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Now IS The Time To Rollover Your 401(k)

By Thomas Shultz

In-Service Distribution in 401(K)

With the stock market looking scarier each and every day, many workers are asking questions like “**Can I move my 401(k) without penalty?**” and “**Should I transfer my 401(k) to an IRA or an annuity.**”

Both are questions that involve a 401(k) rollover strategy.

The first question is an easy one. You can move your 401(k) without penalty by transferring it to an IRA. This is also a non-taxable event. The second question is a little trickier. You can transfer your 401(k) to an annuity. The real question is...should you?

Let's take a look at why you should or shouldn't transfer that 401(k) asset to an annuity.

What's Your Goal For These Assets?

Transferring your 401(k) to a personal IRA (**Individual Retirement Account**) is a non-taxable event. The money transfers from one institution to another under 401(k) transfer rules, and that transfer is tax free (**exempt from federal tax and state tax**) to your rollover IRA. That's the nuts and bolts on how to administratively get it done.

The bigger question is what you are trying to achieve. I always ask 2 questions to determine if you need to consider an annuity.

1. What do you want the money to do?
2. When do you want those guarantees to start?

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RECESSION



JUNE

*Continued Volatility Ahead
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Annuities are contracts issued by life insurance companies and primarily solve for lifetime income or principal protection. If you don't need to accomplish either or both of those two solutions, then you do not need an annuity. The answers to these 2 questions can match you with the annuity type that can provide the highest contractual guarantees for your specific situation.

In my opinion, if you are still looking for market type growth after transferring your 401(k) assets, then do not buy an annuity. Regardless of what any agent or advisor will tell you, annuity types that promote **HUGE** market growth have limitations on the upside. If you want real market growth, then go get it. Annuities just won't be the vehicle to get you there.

Growth to Income

Rolling over your 401(k) to an IRA (**i.e. Traditional IRA structure**) can be a transition from growth to income. Most 401(k) plan investment choices are mutual funds geared toward market growth during your working years. For the demographic tidal wave of workers transitioning to retirement, the vast majority are looking for lifetime income guarantees for them and their family. That's where annuities can be a perfect fit.

Annuities offer one benefit that no other financial product offers. That monopoly is lifetime income. There's no ROI (**Return on Investment**) until you die because you can never outlive the payments. That's the benefit proposition unique to annuities.

If you need income to start as soon as possible, consider transferring some or all of your 401(k) to a Deferred Income Annuity (**DIA**) with an Income Rider guarantee attached to a deferred annuity. All can be set up "**Joint Life**" with your

spouse/partner, and all of these annuity types can be structured so that any unused money will go 100% to your listed beneficiaries on the policy.

Shouldering Risk vs Transferring Risk

Whether you decide to transfer your previous employer or current employer's plan (i.e. transfer 401(k) to IRA) comes down to one question. **Do you want to continue to shoulder the risk of volatile markets or do you want to transfer that risk?**

If you want to continue to strive for market growth, then you don't need an annuity. If you want to fully protect the principal or guarantee a lifetime income stream, then an annuity transfer of risk contract might be suitable and appropriate for your specific situation.

For example, if you just wanted to protect the principal from market loss and not pay any fees, you might choose a Multi-Year Guarantee Annuity (**MYGA**). This is the annuity industry's version of a CD (**Certificate of Deposit**), and a simple and efficient choice for contractually guaranteed annual yield.

New 401(k) Game

In the past with your employer's 401(k) plan, the only investment options you had were most likely mutual funds. The hope was to have your money grow with the stock market over time. In most cases, you were the one having to choose the funds. If you wanted a lifetime income stream, you had to transfer your 401(k) money to a guaranteed payment annuity. However, there is a new income game in town.

