

# NEWS You Can Use

retirevo

Volume 11, Issue 8, August 2023

## Inside This Issue:



*Vacations Benefit Your Health, Family, and Also Your Working Life*  
..... 1

*Selenium: An Essential Mineral*  
..... 2

*Revisiting The Healthcare Aspect of a Retirement Portfolio*  
..... 2

*Easy Homemade Cobbler*  
..... 3

*IRS Guidance Update on Inherited IRAs*  
.....3

*It Happened In August*  
.....4

*The Best Loans to Pay Off Before Retiring*  
.....4



## Vacations Benefit Your Health, Family, and Also Your Working Life

Time off may improve performance at work because new experiences and “non-work” focus acts as an



Time off is good for physical and mental health, helps reduce heart disease, stress, depression and anxiety – but it’s also great for your career.

**A recent Pew study found that 46% of employees with paid time off don’t take all of it, nearly half of them state the reason is they feared falling behind.** Ironically, researchers are finding that if you want to be more successful at work, the best thing you can do is step away from it.

incubator for creative problem solving.

Even if time and resources are limited, you can make your time off count. Staycations over long weekends, with the proper attitude, can bring similar benefits. The simple act of treating a weekend like a vacation can have tremendous impact. **Take time off, look forward to it, and enjoy every moment.**

<https://www.wsj.com/articles/your-summer-vacation-can-help-your-career-d1dced72>  
[nytimes.com/2023/07/08/well/family/staycation-vacation.html](https://www.nytimes.com/2023/07/08/well/family/staycation-vacation.html)

## Selenium: An Essential Mineral



Selenium is a mineral found in soil, which naturally appears in water and some foods like beef, poultry, some saltwater fish, brazil nuts, and walnuts. People only need a small amount of selenium, which plays a key role in metabolism.

In the U.S., selenium deficiencies are not common. Some health conditions like HIV, Crohn's disease, and others are associated with low selenium levels. People who are fed intravenously are also at risk for low selenium. Doctors sometimes suggest that people with these conditions use selenium supplements.

The safe upper limit for selenium is 400 micrograms a day in adults. Anything above that is considered an overdose.

[webmd.com/a-to-z-guides/supplement-guide-selenium](https://webmd.com/a-to-z-guides/supplement-guide-selenium)

## Revisiting The Healthcare Aspect of a Retirement Portfolio

**Healthcare costs consume a growing share of retiree budgets over time.**

expenses on healthcare, that increases to 20% by age 85.



According to Fidelity's 2023 Retiree Health Care Cost Estimate, a single 65-year-old retiring this year should have saved an average of \$157,500 to cover health and medical expenses in retirement, and couples should have \$315,000 saved. This budget does not cover Long Term Care, dental, or premiums, deductibles, or coinsurance.

**Healthcare costs tend to rise at a rate of 1.5 to 2 times the CPI (Consumer Price Index).** In addition, older adults consume more healthcare services as they age. While a 65 year old may spend 10% of their

To calculate retirement expenses, one common approach is to apply a standard 2% or 3% inflationary bump each year, which will not cover the higher rate of health care cost increases.

Another approach would be to maintain an account earmarked for healthcare expenses. HSAs with their capped contributions won't likely have accumulated enough to fund lifetime healthcare costs. A hybrid life and long-term care insurance policy could be used to segregate that money.

<https://www.barrons.com/articles/healthcare-bucket-retiree-portfolio-98b24e38>



## Easy Homemade Cobbler



This quick summer treat is a perfect way to share fruits and berries this season!

Preheat oven to 325 degrees Fahrenheit.

Fill a 9 by 11 inch pan with 6 to 8 cups peeled, sliced fruits or cleaned berries.

Peaches, blackberries, blueberries, or pears, are popular combinations. Dot with thin slices of a half of a stick of butter.

Mix batter thoroughly in a medium bowl:

- 1 c. flour
- ½ c. sugar
- 2 tsp. baking powder
- ½ tsp salt
- 1 stick melted butter
- ¾ c. heavy whipping cream

Spoon batter evenly over the fruit. Bake in preheated oven until batter is lightly browned, around 50 minutes to 1 hour.

Serve warm with Vanilla Whipped Cream.

