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ARE YOU
PREPARED
FOR RISING
INTEREST
RATES?



PROTECT YOUR RETIREMENT INCOME FROM INFLATION

Costs are rising, and the market is bearish, but that doesn't have to jeopardize your long-term security.

If you're a retiree (**or near retiree**) who isn't worried about inflation, you're either fabulously wealthy or not paying attention. Even for super savers, inflation is retirement kryptonite. To keep up with rising costs, you may be forced to take larger withdrawals from your portfolio, increasing the risk that you'll outlive your nest egg. And if inflation is accompanied by a bear market, as it is now, those withdrawals can leave a permanent hole in your portfolio.

According to a recent study, more than 70% of individuals age 60 and older are concerned that inflation will cause serious economic hardship during their retirement. Although you can't control the inflation rate—or the

By Thomas Shultz

stock market—you can take steps to protect your retirement security.

The 4% Rule for Retirement Withdrawals

One of the most perplexing questions facing retirees is this: How much can I withdraw from my savings each year without running out of money? For many, the answer has been to use the 4% rule, developed by William Bengen, an MIT graduate in aeronautics and astronautics who later became a certified financial planner.

Here's how it works: In the first year of retirement, withdraw 4% from your IRAs, 401(k)s and other tax-deferred accounts (**which is where most workers hold their retirement savings**). For every year after that, increase the dollar amount of your annual withdrawal by the previous year's inflation rate.

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September

A Storm is Coming...
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For example, if you have a \$1 million nest egg, you would withdraw \$40,000 the first year of retirement. If inflation that year is 2%, in the second year of retirement you would boost your withdrawal to \$40,800.

Investment firm Morningstar recently recommended a 3.3% withdrawal rate for new retirees who have a portfolio mix of 50% stocks and 50% fixed-income investments and a 30-year time horizon. Morningstar based its recommendation on an analysis that suggests that the above-average returns investors enjoyed before the recent bear market are likely to be lower in the next 30 years.

Most financial planners say retirees should view the 4% rule as a guideline, not something that's engraved in stone.

Reducing your withdrawals at a time when everything costs more can be a challenge. But in the early years of retirement, trimming your withdrawals by even a small amount—say, from 4% to 3.8%—will reduce the risk that you'll run out of money, says Wade Pfau, professor of retirement income at the American College of Financial Services. Over a 30-year period, he says, "even small changes can have a big impact."

Using the Bucket System? Take It Easy on Cash

Many retirees use a strategy known as the bucket system to protect themselves from market downturns. With this system, you divide your savings among three buckets. The first is designed to cover living expenses for the next one to three years, after you tap a pension or annuity (if you have one) and Social Security. Because you need to be able to access the funds at any time, money in this bucket is typically stashed in an ultra-safe investment, usually a bank savings account or money market fund.

The second bucket contains money you'll need over the next 10 years and can be invested in

short- and intermediate-term bond funds, alternative investments or fixed annuities.

The third bucket is filled with money you won't need until much later, so you can invest it in assets that are riskier but offer potential for long-term growth—mainly stocks, and possibly real estate and commodities.

The amount you should keep in your cash bucket depends on your individual circumstances—other sources of income, for example, and your tolerance for risk. During unsettling times like these, it may be tempting to increase the amount of money stashed in this bucket, where it won't be buffeted by market turmoil or global conflicts. But keeping too much of your savings in cash will amplify the risk that you'll run out of money. Although interest rates have been moving higher, the rates on most bank savings accounts and money market funds still average less than 1%, significantly lower than the current inflation rate.



Consider Taking a Lump Sum Instead of a Traditional Pension

If your employer provides a traditional pension, you may be offered two options at retirement: monthly payments for life or a lump sum. In these uncertain times, it's tempting to choose the monthly check, because who doesn't want guaranteed income for life? But the decision isn't as straightforward as it seems.

