



The Helmsman Financial Group LLC (HFG)

Plotting Your Retirement Course: *From Setting Sail to Enjoying Safe Harbor*

Retirement, we all dream about it. Whether these dreams turn into a wonderful reality or a horrendous nightmare can very well be decided years earlier. Helmsman Financial Group, LLC (HFG) can assist you to design, chart and most importantly, enjoy your retirement.

HFG works with you to develop a sound retirement plan based on your goals and aspirations. We help you reach a realistic understanding of what your assets can do for you. Finally, we develop the strategy necessary for you to achieve your aspirations. Our only objective is your retirement well being.

Our view is that the retirement process can be divided into four segments each with special needs and distinctive services. HFG defines these segments as follows:

- A. Lifestyle Clarification - Identification of retirement needs and how well your resources will support them.
- B. Resource Management - Management of your investment assets to accomplish your retirement objectives.
- C. Retirement Entry - Organizing your assets and needed cash flow to support your retirement.
- D. Asset Distribution - Streamlined distribution of assets to your heirs.

The client may choose to retain HFG's assistance in accomplishing any of these four segments or undertake all of them as one coordinated package. Here's how each segment of **Retirement Planning** works:

Lifestyle Clarification - The dream of retirement reveals itself differently to different people. It may translate into a desire for a perfect vacation home, a plan to travel, a new career or not-for profit activities. The limits are the limits of your dreams. Like most imaginings, retirement dreams are often long on feel good events and very short on details for achievement. That's where HFG can help. Lifestyle Clarification attempts to translate dreams into needs. In the simplest of terms it's the price of your dream. What it will take to live *your sought after* retirement lifestyle. HFG's goal is to clarify the following retirement concerns:

1. How much income will I need to cover my expenses?



2. Will my investment resources last my life expectancy?
3. How do I accomplish my retirement goals without excessive risk?

To answer these questions, HFG's Lifestyle Clarification segment consists of five phases -

- **Phase I:** A step by step identification and exploration of needed living expenses for the sought after retirement lifestyle. As part of this, a long-range budget is developed projecting the effect of inflation on your expenses and how the expenses will be supported by pensions, IRA's 401K's, joint assets and social security.
- **Phase II:** The development of a year by year investment projection based on your current investments, anticipated retirement savings and assumed rates of return forecasting your ability to retire at the age of your choice as well as projecting how long your investment resources should last.
- **Phase III:** Analysis of your current investment position to determine how it fits with your retirement plans.
- **Phase IV:** The preparation of an easy to understand report on your own specific situation discussing your ability to retire and changes you should consider pertaining to your retirement plans and investment portfolio.
- **Phases V:** Implementing the recommendations in the plan, including setting up any needed brokerage accounts, transferring of assets to these accounts, implementing changes to asset allocation, as well as individual investments, plus any other recommendations in the report

The result is a clear understanding of the types and level of expenses you will have in retirement and the peace of mind to know either that your asset base can support your expenditure levels or what has to be done to develop your assets to support retirement expenditures. In addition, the report will give you a better understanding of the challenge of maintaining these resources over your lifetime.

Resource Management - Having an effective plan is like having a beautiful sail boat. It is wasted if it can't be effectively sailed. Your plan's assets must be correctly managed. Because you don't want any negative surprises in retirement, portfolio management should begin early to accumulate the assets you will require for your retirement and continue during retirement to make sure you are supplying the cash flow you need without excessive risk, while at the same time protecting you against the effects of long term inflation.

Because most people do not have the expertise, time or desire to manage their own portfolio, they seek help from an investment professional. The level of help, however, differs on a case by case basis. HFG will help you identify the level of assistance that will give you the greatest comfort and peace of mind. Once determined HFG will then guide you to the program and strategy that most appropriately suits your needs. HFG offers three levels of service of portfolio management depending on the involvement the client wishes to have. These programs are summarized below and described in detail in our *Portfolio Management* piece.

- The *Investment Assistance Program (IAP)* is designed for the smaller investor who wants to use only mutual funds.

- The *Portfolio Administrator Service (PAS)* is for clients who want the ability to use mutual funds and individual investments, but want to have the final decision on trades before HFG processes them.
- The *Financial Stewardship Program (FSP)* is similar to the PAS program but is for clients who are not interested in making the final trade decision. HFG will make all decisions without the client's required involvement.

Entering Retirement -

Retirement can be a very emotional experience. This new phase in your life can create doubt and uncertainty. In times of change many people procrastinate. One area that this procrastination often reveals itself is in retirement asset decision making. What should you do with your retirement accounts? The answer may have a significant impact for your long-term financial future. HFG feels that most, if not everyone, needs some guidance to make sure that this part of a life transition is handled properly. HFG can assist you through a three phase process that covers both pre-retirement preparations through post retirement utilization.

- *Phase I: Rollovers of IRA's and 401(k)'s:* The assets in most 401(k) and IRA programs are tax deferred. This means that income taxes have not been paid on either the contributions you made to the plan or the earnings generated by your investments. Eventually, the IRS wants their money and they would prefer sooner than later! On the other hand, in most cases you would rather it be later. Fortunately, you have the control. You can move your 401(k) assets to a new tax-deferred vehicle by either opening an IRA and rolling the funds into it or consolidating it with existing IRA's. HFG can assist you in determining the best way for you to keep the IRS waiting for their taxes.
- *Phase II - Using Your Retirement Funds:* Now comes what you have been planning for, *Retirement!* A changing phase of life is likely to require changes in your investment objectives. Your planning and a disciplined approach to saving and investing have given you a nice retirement nest egg to live on. HFG is not done working with you, however. We will help you decide how best to cover your expenses in retirement, including when to take social security. Once the cash flow needed from the portfolio is determined, we can streamline the process of receiving that income based on your wishes. This could be sending funds directly to the bank. It could also be determining how you could get a consistent monthly check even though the portfolio income is received on a varying timetable. The options are determined by your needs and wishes.
- *Phase III - Maintaining Proper Asset Allocation:* In retirement, your investments now must be maintained while generating the needed resources to support your retirement lifestyle. HFG works with you to accomplish the two primary necessities of retirement. First we must satisfy your cash needs to cover your expenses and second we must protect you from the long term effects of inflation. This is done by making sure that your investment asset allocation coincides with your retirement needs. HFG can develop such an allocation based on your needs and objectives and work with you to maintain the proper allocation during your retirement years.

Asset Distribution -

No one likes to think about it, but there are two certain things in life, taxes and we all know what the other is. Even though it is not comfortable to discuss death, it is comfortable knowing that when the inevitable occurs, your spouse will be taken care of and your heirs will have as simple of a transition as is humanly possible. HFG can assist you in making sure that all transfers are streamlined and that your heirs will not be all by themselves in this difficult time without some expert help. Since HFG will be intimately involved with your investment assets, we can make this difficult time much more manageable.

No matter what your stage in life or what level of assistance you seek, HFG can assist you in making your retirement planning issues more understandable and manageable. We will give you the confidence to move forward and the peace of mind that will let you sleep well at night.

Contact us at 425-485-0381 to discuss further how we can be of help.