subsidies, technology, intellectual property, and cybersecurity, among others. The recently announced new tariffs on \$300 billion of Chinese goods set to take place in early September will have a significant impact on consumer goods.

One of the biggest victims in the escalating trade war is the U.S. footwear industry, which is hugely dependent on China for its cheaper yet skilled labor. In anticipation, multinational footwear and apparel giants Nike and Adidas have been forced to begin altering long-time production strategies and supply chain.

For a long time, China has been the world's low cost, low regulation, manufacturer of choice, especially true for the sneaker industry. China, being the largest footwear producer in the world, CNBC estimates that 70% of shoes sold in the U.S. come from China. The U.S. footwear industry produces just 25 million pairs of shoes a year while importing 2.5 billion.



Whether multinational companies can remap the supply chain, making American companies less reliant on China for manufacturing remains to be seen.

Meanwhile, the continually rising cost of sneakers is demand-fueled. The rising trajectory of sneaker prices, facilitated through an increasing interest in athletic shoes across society, has allowed the big brands to continue offering exclusive shoes across several high price tiers.

The athletic shoe business has traditionally depended on athletes, basketball players, in particular, to sell sneakers. The No. 1 pick in this year's NBA Draft, Zion Williamson, recently signed a shoe deal with Jordan brand, produced by Nike. The deal is reportedly worth \$75 million over five years, marking the richest annual rookie shoe deal in NBA history.

Nowadays, the sneaker industry scope is broader than just athletes. Some of the biggest shoe releases are from entertainers. Entertainers can leverage a more extensive existing fan base, and they have helped boost sneakers' prestige by shifting the focus from performance to style.

With rising demand and looming tariffs, shoe companies continue to brace for impact. The major players have steadily been easing their reliance on China, shifting production to places like Vietnam and Mexico instead.

America's second-largest foreign supplier, Vietnam, has been a leading beneficiary of the trade war accounting for 450 million pairs of shoes that were imported to the U.S. last year, with the majority being athletic footwear.

The challenge Vietnam is facing is a limited workforce. With factory capacity already hovering over 90%, many manufacturing plants have stopped accepting orders from new customers. Mexico has seen a drastic increase in footwear production amid the escalating trade war, becoming America's fifth-largest foreign supplier of shoes. Mexico benefits from its proximity to U.S. customers and duty-free status for footwear afforded under the North American Free Trade Agreement.

As demand continues to rise along with manufacturing and import costs, the consumer will feel the effects. The Footwear Distributors and Retailers of America calculated how much impact consumers could see. "The price of a performance running shoe might jump from \$150 to \$187.50, an increase of about \$38. A canvas sneaker that retails for \$49.99 could cost \$58.69."

From Nike sneakers to McDonald's Happy Meal toys made in China, subsidiaries of American companies, or joint ventures where the American firms maintain a sizable position will continue to be significantly affected.

Whether multinational companies can remap the supply chain, making American companies less reliant on China for manufacturing remains to be seen. In the meantime, there is no end in sight to the modern phenomenon of exclusive and expensive sneakers for the American consumer.

Best Regards,

<https://www.businessinsider.com/sneaker-prices-costs-expensive-shoes-footwear-2019-7>

<https://www.cnn.com/2019/06/16/economy/new-balance-china-tariffs/index.html>

<https://footwearnews.com/2019/business/trade/us-china-trade-war-shoe-stats-1202807372/>

<https://www.cnbc.com/2019/08/02/new-tariffs-on-shoes-has-the-industry-bracing-for-a-hit.html>

<https://www.forbes.com/sites/kenrapoza/2019/08/08/more-us-companies-seen-leaving-china-after-september/#32d5afd52b33>

Finding Tax Arbitrage Between Different Corporate Structures – Part 2

BY ANDREW DICKENS, DIRECTOR OF PENSION SERVICES & WEALTH ADVISOR



In my last article, I explored the basic differences between pass-through corporations and regular corporations – and how the new tax law applies to them. In this article, I'll examine things to know and consider when trying to find some tax arbitrage between moving from a pass-through entity to a regular "C" corporation structure.