First, most traditional pensions aren't adjusted for inflation, so the buying power of your monthly checks will erode over time. A lump sum, however, can be

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invested, providing the potential for growth that will keep pace with rising costs. **And the market downturn offers the opportunity to buy annuities and stocks at lower prices than you would have paid a few months ago.**

Another factor to take into account: interest rates. Lump-sum payouts are calculated based on the present value of guaranteed monthly payments, using mortality tables and interest rates published by the IRS and updated monthly. Basically, the lower the published rates, the higher the lump-sum payout. **Interest rates are still low but moving higher, so if you're leaning toward taking a lump sum and have an offer on the table, don't put it off. This may be as good as it gets.**

Consider Annuities for a Portion of Your Nest Egg

By allowing you to convert a chunk of your savings into a guaranteed monthly check, annuities are a DIY pension for retirees who may not receive one from their employer. If you invest enough in a single-premium annuity to cover most of your nondiscretionary expenses, you can reduce withdrawals from the rest of your portfolio during market downturns, thus lowering sequence-of-returns risk. Plus, with your expenses covered, you can invest the rest of your portfolio more aggressively—which means those funds stand a better chance of staying ahead of inflation.

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

CURRENT FIXED ANNUITY RATES SEPTEMBER 2022

3.55%

2 Year Fixed Annuity

4.60%

3 Year Fixed Annuity

4.80%

5 Year Fixed Annuity

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CONTACT US AT**

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Or email info@lyfebeast.com

Lyfe Advisors

Get to know....

Beverly Galligan**Spotlight**

How long have you been working at LyfeBeast? Seems like just yesterday but it has already been 5 weeks

Your hometown? I moved to Arizona when I was one from Oregon

What's one word that describes you the best? Can't go with just one word so two, compassionate and creative

What's your most prized possession? My family

What's your favorite meal? Mining Camp restaurant in Apache Junction with our whole family. We always went there once a year to celebrate birthdays. Unfortunately, that is not possible now as it burned down a few years ago and they decided not to build it back :(

When you have free time, you can be found... spending time with my family, antique shopping with my husband or making craft projects

What's your favorite type of music and why? I love contemporary Christian music because it is encouraging to me

If you could live a day in the life of anyone, who would it be and why? I would be Mary (Mother of Jesus) because I know I would get a perspective that I never had before and gain understanding about a different culture and time.

What is something about you that no one knows about? That I have 12 grandchildren who I love very much that were the inspiration for children's books that I have written. They continue to inspire me and I think I may have a few more books in me. I also love to water ski.

How did you arrive at LyfeBeast? After meeting Thomas at a workshop with my husband. We had gone to other retirement workshops for information but we trusted Thomas and felt he genuinely cared about us as people, not just clients. We have not regretted that decision and are confident to refer others. When I saw the article in the newsletter saying they were looking for someone to work with their team, I answered the request because I knew this was a team I wanted to be a part of.



RITA'S REVIEWS

Every month, my husband and I enjoy trying out places to eat. This is the 3rd month to showcase our three favorite places to eat from our recent trip to Disneyworld. Our final review is Space 220...



Epcot is always a favorite place to eat for us. This year we went to one of the newest restaurants at the Mission Space ride location called Space 220. As you boarded the special space elevator up to the space station for dinner you had a portal to look through to see your



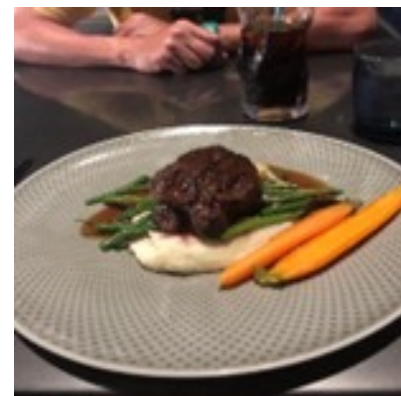
journey away from Disney as well as up to the space station. As you dine, you are able to view the Earth from 220 miles up as well as see various astronauts space walking and transport vehicles bringing new diners and supplies to the space station. When

your meal is completed, you once again board the space elevator and travel back down watching through the portal with Epcot getting closer and the Space Station being further away.

