



## Electronic Delivery & Record Retention

by Mark Niederhelman

Do you remember not long ago there were articles stating that with the advent of computers that we were moving to becoming a paperless society. What in fact happened was that we have even more paperwork in our modern world. The computer has made it easier to print, so we can become buried in paperwork. But that is now changing; many of us have the options of receiving less paper and more electronic or digital files. Typically when you opt to receive digital files you receive a notification via email when a new document is available. You can view it, and then either store it in a multitude of ways or simply delete it.

People ask us all the time, what do I need to keep, and what can be thrown out or deleted? Space is becoming an issue for a lot of people; their file cabinets and inboxes are full and they don't know what to do.

Before we discuss what to keep, we want to warn you that any documents or statements that are discarded need to be shredded. Identity theft is only getting worse so protect yourself at every opportunity.

The motives behind record retention are threefold. First, you want to be able to track where you are financially, and how you got there. We suggest that everyone should make an annual report of assets and liabilities. At Lineweaver Financial Group, we provide consolidated reports for our clients, so all of their accounts are listed on one statement, and they also have the ability to view this online 24/7.

Secondly, you need to know how your investments are performing so that you can compare your performance, or that of your advisor, to some benchmark. By comparing your performance to a benchmark, you will know if you are doing great, just OK, or poorly.

The third motivation for retaining records of your financial affairs is for tax reporting.

Unfortunately to have accurate records you are going to need to keep lots of records. Maybe you had better think about another filing cabinet or an electronic storage method with redundancy.

You must keep copies of all confirmations or statements showing the purchase of all investments. These records need to be kept at least three years after the sale of the investment. It doesn't satisfy the IRS to just have the date and the cost; they like the paperwork, or digital file, evidencing the transaction. Utilizing financial software such as Quicken can make this tracking easier for the future.

Keep records of how you acquired any securities, whether they were purchased, received as gifts, or inherited. Keep the cost basis of the acquisition. Keep records of

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Mark Niederhelman

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## LFG ON TV

Watch NewsNet 5 every Wednesday starting October 8 between 6:00am and 7:00am to see Jim featured on a new segment called "Wealth Watch"! These segments will help keep you up-to-date on hot button financial topics and news.



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## LETTER FROM THE PRESIDENT

by Jim Lineweaver, CFP®, President and Founder



As the leaves are starting to change, so are some of the rules regarding your investments and taxes. But unfortunately, these changes will not be as pretty! One BIG tax break will expire in 2014 and the IRA rollover rules will change in 2015.

The 0% capital gains rate for filers in the 15% tax bracket or less expires on December 31, 2014. A married couple filing jointly can earn up to \$73,800 and not pay any income tax on the sale of appreciated property or investments. If your income is close to this threshold, don't forget that you might be able to bunch your deductions in one year to qualify for a higher threshold. Mortgage interest, property taxes and charitable gifts can all help lower your income so you can lock in larger gains and not pay any taxes. The trick is to not go over the \$73,800 taking into consideration all income sources and gains from investments while offsetting these with itemized deductions.

The IRA rollover rules have a dramatic change starting in 2015. Until December 31, 2014, you have the ability to rollover as many IRAs from one institution to another and not pay any taxes. Starting in 2015 you will only be able to rollover one IRA in a 12 month period, no matter how many IRAs you have! This does not apply to transfers, but only to rollovers where you physically take receipt of the money for up to 60 days before depositing it into another IRA. A recent court ruling changed the rollover rule from applying to the IRA and changed it to applying to the owner starting in 2015. Therefore if you have multiple IRAs, make sure you have everything in proper order by December 31!!!

If you have any questions regarding these new rulings or any other financial, tax, legal and insurance issues, please give our WealthWATCH Center a call. Since our next newsletter will not be arriving until January, I hope you and your family have a happy and safe holiday season!

*“Success is not final, failure is not fatal: it is the courage to continue that counts.”*

*- Winston Churchill*

## LFG NEWS



Thank you to everyone who came out for our Client Appreciation Luau! It was a fun evening full of food, laughs and a great magic show by Rick Smith, Jr.! A big thank you to everyone who contributed to our 2014-2015 Harvest for Hunger kickoff! We collected over 5000 meals between food and financial donations, which puts us over halfway to our goal of 8000 meals!

### CONGRATULATIONS!

We would like to congratulate Amanda Shaffer, LFG's Investment Coordinator, for obtaining her Certified Fund Specialist® designation from the Institute of Business and Finance! Amanda completed an 135+ hour program, passed three comprehensive exams, and completed a written case study. She demonstrates a mastery of skills in portfolio construction, risk measurement, and income strategies, among other areas. Congratulations, Amanda!

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any securities or holding that you gave away to document the transactions.

Keep records of improvements made to your home or any other real estate you own. Adding a deck, a family room or a garage increases the cost basis of your home which will come into play when you sell your home.

