John R Creteau, Investment Adviser
Richard K Hackett, CERTIFIED FINANCIAL PLANNER™
John R Lachapelle, Financial Advisor

Main Office
73 Wakefield St
Rochester, NH 03867
Phone: 603-332-6518
Fax: 603-332-0075

Satellite Office
One New Hampshire Ave
Suite 125
Portsmouth, NH 03801
Phone: 603-766-6518

Website: CeteraNH.com

October 2021

CLIENT NEWSLETTER

Inside This Issue:

If you enjoy our monthly newsletter and know someone who would benefit from receiving it, please contact us or email our Office Manager at Laura.Fleming@Ceterawealth.com

Interest Rates		
Type	**Sept**	**Aug**
Prime Lending	3.25%	3.25%
Federal Funds	0.25%	0.25%
3 Mo T-Bill	0.04%	0.06%
5 Yr T-Note	0.79%	0.80%
Mortgage Rates		
Type	**Sept**	**Aug**
30 yr Fixed	3.03%	3.04%
15 Yr Fixed	2.29%	2.31%
5/1 ARM	3.57%	3.64%
Source: Bankrate.com		

What to do with a Financial Windfall!

The odds of winning life-changing cash in a lottery are incredibly low. We are more likely to be the recipient of an inheritance or an insurance settlement. And it's the unexpected pile of cash that may create an initial sense of euphoria and a false sense of security.

According to Elizabeth O'Brien in an article written in September 2015. *"One in Three Americans who get an Inheritance Blow it"*

Whether large or small, it can seem like "play money." And that is where the danger may lurk. So, that brings us to the next question. What should you do if you happen to be the beneficiary of a financial windfall?

10 Steps to Creating a Firewall Around your Newfound Stash of Cash

1. **First, do nothing**. That's right, do nothing. The temptation may be to buy a new car, take a luxury cruise, or upgrade your living arrangements. That can begin an unwise cascade of purchases that will likely leave you feeling regret. I suggest you wait at least six months before embarking on any life-changing decisions. The time spent waiting and planning allows the "shock" of your newfound wealth to wear off. Besides, you need to take time to learn exactly what you've inherited. Is it all cash? Is it stocks and bonds? Have you just become the owner of a business or real estate?

2. **Talk to a trusted advisor**. Find someone who has your interests at heart, not his or hers. If you are expecting to receive a windfall or have already received an unexpected inflow of assets, let's talk and see how we can incorporate it into your overall financial plan. The suggestions I'll provide below are what I call the basics, the fundamentals. They may not apply directly to you, but they are common sense tools designed to help you make smart decisions and prevent an expected or unexpected windfall from being squandered.

3. **Doing nothing also means not quitting quit your job**. It may be tempting, but lost wages and the lack of social interaction from your work buddies may lead to remorse, even if you don't especially enjoy your job. Besides, without work, you run the risk of blowing through your money much quicker than you had anticipated.

4. **Reduce debt**. We've always provided a holistic approach to financial planning. Once things have settled down and you have a better understanding of your inheritance, it may be time to pay down or pay off high-interest debt.

Continued on Page 2

What to do with a Financial Windfall! Continued from Page 1

5. **If you don't have an emergency fund, now is the time.** Set aside reserves of at least three to six months, preferably the latter. Having reserves set aside will reduce your financial stress.
6. **Additionally, you may decide to allocate additional funds toward savings and retirement.** Again, every one of our clients is unique, with various goals, personal circumstances, and financial resources. What our team recommends for one person may vary significantly from what's best for another.
7. **Think about tax and estate planning.** No one is sure what may or may not happen to the tax code this year or next. But it's critical that we get a handle on the tax ramifications of your inheritance to maximize the financial benefit. For example, did you know that you may be required to take distributions if you inherit an IRA? What if you are already taking required mandatory distributions? You see, things can get tricky rapidly, but sound advice can quickly ease any concerns.
8. **Be cautious**. Less-than-reputable salespeople and relatives may suddenly warm up to you, with the unspoken goal of separating you from your cash. That's why a trusted advisor is critical.
9. **Consider charitable giving**. Do you have a favorite charity? Would you like to help a niece or nephew finance their education?
10. **Have some fun**. There's nothing wrong with treating yourself. As we provide counsel, we would like to leave some room for self-indulgence.

With a financial plan in place that manages your windfall, you'll feel much more secure enjoying the benefits of your wealth without the nagging worries that you might run through your nest egg with not much to show for it.

John R Lachapelle, Financial Advisor

Source:
https://www.marketwatch.com/story/one-in-three-americans-who-get-an-inheritance-blow-it-2015-09-03 By Elizabeth O'Brien

---

Life Insurance: Are You and Your Loved Ones Insured?

You may find yourself asking "why would I need life insurance?" and you're not alone. Many people know what life insurance is, however, they are not sure why they may need it. Here's a few reasons why it matters.

