



\*Triumph Senior Solutions, LLC is in no way affiliated with the Social Security Administration.



### Upcoming Events

**"Maximize Your Social Security Benefits"**  
Seminar

Date/Time:

Thursday August 8th and Tuesday August 13th  
at 6:30 pm

Location: TBD

Benjamin S. Bryson, Founder and CEO  
1463 Lancaster Road  
Manheim, PA 17545  
(717) 431-8131



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"Helping You With Everything Retirement"

# August 2013

# Retirement Focus

A Monthly Insight Into Your Finances

## Mid-Year Planning: Accounting for New Tax Rules



The American Taxpayer Relief Act of 2012 (ATRA), passed in early January, permanently extended a host of expiring tax provisions. It also largely set the rules for tax planning for 2013 and beyond. As you take stock of your tax situation this year, here are a few new wrinkles to keep in mind.

### New top tax rate

The six tax brackets (10%, 15%, 25%, 28%, 33%, and 35%) that applied for the last several years have been made permanent for most individuals. That's really good news, since it removes a great deal of uncertainty going forward (it's always easier to plan when you know what the tax rates will be the following year).

But higher-income individuals and families will have to contend with a new top federal income tax bracket starting this year, paying tax on a portion of their income at a rate of 39.6%. The new 39.6% rate applies to individuals with taxable income exceeding \$400,000; married individuals filing joint federal income tax returns with taxable income exceeding \$450,000; married individuals filing separate returns with taxable income exceeding \$225,000; and individuals filing as head of household with taxable income exceeding \$425,000.

### Higher rates on investment income for some

Most individuals won't see any change in the rate at which they're paying tax on long-term capital gains and qualifying dividends. If you're in the 10% or 15% marginal income tax bracket, a special 0% rate will generally apply. If you are in the 25%, 28%, 33%, or 35% tax brackets, a 15% maximum rate will generally apply.

If you're in the new top 39.6% tax bracket, though, it's going to be a little different starting this year--that's because in 2013 a new maximum rate of 20% will generally apply to some or all of your long-term capital gains and qualifying dividends.

And keep in mind that a new Medicare contribution tax now applies to some or all of the net investment income of individuals with more than \$200,000 in modified adjusted gross income (\$250,000 for married couples filing a joint federal income tax return, and \$125,000 for married individuals filing separate returns). The Medicare contribution tax is 3.8%, and is in addition to other taxes that apply.

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## Mid-Year Planning: Accounting for New Tax Rules Continued >>>

### Other considerations

- This year, if your adjusted gross income (AGI) is greater than \$250,000 (\$300,000 if you're married and file a joint return, \$150,000 if married filing separately, and \$275,000 if you file as head of household), your personal and dependency exemptions will be phased out in part or in full. Similarly, your itemized deductions may be limited.
- If you itemize deductions, note that the AGI threshold for deducting qualified medical expenses on Schedule A increased this year from 7.5% to 10% for most individuals. If you or your spouse will be 65 or older by the end of the year, though, the 7.5% threshold will continue to apply for 2013.
- The rules allowing qualified charitable distributions from IRAs were extended through 2013. This popular provision allows individuals age 70½ or older to make qualified charitable distributions of up to \$100,000 from an IRA directly to a qualified charity; the charitable distributions are excluded from income and count toward satisfying any required minimum distributions for the year.

### Make time to plan

It's never easy to set aside the time to analyze your current tax situation and project how you'll be affected by recent changes. But it's important to do so while you still have time to implement a plan and take action. This year, it's particularly important to consider all of your options if your income level brings you within range of one or more of the new provisions targeting higher-income individuals.

## I just bought a vacation home. Do I need to purchase a specific type of insurance?



Insuring a vacation home is different from insuring a primary residence. As a result, you'll want to purchase insurance that is specifically geared to provide coverage for this type of property.

When insuring a vacation home, the type and cost of coverage will vary, depending upon the insurance company and the state in which your vacation home is located.

Most insurers offer at least some type of insurance that is specifically designed for second/vacation homes. Coverage under these types of policies can range from standard coverage that protects against certain named perils, to more comprehensive coverage that protects against all perils unless specifically excluded in a policy.

