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Newsletter for September 2014

Be careful selecting a month of entitlement to begin your Social Security. I am hearing from many readers of my newsletter that they chose to take their Social Security early and now regret it. You can only withdraw the application within 12 months of initial entitlement.

It is best to consult your financial advisor for advice on when to start your checks. I am finding that in many, if not most cases, it is better to delay receiving benefits until age 70. In an example I was given, a couple waiting until 70 was able to maintain their lifestyle 7 years longer by electing benefits at age 70 on their earnings record. In this example, one spouse was able to collect their spouse benefit at age 66. It required them to take a larger amount out of their IRAs and 401ks initially and reduce the amount taken at age 70.

Most financial companies have a computer program such as socialsecuritytiming.com to take the guess work out of the selection.

Federal employees and retirees, I have a couple of topics to mention this month.

Be careful choosing to roll over the Thrift Savings Plan into an IRA. The fees for the TSP are extremely low. This makes it, in most cases, the best choice. Remember that the person advising you to roll over gets fees from the roll over. Read the [article by James Hechinger](#) from Bloomberg News, reprinted in the Washington Post on page G3 of the August 17th edition.

The open season for health insurance will be November 10th to December 8th this year. The prices for plans will be posted at <http://www.opm.gov/healthcare-insurance/healthcare/plan-information/premiums/2015/nonpostal-hmo.pdf> for HMOs.

The price for PPOs will be posted at <http://www.opm.gov/healthcare-insurance/healthcare/plan-information/premiums/2015/nonpostal-ffs.pdf>. The information for 2015 will be available the end of September.

The actual plan information will be available sometime in October. I will send out a special newsletter when they are available. Be careful and check out the plans. The plan you have had for 20 years may not be the best for you in 2015. Only 4% of Federal employees and retirees actually change plans. I believe that many more people should change during open season.

More on this topic in the coming months.