It's first essential to understand what income levels would most likely find any tax arbitrage. A married couple filing joint will not hit the 21% effective tax bracket until their adjusted gross income reaches around \$400,000. If all of that income is from a business eligible for the 20% QBI deduction, then they may not reach the 21% effective rate until their AGI is over \$800,000.

Thus, high income married couples are likely to be subjected to tax rates high enough to even consider changing from a pass-through to a regular corporation. In contrast, moderate earners may not find any value at all.

However, unmarried individuals will find themselves hitting the 21% effective rate at about half the income of a married couple. Therefore, high or even moderate earning unmarried individuals may find some benefit in converting their entity.

I previously mentioned the double taxation of income in a C corporation is taxed at the corporate level first and then taxed at dividend rates when distributed to shareholders. Compensation, however, is deductible to the C corporation and taxable to the individual.

If the owner has a modest lifestyle requirement, then they can pay themselves a meaningful salary and leave the rest of the income in the C corporation. That is a crucial benefit of C corporations in that they can retain earnings instead of distributing them to shareholders and avoiding, at least for a time, the dividend tax.

There are limitations to retaining earnings, and excessive retained earnings can be subject to taxes (called the accumulated earnings tax). Still, there are safe havens, and if there are legitimate business reasons to retain earnings above safe havens, you may be able to avoid the excess tax. One reason may be to pay out compensation to an owner under a deferred compensation arrangement.

While I'll be writing another series on deferred compensation arrangements, I will provide a preliminary overview in this article. In summary, they are discriminatory benefit plans that create a liability on the company's books for a promised future

compensation, usually for a retiring executive.

If structured properly, it may be possible to use retained earnings to offset liabilities created by the deferred comp plan, then distribute retained earnings as compensation later. An owner with a "modest" lifestyle requirement may find themselves paying less than the 15% dividend tax rate on that compensation.

One reason to retain earnings would be to engage in other business activities. If the individual is a professional service business and not permitted the QBI deduction under 199A, they may find the ability to create additional business opportunities using retained earnings in a C corporation to acquire assets.

This option may be especially attractive for professional athletes or gamers, whose high-income earning years may be limited to their early life.

Converting from a pass-through entity to a C corporation can be difficult and not without challenges or costs. It may require a costly change to the accrual method of accounting. Depending on the entity under consideration, it could also result in the loss of the accumulated adjustments account balance.

An important consideration when moving from a pass-through corporation to a C corporation would be the impact of double taxation on the sale of a regular C corporation. One might want to convert from an S to C then back to S to benefit from a better tax situation upon selling the entity, but this could present some real challenges. The IRS imposes a five-year wait to re-elect as a sub-chapter S corporation without its consent. Additionally, you could be subject to built-in gains tax under Sec. 1374.

However, if you are a professional services entity offering something you can't "sell" to another individual, then any drawbacks of owning a C corporation to sell it down the road would be mute. Thus, some single owner professional services businesses with no employees might find a conversion attractive.

Even with the double taxation, there may still be benefits to changing to a C corporation. Consider an owner with a minimal basis in a C corporation who sells the assets of the corporation later down the road. The proceeds of the sale would be assets of the C corporation (as opposed to a stock sale which would be paid to the shareholders).



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Two Easy Retirement Plan Options for Small Business Owners

BY CHAD LEATHERWOOD, CFP®, WEALTH ADVISOR



Do you know the most appropriate retirement plan to implement in your business? The primary concern of many business owners is paying less in taxes while saving for retirement. A secondary matter may be providing a valuable benefit to employees to help improve retention and help meet their retirement needs.

The truth is that there is no one size fits all best retirement plan for all small businesses. While the 401(k) plan is popular, it is not always optimal for a small business due to the greater complexity and cost to establish and maintain.



We help business owners to arrive at the right type of plan for their situation and goals

Depending on the situation and needs of the business owner, there are several easy ways to implement small business retirement plans. Two of these plans are the Simplified Employer Pension (SEP) IRA and the SIMPLE IRA.

With both the SEP IRA and SIMPLE IRA, employer contributions are tax-deductible and plans accumulate on a tax-deferred basis. With the SIMPLE IRA employee's contributions are made on a pre-tax basis.