In December of 2019, **The Secure Act** was passed that allows 401(k) type plans to offer an option for future lifetime

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income needs...using annuity strategies. This will allow plan participants to allocate some or all of their 401(k) contribution to an annuity strategy that will guarantee lifetime income starting at a future date of your choice. This could be a total game changer once the majority of 401(k) plans start offering annuity income options to their workers. In combination with Social Security benefits, 401(k) Annuities will offer another income stream that you can never outlive.

All About Income

For most people nearing or actually in retirement, a big part of your investment focus and retirement plan is establishing what we call the “**income floor**.” The income floor is the guaranteed income stream that will hit your bank account every month regardless of what happens in politics, the stock market, or the world in general.

That income floor money is coming in like clockwork and can originate from your retirement savings or retirement accounts. Social Security payments, RMDs (**Required Minimum Distributions**) from your Traditional IRA, pension payments (**if so lucky**), and annuity guarantees are some examples of your potential income floor.

If lifetime income, principal protection, and transferring risk are items that you want to guarantee, then annuities might be the right move. If not, then transfer your 401(k) assets to an IRA and manage the money. The decision is really that simple.

If you'd like a second opinion on your current portfolio or are getting ready to retire and would like to see what retirement could look like for you, we would love the chance to show you our skills!

Thomas Shultz

WE ARE HIRING!!!

We are currently looking to hire an additional staff member as we approach the upcoming Annual Election Period for Medicare.

If you or someone you know is hardworking, accountable, dependable, honest, patient, decent at computers, nice, and most importantly likes to talk to other people (*real important*) then we would love to talk to you!

This is an in-office job at our Scottsdale location and based on the amount of training and collaboration, we just don't think it would work from a remote setting.

Flexible with hours, decent pay, and great people to work with!!

**TO FIND OUT MORE
CONTACT US AT**

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Or email Coralyn@lyfebeast.com

CORALYN'S CORNER

Every month, my corner is to keep you updated on changes in our world, AZMedicare101.org, LyfeAdvisors and our family.



The month of May was LOOONG. I swear we worked more hours these past 30 days than anytime I can ever remember, but I'm not complaining.

As a firm, we received more referrals in the last 30 days than anytime before, with lots of people scared of the economic uncertainty and ready to get to safer alternatives. It makes me sad when I speak to someone who is fearful that they won't be able to retire because of everything that is going on and we here at Lyfe Advisors just want to say thank you for your trust in us and we will do everything in our power to make their lives better!

I guess I really never grasped how important the work here was or how complex it really is, but after being here now for almost 2 full years, I wish I had joined Thomas long ago.

We are also trying to hire additional staff but it is so difficult to find someone dependable. In the past, I would get on Thomas for not delegating more things, but now I understand because some people just don't care about their work or results. If you know someone who would like to join our team, please let me know as we are looking to hire now as the learning curve is pretty steep and we want them to be trained properly before the next annual election period.

Now, on to the important stuff....our baby boy graduated from Elementary School (time really does fly by).

It seems like yesterday that I was changing his diapers and then the next thing you know he's off to Middle School.



It's scary to have a child these days with all the shootings that are happening throughout this country. My heart breaks for all those parents and families that lost someone and I couldn't imagine going through that. We as a country need to get our priorities together and finally do something to stop this. We can't expect to end it completely, as crazy people will always exist, but we need to do a better job at protecting our most precious commodity, children.

Coralyn Shultz

RITA'S REVIEWS

Every month, my husband and I enjoy trying out places to eat. This month we enjoyed the Southern Inspired "Lucille's Smokehouse" in the Tempe Marketplace.

On the rare occasion that my husband and myself had a night to ourselves, we ventured down to the Tempe Marketplace and had dinner.

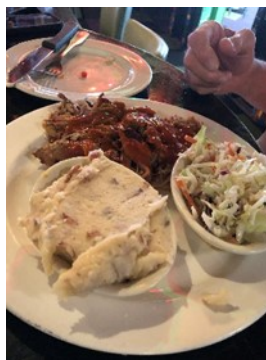
We like finding new places, usually breakfast, but this time we were in the mood for barbeque. We had never eaten at Lucille's so we decided to give it a try.