Keep in mind that, depending on what is covered under the policy, you may need to obtain additional protection (e.g., property or liability coverage) through either an endorsement or separate policy. In addition, if your vacation home is located in an area that is susceptible to flood damage—which is not covered under a standard vacation home policy—you'll want to look into obtaining separate coverage for that peril as well.

Due to some of the unique circumstances surrounding vacation homes (e.g., high-risk location, not being occupied for long periods of time), vacation home insurance premiums are usually much higher than those for a primary residence.

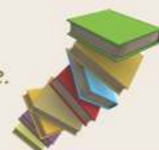
However, you may be able to save money by insuring your vacation home with the same company that provides coverage for your primary residence (some insurers may require this). In addition, you may be eligible for other discounts, such as those offered for newly built homes, nonsmokers, and homes that have a security system installed. Policy discounts will vary by state and insurer.

Because of the vast array of vacation home insurance products on the market, you'll want to be sure to shop around for the best coverage and rates. You may also want to contact the state department of insurance where your vacation home is located for additional information on the coverage and rate options that may be available.

### Useful Links

[www.paperbackswap.com](http://www.paperbackswap.com) - Swap books with others online.

[www.lulu.com](http://www.lulu.com) - Become a published author worldwide.



## Monthly Health Topic >>> Breakfast: Why it Should be a Priority, not an Option.



Many have heard that breakfast is in fact the most important meal of the day, yet it's the easiest one to skip. The benefits of sticking to a consistent breakfast schedule not only can improve your health, but it can also start your day off on the right foot.

Selecting healthy breakfast items is important for success. Here are a few benefits of eating a healthy breakfast every day:

1. **Weight Control-** studies have shown that breakfast eaters tend to weigh less than breakfast skippers
2. **Improved Concentration-** breakfast fuels the brain to improve concentration and boosts short-term memory
3. **All-Around Healthier-** breakfast is a good time to eat healthier foods, which help improve your health
4. **Feel More Energized-** a high-fiber, low-carb breakfast provides more energy throughout the day

Good breakfast ideas? Veggie omelets, fruit smoothies, whole-wheat toast, oatmeal, milk, yogurt and fruits. All of these ideas are quick, easy and help you start your day right!

## Last Month's Crossword Solutions >>> "CANT CATCH A BREAK" By James E. Buell - Edited by Timothy E. Parker

- ACROSS**
1. VAST
  5. DAWN
  9. BATHS
  14. IRMA
  15. IDEA
  16. ICEUP
  17. ATADISADVANTAGE
  20. NIL
  21. OBI
  22. YODELED
  23. DELAWARE
  26. NED
  27. BAN
  28. CBER
  30. SEA
  33. BEHINDTHE
  37. SITAR
  39. AXED
  40. SHORT
  42. NORA
  43. JEWEL
  45. EIGHTBALL
  47. ASS
  48. EDEN
  50. REA
  51. STU
  52. GLENDALE
  57. SCATTER
  61. LEE
  62. BAA
  63. ALLOUTOPTIONS
  66. CIVIC
  67. IDYL
  68. RICE
  69. SPACE
  70. LADY
  71. ALES
- DOWN**
1. VIAND
  2. ARTIE
  3. SMALL
  4. TAD
  5. DISBANDS
  6. ADAIR
  7. WED
  8. NAVY
  9. BINDERS
  10. ACTED
  11. TEAL
  12. HUGE
  13. SPED
  18. IOWAN
  19. AONE
  24. ABIDE
  25. ECHOING
  29. BERG
  30. STOA
  31. EARL
  32. ARAL
  33. BAJA
  34. EXES
  35. HEWES
  36. THEE
  38. INBAD
  41. THREEPLY
  44. LETTUCE
  46. TENET
  49. DUET
  51. STOIC
  53. LLOYD
  54. ABOIL
  55. LANCE
  56. EASES
  57. SACS
  58. CLIP
  59. ALVA
  60. ROIL
  64. FDA
  65. IRA

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