Here is a general comparison between the two:

	SEP IRA	SIMPLE IRA
Type of Employer:	Any Business regardless if employees are full time or W-2	100 or less employees earning \$5,000 or more in prior year and cannot currently maintain another retirement plan

- + Both are open to any employee, including non-owner employees
- > Both may exclude non-resident aliens and contractors

Overall, the SEP IRA is generally the preferred option for a higher earning business owner with no employees since it has much higher contribution limits and no annual funding requirements. An employer can contribute up to 25% of an

employee's salary to a maximum of \$56,000 in 2019. An example of where this might fit is with a successful business consultant or independent contractor with no employees.

It may also be an excellent option for a highly compensated business owner with several ranks and filed employees that would benefit from the higher contribution limit. An example might be a smaller law firm or medical practice.

The key is the business owner's ability and desire to make the relatively higher contributions to the employee's plans to contribute a much more substantial amount to his or her plan.

A drawback to some business owners is that under the commonly used pro-rata formula, the owner and all eligible employees must receive the same percentage of salary when making contributions. For example, an employer can't decide to contribute 20% to their account and only 5% for employees.

The SIMPLE IRA is generally the preferred option for the small business owner with more employees. It is preferable with a relatively limited mandatory contribution to maximize the funding of their plan.

Unlike the SEP IRA, employers are required to make contributions to all eligible employees in the plan. The drawback is the much lower maximum contribution limit, \$13,000 for 2019. There is an additional \$3,000 catch-up contribution for a total of \$16,000 for those over age 50 in 2019.

It is essential to weigh the pros and cons of each retirement plan option. There are many situations where another type of plan, like a 401(k), might be a better option. It is best to make these decisions in consultation with your financial professional and tax advisor.

We help our business owner clients in this process to arrive at the right type of plan for their situation and goals. If you would like more information on the options available to business owners, please reach out to us.

Best Regards,



As a value-added service to you, please feel free to tell your family, friends and colleagues that they may use us as a sounding board for their financial concerns free of charge and without obligation.

Organizing Your Financial World

BY KRISTIANA DANIELS, CFP®, SENIOR RELATIONSHIP MANAGER



Did you know the average person holds around 12 jobs between the ages of 18 and 50? As you can imagine, throughout a lifetime filled with multiple jobs it is typical to collect individual retirement accounts of varying values at several providers.

With the stresses of a new job on your plate, often the last item on your to-do list is to complete the rollover of your old 401(k).

We want, and consider it a privilege, to help you organize your financial world.

In addition to the retirement savings accounts, people also tend to collect different bank or brokerage accounts throughout their working life. Even if



you got married and changed your name, you very likely have accounts titled in your maiden name, or individually and jointly with your spouse.

By the time you are nearing retirement age, you may have many of these accounts held at different custodians and invested in different companies, creating a chaotic financial picture.

Having the peace of mind to take the leap into retirement can be difficult if you do not have a full understanding of all of your assets. The daunting task of gathering and organizing your accounts and assets can be quite overwhelming.

In another view, it can also be nearly impossible for your heirs to untangle the

details of your assets upon your passing if your accounts are left in disarray.

If this sounds familiar, you are not alone - And we want to help!

At Summit, one of our very first tasks when you become a client is to consolidate your accounts and create a state of organization for your finances. We want to help you clean up your financial picture and create a chaos-free, peaceful foundation – from which point we can partner with you to help make educated and wise decisions.

Here are a few steps we can take together to tidy up your financial world:

1 Consolidate your old retirement plans into a Rollover IRA and Roth IRA

✓ This task can be the most intimidating depending on how many accounts you have collected over the years. We do not think you should walk this road alone.

We will call your former custodians with you on the line to initiate these rollovers into the appropriate rollover account.

2 Consolidate your taxable accounts – consider the titling of the account (i.e. trust, joint, transfer on death)

✓ If you have multiple taxable accounts, we would be happy to assist you in assigning the proper titling and registration of your account so that we can be tax efficient while making sure your wishes for estate planning treatment are met.

3 Formulate a Net Worth Statement to keep track of your financial affairs

✓ By gathering all of this information together, we can give you a snapshot of all of your assets in one place, giving you the peace of mind and understanding of your financial picture. An up-to-date Net Worth Statement also makes it easier for your heirs to know what you have going on upon your passing.