The outside appearance reminds me of a Southern home in Louisiana. Many of the rooms inside feel like you're eating on the front or back porch and very homey. The menu specializes in barbecue as well as southern and Cajun style meals. The décor is southern American with a Blues vibe thrown in for good measure. It is hard to believe the first Lucille's was opened in 1999 in Long Beach, CA by Craig Hofman. He had a fascination with barbeque and traveled the country tasting southern barbeque from the Carolinas to Kansas, Texas to Tennessee.



We started our meal with Cracked out Deviled Eggs which were wonderful combining the eggs with their famous Onion Straws. We decided to get a barbeque selection

and share each other's meat and veggies. I had the BBQ Tri Tip and he had the Pulled Pork. As our sides, we shared mashed potatoes, sauteed seasonal vegetables (*I loved these*), coleslaw, and the Roasted Brussel Sprouts. The homemade biscuits were fantastic.



The meal was wonderful, and we decided to go again with the entire crew for Mother's Day. Boy was that a mistake.

We had made reservations, but we still waited 30 minutes. We had 3 different servers, so our meal came out at different times. The sauteed vegetables which I

ordered double were cold. The menu was a limited holiday edition. We were disappointed to say the least.

All restaurants are struggling with fewer



employees, and I am sympathetic to their plight and am patient. But the food was cold, and the service was beyond poor. It was like we were at a completely different restaurant. So, my recommendation is to definitely try it out but not on a holiday.



They are open daily Sunday through Thursday 11:00 am to 10:00 pm. On Friday and Saturday their hours are 11:00 am to 11:00 pm.

Rita Henderson

Medicare Hack #33

Biden Administration Decides To Keep Higher Medicare Part B Premium Despite Retirees Pleas For Financial Help



Everyone in the Medicare industry is criticizing the Biden administration's recent announcement that the 2022 Medicare premium will not be cut despite lower than expected costs for a new Alzheimer's medicine.

The cost of a premium jumped by \$21.60 to a minimum of \$170.10 and a maximum of \$578.30 in 2022, the largest increase in the program's history. Premiums are based in part on income and tax-filing status.

The jump from the beginning was blamed on a need to shore up funds in case Medicare covered Aduhelm, the first Alzheimer's medication to be approved by the Food and Drug Administration (FDA) in nearly 20 years. The drug is created by U.S. biotech company Biogen and initially had an annual cost of \$56,000, before the company halved this price.



The Department of Health and Human Services (HHS) in late May said the Medicare premium may fall in 2023, but that it will keep the \$21.60 hike for the coming year.

Critics have blasted the decision as causing an undue financial burden on many people who live on a fixed income.

Members of both sides of congress have called

on the Biden administration to send out rebate checks to Medicare recipients this year, but those pleas have gone unanswered.

HHS Secretary Xavier Becerra said he had hoped to lower premiums sooner, but that it was not "feasible." HHS itself cited "legal and operational hurdles" for the lack of a reduction.



There had been a fear that coverage of Aduhelm would greatly increase Medicare's costs, but HHS separately announced it would not cover the drug outside of clinical trials.

Most praised that decision, saying HHS had avoided a potentially catastrophic situation.

The controversy over Aduhelm's actual effectiveness has also been a point of contention for many critics of its approval and administration. Multiple members of the FDA's advisory panel resigned last year following the drug's approval, citing lack of clear evidence that it actually works for Alzheimer's patients.

Tricia Neuman, executive director of Medicare policy for the Kaiser Family

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Foundation, said lowering Medicare premiums partway through a calendar year would have been “unprecedented.”

“I can’t say whether it’s doable at all, but I would imagine that it would require a fair amount of administrative obstacles and costs. The other part of it that’s true is it’s unprecedented,” said Neuman. “By waiting a few months this allows the administration to take into account all the other factors they would need in order to set premiums for next year.”