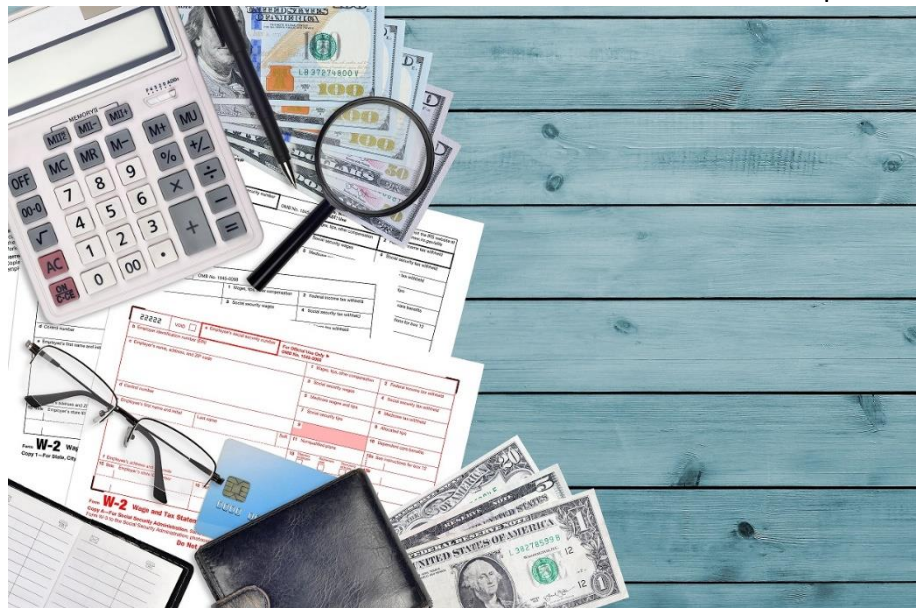
Whip 1 pint heavy whipping cream with 2 tbsp powdered sugar and 1 tsp vanilla bean paste.

## IRS Guidance Update on Inherited IRAs

Before the Secure Act of 2019 eliminated the “stretch IRA” for most non-spouse beneficiaries, they were allowed to stretch the RMD (Required Minimum Distribution) over their own lifetimes, permitting tax-free or tax-deferred growth.

this month has waived that annual requirement for now.

For IRA’s inherited before 2020, the stretch IRA laws are still applied. Spouses have flexibility when inheriting IRAs – they can roll over the inherited IRA into their own retirement account or keep as



Under the Secure Act of 2019, most non-spouse beneficiaries must now empty their inherited IRA by the end of the 10<sup>th</sup> year following the original owner’s death. In early 2022, the IRS proposed guidance that applied the rule to those who inherit an IRA from someone who had already begun taking RMDs. In that case, recipients must take distributions on an annual schedule.

an inherited account, and stretch distributions based on life expectancy, not the 10 year limit. Chronically ill, disabled, and minor children of the deceased are also able to stretch inherited IRAs to their own life expectancy.

Anyone else inheriting IRAs after 2019 that had begun taking RMD’s are not required to take an RMD this year, but must still drain the account within 10 years.

Due to the general confusion about the rules, the IRS on

<https://www.irs.gov/pub/irs-drop/n-23-54.pdf>

## It Happened In ...



**August 3, 1492** – In search of a faster, easier route to the Far East, Christopher Columbus set sail from Palos, Spain. Instead, he landed in the Bahamas on October 12th and discovered the New World.

**August 7<sup>th</sup> 1990** – Just five days after the Iraqi invasion of Kuwait, President George H.W. Bush ordered Desert Shield, a massive military buildup to prevent further Iraqi advances.

**August 14, 1935** – President Roosevelt signed the Social Security Act establishing a system guaranteeing pensions to those who retire at age 65, and helps states provide financial aid to dependent children, the blind and others.

**August 31<sup>st</sup> 1997** – Britain's Princess Diana died at age 36 from massive internal injuries suffered in a high-speed car crash, reportedly after being pursued by photographers.

<https://www.historyplace.com/specials/calendar/august.htm>

## The Best Loans to Pay Off Before Retiring

Many Americans approaching retirement are focused on paying down loans before they quit working.

However, they're often prioritizing their mortgages rather than expensive high-interest accounts.

If Americans can put aside wages to pay them down these loans aggressively, they could save thousands in interest fees while creating a cushion to retire on.

### Car Loans

According to MyAutoloan the average new car loan for a buyer with excellent credit is 11.19% this April. The average monthly car payment recently spiked to \$700, with many people grappling with \$1000 car payments. StudentAid.gov data shows 2.5 million borrowers were 62 or older. According to a 2023 data from Education Data initiative, the average borrower takes about 20 years to pay off their loans.

Baby boomers carry the highest average balance at \$45,136 per borrower, and Gen X follows closely at just over \$43,438.



### Personal Loans & Credit Cards

According to LendingTree, credit cards have an average interest rate of 23.55% in the United States, the highest rate since monthly tracking started in 2019. Consolidating debts or reducing payments for low interest loans like a mortgage so that higher interest credit card debts can be paid down more quickly.

### School Loans

Many student loans aren't tax deductible. StudentAid.gov data shows 2.5 million borrowers were 62 or older. According to a 2023 data from Education Data initiative, the average borrower takes about 20 years to pay off their loans.

[moneywise.com/retirement/the-loans-you-must-pay-off-before-retiring](https://moneywise.com/retirement/the-loans-you-must-pay-off-before-retiring)