✓ Note: Your Client Website powered by eMoney is a fantastic tool at your fingertips to view real-time balances of all of your assets. If you do not have an active login, please give us a call.

4 Invest holistically – We are planning for your financial future with an all-encompassing, long-term plan in place. For this reason, it is important for us to understand the full picture of your investments so that we can make proper recommendations.

When we know what you are invested in within all of your accounts, we can take those investments into consideration and plan on a holistic level making sure your total risk over your entire portfolio is appropriate. We can also utilize tax planning strategies to be sure you are positioned as best as you can be in order to reach your goals.

You do not need to walk this road alone. We want, and consider it a privilege, to help you organize your financial world.

Best Regards,

Kristiana

**Let us know how we can help.
Thank you for your TRUST and CONFIDENCE.**

The Price Tag of Retirement

BY CHAD WARRICK, CO-PRESIDENT & CEO



Retirement is one of the most challenging milestones to plan for. The number of unknown factors, which are contingent on both the individual and on the economy, ultimately influence the outcome.

Consider buying power, for example. The dollar's buying power is less than it was a few decades ago. Our cost of living has increased at a rate outpaced by the rate of inflation. The price of our day-to-day necessities now exceeds income for many people. Each dollar we earn does not stretch as far as it once did.

Not to mention the unforeseen headwinds, which could affect the cost of both health care and long-term care.

Bearing this in mind – How can we plan for something that seems more like a moving target than it does a milestone?

Consider the below chart, which shows how long a retiree could live on a savings of \$1 Million in each state relative to the state's cost-of-living index. According to this chart, if your retirement destination is Hawaii, you will likely run out of money about year 13 years into retirement. Whereas, the same amount of savings

could last almost twice as long in states such as Mississippi or Arkansas.

However – those numbers represent the cost of living today. Where will we be in another 20 years? Moreover, how can we ensure we are planning for inflation, cost of living increases, and all of the other various unknowns?

Our financial planning process has been designed to account for the unknown factors associated with retirement planning – beginning with inflation.

Once we understand your retirement cost of living, we can project your expenses out into the future, factoring increase year-over-year. Underestimating the cost of living often happens when we fail to factor inflation into projected living expenses, therefore facing the risk of financial shortfall later in retirement.

Additionally, we have resources that can help us plan for unknown medical expenses, such as Long-Term Care. This is another expense that is often underestimated. Generally, only about one third of Americans think they will need Long Term Care – however, two thirds of Americans actually need it.

The unknown of the economy and market performance is another variable we consider. Your investment in the markets, which is allocated based on your risk tolerance, is being reviewed and rebalanced back to target, as needed, in order to stay the course.

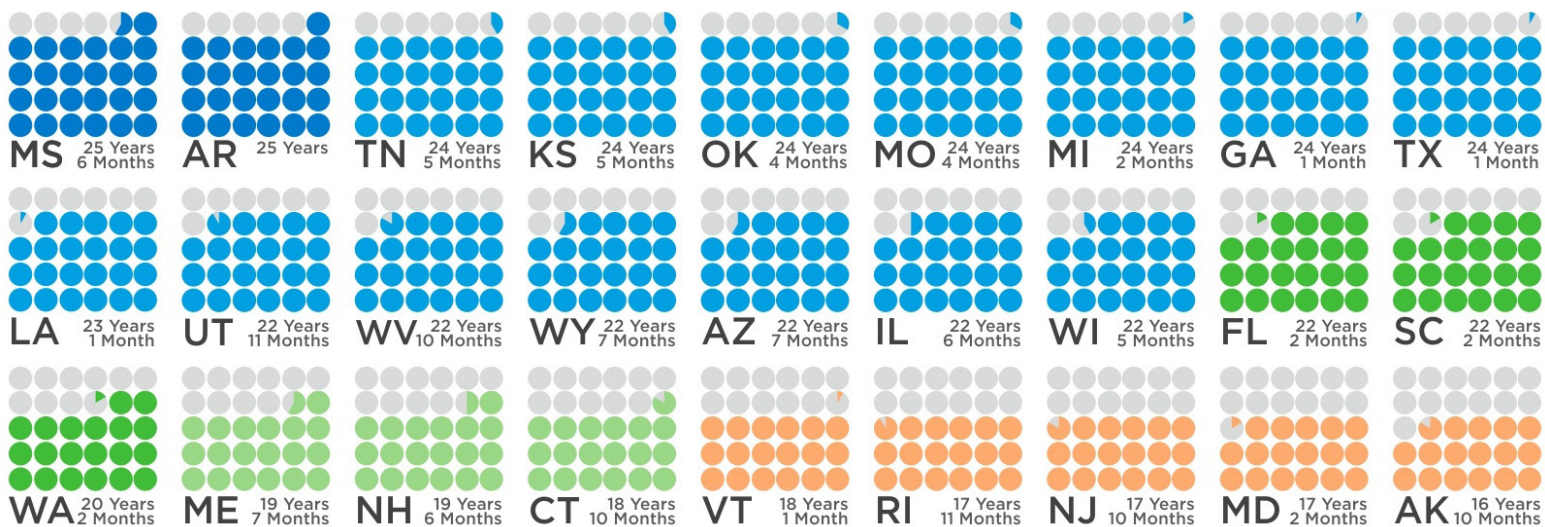
Furthermore, our team uses state of the art technology to run periodic “stress tests” of your investments. These tests help to determine the degree of risk and response to potential scenarios such as weakened and strengthened US dollar, change in interest rates, fluctuation of global markets, and more.