Most rejected the notion that making financial adjustments this year was too complex, arguing that the federal government has demonstrated on multiple occasions that it can send out payments to many people across the country.

“We know for a fact that Treasury can get checks out to people extremely quickly. So the idea that it’s too complex, we reject,” said members of Congress.

The initial decision to raise premiums for the sake of Aduhelm was also criticized by both left and right wing groups and lawmakers who argued it was unnecessary.

HHS noted that it was an “unusual scenario” as many people on Medicare stood to potentially benefit from the new

drug, with very few effective Alzheimer’s treatments currently available on the market.

“It’s plausible that there would be a substantial demand for a drug that would have a meaningful impact on this disease,” HHS said. “As it turned out, the evidence was weak and there were concerns about side effects. And there were a lot of questions about what the drug would do, but the drug was approved by FDA.”

Need Help With Medicare?

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COCONUT DAY

JUNETEENTH

LGBT PRIDE DAY

GO FISHING DAY

VCR DAY

COLOR TV DAY

MARTINI DAY

SELFIE DAY

EYEWEAR DAY

YOYO DAY

REPEAT DAY

UFO DAY

BLOOD DONOR DAY

GIN DAY

FOOD TRUCK DAY

FATHERS DAY

EGG DAY

WIDOWS DAY

CHEESE DAY

OLIVE DAY

SAFE DAY

June Quiz

Question 1:

What book was first published in June 1936?

- A. Gone With The Wind
- B. Great Gatsby
- C. Charles Dickens

Question 2:

What cartoon character made its film debut in June 1934?

- A. Mickey Mouse
- B. Garfield
- C. Donald Duck

Question 3: What holiday was celebrated first in June 1910?

- A. Olive Day
- B. Egg Day
- C. Fathers Day

Answers for May

Question 1: What horse was the first triple crown winner?

C. Sir Barton

Question 2: What drink is connected to the Kentucky Derby?

A. Mint Julep

Question 3: What was the first year the Kentucky Derby was run?

B. 1875



Over 60% Of People Struggled With These Social Security Questions: Can You Get Them Right?

If you're approaching retirement age, chances are you need to brush up on your Social Security knowledge.

A recent poll found that most people nearing retirement age don't know the ins and outs of this vital safety net program. In fact, 60% of people between 55 and 65 years old either nearly failed or outright flunked a 13-question quiz on Social Security.

PSB Research polled older adults on their understanding of Social Security. Of the 1,500 people who took part in the poll between April 4 and 7, only 6% correctly answered 12 or more of the true/false questions. While 12% of participants got 11 of 13 questions right, 18% answered 10 questions correctly. However, 29% of people received a failing grade on the quiz by answering six or more questions incorrectly.

Here are the 13 true or false questions that were asked in the survey (correct answers will appear next month):

1. In most cases, if I take benefits before my full retirement age, they will be reduced for early filing. (T/F)
2. If I am receiving benefits before my full retirement age and continue to work, my benefits might be reduced based on how much I make. (T/F)
3. If I have a spouse, he or she can receive benefits from my record even if he or she has no individual earnings history. (T/F)
4. If I have a spouse and he or she passes away, I will receive both my full benefit and my deceased spouse's full benefit. (T/F)
5. Generally, if I am in a same-sex marriage, there are different eligibility requirements when it comes to Social Security retirement benefits. (T/F)
6. The money that comes out of my paycheck for Social Security goes into a specific account for me and remains there, earning interest, until I begin to receive Social Security benefits. (T/F)
7. Under current law, Social Security benefits could be reduced by 20% or more for everyone by 2035. (T/F)
8. If I file for retirement benefits and have dependent children aged 18 or younger, they also may qualify for Social Security benefits. (T/F)
9. If I get divorced, I might be able to collect Social Security benefits based on my ex-spouse's Social Security earnings history. (T/F)
10. Under current Social Security law, full retirement age is 65 no matter when you were born. (T/F)
11. If I delay taking Social Security benefits past the age of 70, I will continue to get delayed retirement credit increases each year I wait. (T/F)
12. Social Security retirement benefits are subject to income tax just like withdrawals from a traditional IRA account. (T/F)
13. I must be a U.S. citizen to collect Social Security retirement benefits. (T/F)