Absent fraud, the IRS can go back three years (that's the statute of limitations) and audit your tax return. So at a minimum, you will want to retain all of these records at least three years AFTER you have sold or otherwise disposed of an asset. Keep your cancelled checks, bank statements and receipts to track expenditures and deductions.

What about all of the prospectuses and annual reports investors receive? After you read them, feel free to put those in the recycling bin. Just make certain that any personal information is shredded. Unless you are receiving your prospectuses electronically, then you can just hit the delete button!

Lineweaver Financial Group is having an education program on Electronic Delivery & Record Retention on Tuesday, November 18 at 6:30pm and Thursday, November 20 at 1:00pm. Call us to reserve your seat!

## MONEYWATCH

**DJIA: 17,042.90**

YTD: +2.81%

**10 Year Treasury Note Yield: 2.51%**

9/30/13: 2.62%    6/30/14: 2.53%

**30 Year Mortgage Rate: 4.13%**

9/30/13: 4.35%    6/30/14: 4.13%

Source: Yahoo Finance

Past market performance is no guarantee of future investment performance or success.

It is not possible to invest directly in an index. Close of Market 9/30/14

## GOLDEN OPPORTUNITIES SHOW

Tune in to WKYC Channel 3 at 12:30 pm every other Sunday to see Jim Lineweaver on the Golden Opportunities show with Armond Budish. Jim and Armond discuss current financial topics in an easy to understand format.

**Upcoming shows and topics:**

**Sunday, October 5, 2014**

*The New Retirement*

**Sunday, October 19, 2014**

*IRA Rollover Rules*

**Sunday, November 9, 2014**

*Electronic Delivery and Record Retention*



## ECONOMIC COMMENTARY

by Stephen Yarmesch, AIF®

Riverview Research, LLC

Favorable hiring trends, continued production growth and unrelenting merger activity kept markets steady, even as international tension remained in the forefront of media coverage and small fissures appeared within the ongoing expansion. The S&P topped 2000, the Dow Jones settled above 17,100 and the NASDAQ finally surpassed 4500. All have pulled back during the last several days.

Unemployment fell to 6.1% in August, though this was the first month in 2014 not to top 200K newly created jobs. More discerning was the main driver of lower unemployment: labor participation fell below 62%. Not all industries suffered as job creation in technology and healthcare outpaced the national average while the service sector remained a primary catalyst for labor growth. Noting such slack, the Federal Reserve has remained steadfast in keeping the federal funds rate near zero until labor expansion improves (NYT).

As global tensions ebb and flow, commodity prices, especially metals and natural resources have mostly remained stable. Domestically and abroad inflation continues to be subdued. In the European Union lax consumption and an unwillingness by banks to drive lending have tamed inflation and stalled the region's recovery. To counter, the ECB has tentatively proclaimed additional action during the final quarter to spark activity (NYT).

Japan's GDP has constricted by 7.1% as the newly raised sales tax and poor weather stymied consumption. Overall, personal spending, capital and infrastructure investment all fell creating doubt that recent corporate profits would invigorate economic activity. As with Europe, Japan's financial officials are positioning additional fiscal stimulus if the economy remains stagnant (WSJ).

As mentioned, turbulent regional conflicts have benefited US Treasuries as investors pursue perceived safe havens. Based on the Barclays US Aggregate Index, bonds have gained slightly more than 4% YTD. And as Russia/Ukraine, Middle East conflicts remain ongoing, Treasuries should maintain their valuations. We are confident in the US outlook but are taking note of any signs of regression. We also continue to de-emphasize Europe as stimulative efforts have not ignited consumer lending or demand. As always, review one's portfolio to help ensure allocations are aligned to long-term objectives.





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## TRIVIA

Thomas Jefferson appears on both sides of the \$2 bill. The front features his portrait, the back features the signing of the Declaration of Independence, which Jefferson was present for.



## EMPLOYEE SPOTLIGHT

*Hugo Souza, Financial Advisor Liaison*



Welcome Hugo Souza, one of the newest members of the LFG team! Hugo is the liaison with Jim and his clients. Hugo also coordinates meeting preparation and follow-up actions with other team members to help improve system efficiencies. His interaction with clients to gather profile data, review portfolio summaries and discuss implementation of financial plans will strengthen the already solid relationships that clients form at Lineweaver Financial Group.

Hugo graduated and played football for the University of New Hampshire. He started his career at Morgan Stanley where he obtained his Series 7 and 66. Hugo is originally from Massachusetts and is an avid Boston Sports Fan. He enjoys golfing, traveling, exercising, and more importantly, spending time with his wife and two boys.



*If you would like to receive our newsletter through email, please email Jennifer at [Jennifer@lineweaver.net](mailto:Jennifer@lineweaver.net)*