By understanding the various what-ifs and how these factors could potentially impact your retirement planning, we can work together to reduce the risk and exposure. We accomplish this through the implementation of a financial plan and the ongoing service we provide to you as we partner to manage cash flows, insurance policies, tax strategies, and estate planning.

Be Well,



How Long You Can Live on a \$1 Million Retirement in Every State



For those who had to spend time and money as a result of the breach, Equifax can provide more substantial sums, up to \$20,000. According to the FTC, those losses can include unauthorized charges on your accounts, attorney or accountant fees, the cost of freezing or unfreezing your credit report, or the cost of credit monitoring.

If you can provide documentation about your time spent grappling with the fallout of the data breach, you can get paid \$25 per hour for up to 20 hours of personal time spent. The deadline to file your claim is January 22.

www.equifaxbreachsettlement.com

As Bryce Austin noted when he spoke in Naples at our Summit event in 2018, it's practically impossible to guarantee you won't have an identity theft attack; however, you can take steps to avoid being an easy target.

Three ways to make yourself a hard target for hackers:

1. Regularly monitor your credit report. You can obtain a free report annually from, www.annualcreditreport.com
2. Passwords: Don't use the same password for various accounts. Mix them up
3. Multi-authentication: Many companies now allow you to add a cell phone, so they can text you a code to enter in addition to requiring a password.

At Summit Wealth Partners, we take clients' data incredibly seriously and continually invest significantly in the protection of our client's information. As always, please don't hesitate to contact us if we can help in any way.

Regards,

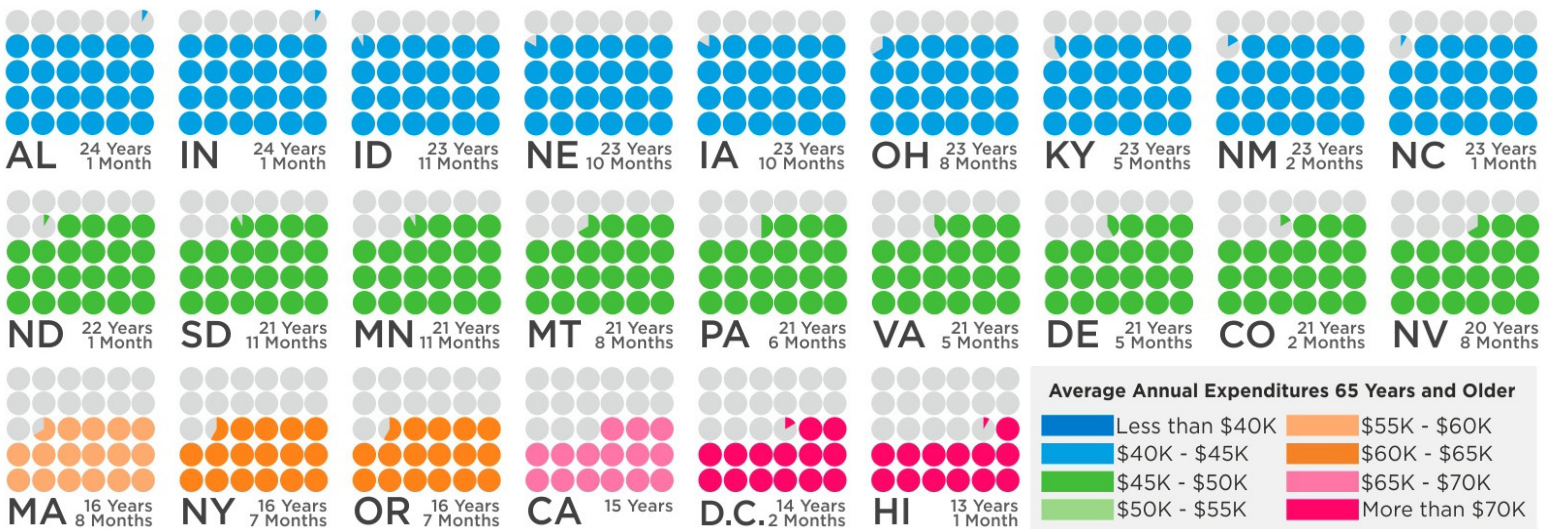
Distributing those assets may introduce significant taxes, especially with a low basis in the business. Instead, those assets could then be invested in passive income-generating investment, like stocks and bonds).