Their menu was a one-price 3-course meal (\$79) with your choice of appetizer, entrée, and dessert. We all choose different appetizers so we could share. Starry Calamari, Blue Moon Cauliflower and Centauri Caesar Salad were good,



but the calamari and cauliflower were a bit too spicy for me. My grandson and I were scraping off the sauce on each. For the entrée we all chose the same one. Why would you choose chicken or salmon when you could have Filet Mignon for the same price??



The filet was wonderful and the sides with it were delicious. We chose three different desserts so once again we could share and enjoy. My husband as always chose the chocolate cheesecake; my grandson had the

shortcake with strawberries, and I had the gelato and sorbet. All of the desserts were good but the chocolate cheesecake was wonderful. I think my grandson enjoyed the gelato and sorbet the most.

It was a wonderful meal and definitely worth every penny. The experience is one to remember.

Rita Henderson

Medicare Hack #36

THE NEXT STEPS FOR MEDICARE DRUG NEGOTIATIONS



With the Inflation Reduction Act of 2022 signed into law last month, the job of implementing Medicare's drug negotiations falls to the Center for Medicare and Medicaid Services (CMS).

The historic authority to negotiate drug prices for the Medicare population will not be easy for CMS to wield.

The pharmaceutical industry has said that it will likely challenge the law in the courts. Most likely that means challenges to different aspects of the regulations once they are proposed.

What It Means

It is premature to know what the arguments might be or whether the industry can successfully challenge the regulations. Nevertheless, the litigation landscape adds to the complexity and ambiguity of how negotiations will work.

In addition, this authority is more narrow than previous iterations: The number of drugs for which Medicare can negotiate prices would apply only to a limited number of drugs.

Medicare Drug Price Negotiations

The new legislation requires the Health and Human Services secretary to negotiate the prices of brand name drugs and biologics, without generic or biosimilar equivalents, that are covered under Medicare Part B and D, are nine or more years old (or, if they are biologics, are 13 or more years old), and lead to the most spending.

The number of negotiated drugs would be limited to 10 Part D drugs in 2026, 15 Part D drugs in 2027, 15 Part B or Part D drugs in 2028, and 20 Part B or Part D drugs in 2029 and later years.

The Calendar

In considering the timeline, it is important to remember that a lot can happen before the legislation is fully in operation in about seven years. For example, if Republicans win the House and Senate, as well as the White House in 2024, there could be an attempt to revise or repeal some provisions.



The Negotiation Drug List

For now, the first step for CMS is to determine which drugs in Part B and D will be the first to be subjected to negotiations.

While many have made educated guesses about what drugs those might be, no one is exactly sure yet.

In negotiating a price of drug, CMS must take into account many manufacture specific factors including the extent to which the manufacturer has recouped research and development costs. The legislation says the federal government must provide a written offer with justifications related to the manufacturer-specific information. How well a company can move the needle once that offer is made is yet to be seen and may well differ depending on the drug and the manufacturer.

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The Possible Savings

How many Medicare beneficiaries will see lower costs based on drug negotiations, particularly in the initial years, will depend upon the drugs chosen.

Beneficiaries will have lower prescription drug expenses because the legislation puts in place a \$2,000 cap on out-of-pocket costs.

The Congressional Budget Office estimated savings of \$100 billion, but most of those savings come in the later years of implementation.

The Regulatory Process

Some experts have raised concerns about a provision which delays Medicare negotiations for two years for selected high-cost drugs with biosimilar alternatives about to enter the market. That provision may be difficult to implement.

The language imposes limitations on what drugs will be eligible for delayed negotiation and which biosimilar manufacturers can request a delay for a specific reference product.

This means the regulations will be important in clarifying the process and alleviating some ambiguity.

The regulatory process will be key to the implementation of the Medicare drug negotiations provision.

Consumers, Congress, and other stakeholders will be monitoring the development of the regulations closely.

Need Help With Medicare?

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Map to our NEW Scottsdale Office



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We're on the corner of
Hayden & McCormick
Ranch Parkway right beside
Luci's and right above
Crumbl Cookies

Inflation

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 R E X A E C O N O M Y E Z V O A S
 F T Q A A E Q K E M G K O T B F B
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 K I N F L A T I O N B B M Z F K K

Deflation
Demand
Decrease
Inflation

Economy
Supply
Increase

Goods
Cost
Fluctuate

September Quiz

Question 1:

Who directed the movie, "September"?