Medicare Supplement Rates

Lowest Medicare Supplement Rates

For 85258 Maricopa County

Gender	Age	Plan	Carrier	Premium*
Female	65	G	Amerigroup (Anthem)	\$115.52
Male	65	G	Amerigroup (Anthem)	\$124.74
Female	65	GHD	New Era Life	\$40.37
Male	65	GHD	New Era Life	\$44.41
Female	65	N	Aetna	\$90.80
Male	65	N	Blue Cross Blue Shield	\$102.12
Female	66	G	Medico	\$117.48
Male	66	G	Medico	\$132.16
Female	66	GHD	Medico	\$40.53
Male	66	GHD	New Era Life	\$45.54
Female	66	N	Medico	\$91.24
Male	66	N	Aetna	\$105.62

Rates are accurate at the time of production. Included in the list are fraternal organizations, service organizations, and carriers with ratings above B+.

*Source: CSG Actuarial effective dates 06/01/2022

Interest Rates

Highest CDs and Share Rates

Highest National Rates

Duration	Institution	Yield to Maturity*
1 year	Connexus CU	2.26%
2 year	Connexus CU	2.86%
3 year	Connexus CU	3.01%
4 year	Connexus CU	3.11%
5 year	Connexus CU	3.21%

Rates are accurate at the time of production. We include banks and federal credit unions in our national search. All have FDIC or NCUA Insurance. *Source: BankRate.com 06/01/2022

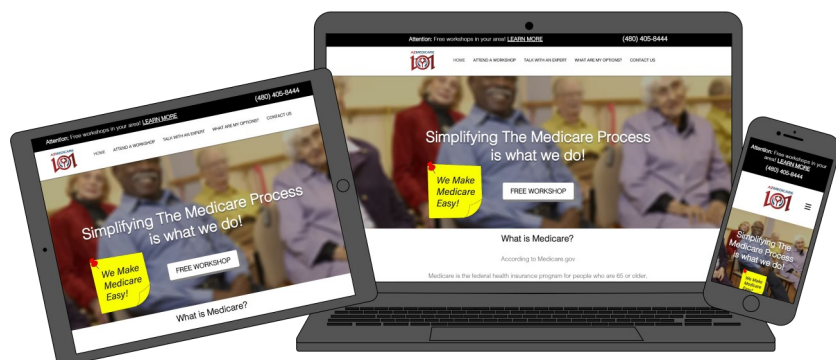
Highest Fixed Annuity Rates

Highest Arizona Rates

Duration	Institution	Yield to Maturity*
3 year	American Life	3.85%
4 year	Oxford Life	3.75%
5 year	Farmers Life	4.10%
7 year	Farmers Life	4.15%
10 year	Farmers Life	4.20%

Rates are accurate at the time of production. Excluded from the list are fraternal organizations, service organizations, and carriers with ratings below B *Source: AnnuityRateWatch 06/01/2022

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THIS PRESENTATION HAS BEEN APPROVED BY MEDICARE

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Tuesday, June 21st
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Online Workshop

Wednesday, June 22nd
6:30pm to 7:30pm

Online Workshop

Thursday, June 23rd
1:30pm to 2:30pm

Maricopa &
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“As a fiduciary, it is our responsibility to make sure that both the Health and Wealth areas of your retirement have been planned for accordingly. You can’t have a sound financial plan without addressing both and here at LyfeAdvisors we believe that it starts with Healthcare! For the last 13 years, we have been helping thousands of retirees all throughout Arizona and we’d love to help you as well.” - Thomas Shultz, Managing Partner





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