If that income is distributed annually to the shareholder, you could avoid the accumulated earnings tax (as well as the personal holding company income tax) while still deferring some of the tax on the assets generated from the original sale (Kolk, 2018). Alternatively, if the owner was elderly or ill, keeping the assets in the corporation may benefit the estate when the basis is stepped up at death.

In summary, there are many reasons to consider using a regular corporation structure to find tax benefits you may not currently have, but also pitfalls to consider. Always consult a professional tax advisor when considering any decision as complex as this.

Regards,

1. Kolk, M. J. (2018, August 1) Another look at C corp. vs. S corp. In light of tax reform. Retrieved from <https://www.thetaxadviser.com>.



We have been busy having fun!

SUMMIT SPOTLIGHT

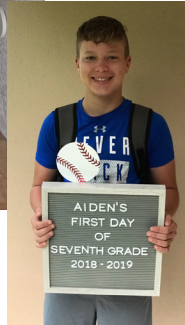
A LOOK INTO THE LIVES OF THE SUMMIT TEAM

August

The Summit Kids are working hard in school!



◀ Jason Print with his daughter Sydney (3rd grade), son Joseph (1st grade), and dog Brandy

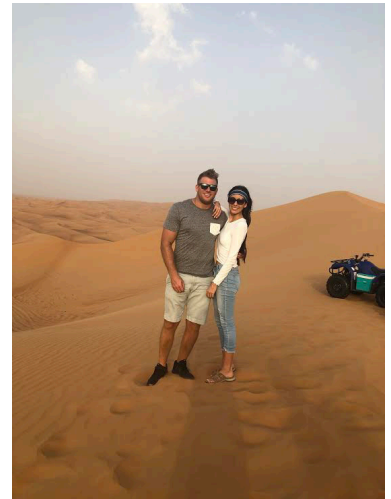


◀ Chad Warrick's sons Aiden (7th grade) and Liam (2nd grade)



September

◀ Congratulations to Travis Martin, and his lovely wife Andrea, who tied the knot in September. The newlyweds enjoyed an adventure-filled honeymoon in Dubai. ▶



October

In October, your Summit Wealth Partners Team gathered for our Annual Retreat, otherwise known as "The Summit Summit." We enjoyed a weekend at the Margaritaville Resort Orlando with our family members in tow.

Our whole company came together and spent personal time working to collectively think about how we can best deliver world-class service to you -- our valued clients!

We enjoyed a presentation from guest speaker, Andrew Towne from TD Ameritrade. Our meetings and presentations generated impressive ideas and discussions about elevating our client experience, and the bright future ahead for Summit.