- A. Tim Burton
- B. Woody Allen
- C. Quentin Tarantino

Question 2:

What is the birthstone for September?

- A. Topaz
- B. Emerald
- C. Sapphire

Question 3: What happens more in September than any other month in the United States?

- A. People go to jail
- B. Babies are born
- C. Car crashes

Answers for August

Question 1: Which term refers to the fear of going to school?

A. Didaskaleinophobia

Question 2: Which of the following is not a real branch of Science?

A. Astrology

Question 3: Which of the following elements is the smallest?

C. Neutron

MEDICARE HEALTH INSURANCE

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**OPEN
ENROLLMENT****SAVE THE DATE****OCTOBER 10TH @ 5:30pm & OCTOBER 13TH @ 1:30PM**

Be on the lookout for an email from AZMEDICARE101 for a special invitation to a 1 hour Annual Election Period Update Meeting. This meeting will take place via Zoom and is intended to update you all on the upcoming changes for 2023 to Medicare Advantage and Prescription Drug Plans.

RSVP is required and if you can't make one of the two dates, we will be recording these meetings and you can request your personal copy to watch.

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	Aetna	\$91.80
Male	66	N	Medico	\$102.65

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 09/01/2022

Interest Rates

Highest CDs and Share Rates

Highest National Rates

Duration	Institution	Yield to Maturity*
1 year	Connexus CU	3.21%
2 year	Connexus CU	3.41%
3 year	Connexus CU	3.46%
4 year	1st National Bk	3.25%
5 year	Synchrony Bank	3.50%

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 09/01/2022

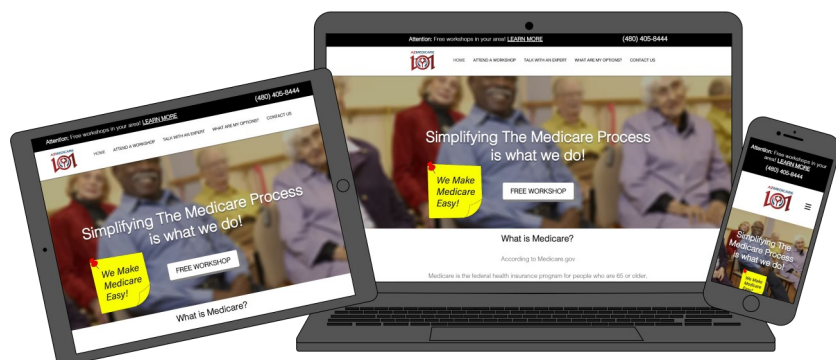
Highest Fixed Annuity Rates

Highest Arizona Rates

Duration	Institution	Yield to Maturity*
3 year	American Life	4.60%
4 year	Nassau Life	4.35%
5 year	Ohio St Life	4.80%
7 year	Nassau Life	4.65%
10 year	Farmers Life	4.60%

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 09/01/2022

Visit us Online at
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Leading Your Financial Education

Medicare Workshops

1 Hour Presentation - Everything you need to know about Medicare. We explain how Medicare works and what you can expect before you choose!

THIS PRESENTATION HAS BEEN APPROVED BY MEDICARE

Online Workshop

Monday, September 26th
5:30pm to 6:30pm



Online Workshop

Tuesday, September 27th
1:30pm to 2:30pm

Online Workshop

Wednesday, September 28th
1:30pm to 2:30pm

Online Workshop

Thursday, September 29th
5:30pm to 6:30pm

Online Workshop

Saturday, September 24th
11:30am to 12:30pm

Maricopa/Pinal County
in Blue

Pima County in Red

“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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IF YOU KNOW SOMEONE THAT COULD USE OUR HELP GETTING READY FOR MEDICARE, WE WOULD GREATLY APPRECIATE THE BUSINESS!

We appreciate your referrals!

Your referrals are gifts to whomever you refer. By making a referral, you are giving them a chance to make a difference in their financial future.

Thank you for helping spread the LYFE Advisor's message.