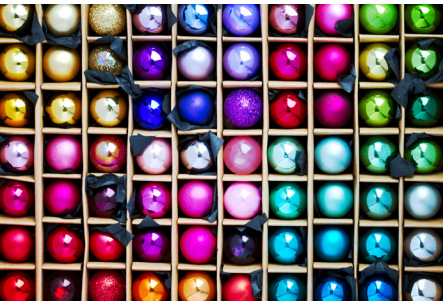


November

◀ Kristiana Daniels enjoyed a relaxing vacation in Kauai, Hawaii with her husband Tim



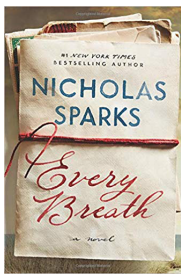
Alyssa Ferraro, husband Chris, and daughter Ava (age 2), enjoyed kicking off the Holiday Season at the thirty-third Annual Festival of Trees at the Orlando Museum of Art ▶



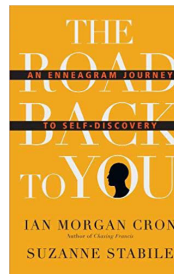
Our Offices Will be Closed the Following Days in December & January:

- ★ Tuesday, December 24th from 1:00-5:00
- ★ Wednesday, December 25th for Christmas Day
- ★ Wednesday, January 1st for New Year's Day
- ★ Monday, January 20th for Martin Luther King, Jr. Day

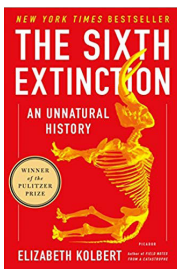
BOOKS WE'RE READING:



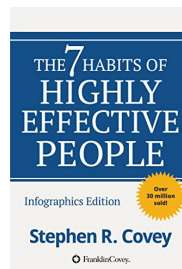
Every Breath by *Nicholas Sparks*
 #1 New York Times bestseller, an epic love story that spans decades and continents as two people at a crossroads -- one from North Carolina and one from Zimbabwe -- experience the transcendence and heartbreak of true love. Illuminating life's heartbreaking regrets and enduring hope, EVERY BREATH explores the many facets of love that lay claim to our deepest loyalties--while asking the question, How long can a dream survive?



The Road Back to You: An Enneagram Journey to Self-Discovery
 by *Ian Morgan Cron & Suzanne Stabile*
 Ignorance is bliss--except in self-awareness. What you don't know about yourself can hurt you and your relationships--and even keep you in the shallows with God. Do you want help figuring out who you are and why you're stuck in the same ruts? The Enneagram is an ancient personality typing system with an uncanny accuracy in describing how human beings are wired, both positively and negatively.



The Sixth Extinction: An Unnatural History
 by *Elizabeth Kolbert*
 Over the last half a billion years, there have been five mass extinctions, when the diversity of life on earth suddenly and dramatically contracted. Scientists around the world are currently monitoring the sixth extinction, predicted to be the most devastating extinction event since the asteroid impact that wiped out the dinosaurs. This time around, the cataclysm is us.



The 7 Habits of Highly Effective People: Powerful Lessons in Personal Change by *Stephen R. Covey*
 Dr. Covey's 7 Habits book is one of the most inspiring and impactful books ever written. Now you can enjoy and learn critical lessons about the habits of successful people that will enrich your life's experience. And, it's in an infographics format that makes it easy for you to learn and apply Dr. Covey's habits of successful people.

Covers & Summaries: Amazon.com

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- ➔ *Millennials and the Prepaid Credit Card*
- ➔ *Kicking the Heart and Sole of the Footwear Industry*
- ➔ *Finding Tax Arbitrage Between Different Corporate Structures – Part 2*
- ➔ *2 Easy Retirement Plan Options for Small Business Owners*
- ➔ *The Price Tag of Retirement*
- ➔ *The Summit Spotlight - Fall Recap*



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SOLID GROWTH SAFELY MANAGED TRUSTED ADVICE

ORLANDO
800 N Orange Ave., Suite 302
Orlando, FL 32801
(407) 656-2252

NAPLES
Vanderbilt Financial Center
9045 Strada Stell Ct., Suite 101
Naples, FL 34109
(239) 254-1875

JACKSONVILLE
822 N A1A Hwy., Suite 310
Ponte Vedra Beach, FL 32082
(904) 273-4550

FORT MYERS
15050 Elderberry Ln., Suite 6-11
Fort Myers, FL 33907
(239) 362-9077