Help pay off debts: It's an extremely emotional and stressful time when a loved one passes away. If you pass away with any debt, that debt does not disappear causing this already challenging time to be more challenging. With life insurance, you provide a financial safety net for family members who may be left with the debt you leave behind.

Provide a financial future: By securing life insurance, you are securing supplemental income which can help fill the income gap that may affect your loved ones. Don't let your loved ones face financial hardships. The death benefit that is provided by life insurance can be used to cover day-to-day purchases and living expenses including but not limited to grocery bills, mortgage, and tuition costs.

Lessen the stress: Funeral services and burials can be very expensive, and your loved ones might face a burden trying to pay for it. By having a life insurance policy in place, this can help alleviate that burden. Life insurance also provides a bit of relief for your loved ones and provides them the ability to get back on their feet after your passing.

If you or someone you know is interested in learning more about life insurance and receiving a quote, please reach out to our office or email ***Ashley, our Client Services Assistant – ashley.langlais@ceterawealth.com.***

What is the Difference Between Open-End and Closed-End Mutual Funds?

On the surface, open-end and closed-end mutual funds may look similar. Both offer investors a low-cost way to pool their money so they can purchase shares in a diversified portfolio of stocks and/or bonds that is professionally managed and meets a particular objective. But a closer look reveals quite a few differences between these two types of mutual funds — mostly in the way they are structured and sold to investors.

What Is an Open-End Fund?
The most common type of mutual funds, including those offered by American Funds, are known as open-end funds (while our funds are actively managed, open-end funds also include passive index funds). Open-end mutual funds typically do not limit the number of shares they can offer and are bought and sold on demand. When an investor purchases shares in an open-end fund, the fund issues those shares and when someone sells shares, they are bought back by the fund. When shares are sold (known as a redemption), the fund pays the investor using cash on hand or it may have to sell some of its investments in order to pay the investor.

Open-end mutual funds are also priced differently from closed-end mutual funds, which trade on a market similar to a stock. Shares of open-end funds are bought and sold directly from the fund at a price per share that is based on the value of the fund's underlying securities. On each trading day, typically at the end of the day, the net asset value (NAV) is calculated by dividing the market value of the fund's assets (less expenses) by the number of shares held by investors.

What Is a Closed-End Fund?
Since closed-end mutual funds are traded among investors on an exchange, they have a fixed number of shares. Like stocks, closed-end funds are launched through an initial public offering (IPO) in order to raise money before they can trade in the open market. Although their value is also based on the fund's NAV, the actual price of the fund is determined by supply and demand, so it can trade at prices above or below the value of its holdings. Closed-end funds are often actively managed unlike exchange-traded funds, which track an index and generally do not trade at a discount or premium to their NAV.

Fund Type	Pricing	Portfolio Transparency*	Continuously Offered	Management Style
Open-ended	End of day	Low	Yes	Active or passive
Closed-ended	Intraday	Low	No	Generally active
EFTs	Intraday	High	Yes	Generally passive
*Open-end and closed-end mutual funds typically disclose holdings quarterly while ETF's do so daily.				

Closed-End vs. Open-End Funds
Both types of mutual funds have been around for quite a while. Closed-end funds are the oldest, having been introduced in the late 19th century; open-end funds followed in the early 20th century. Today, open-end funds are by far the most popular among individual investors, who often have exposure to them through a 401(k) or other company-sponsored retirement plan. An open-end fund allows investors to participate in the markets and have a great deal of flexibility regarding how and when they purchase shares. Closed-end mutual funds may be more volatile; investors usually need to buy or sell them through a broker and are bound by the market price. But don't confuse a closed-end fund with a "closed fund," which is an open-end fund that no longer accepts new investors.

Source: *Capital Group*

Mutual Funds and Exchange-Traded Funds are sold only by prospectus. Investors should consider the investment objectives, risks, charges, and expenses carefully before investing. The prospectus, which contains this and other information about the investment company, can be obtained directly from the company or from your financial professional. The prospectus should be read carefully before investing or sending money.

A diversified portfolio does not assure a profit or protect against loss in a declining market. Investors cannot invest directly in indexes. The performance of any index is not indicative of the performance of any investment and does not take into account the effects of inflation and the fees and expenses associated with investing.".

Have a Plan for Care

Planning, planning, planning. It seems like that's all we hear about these days. Career planning, family planning, financial planning, retirement planning. Then what? What do we plan for after planning for retirement?

We also need to plan for living a long life. As a population we are living longer. I met recently with a 64-year-old gentleman whose grandfather was alive and in good health at age 103! I have another client who recently returned from her parents' 76th wedding anniversary celebration! A 65-year-old today can expect to live another 17 years, but many are living far longer than that. The fastest growing age group is the group over age 85. When the social security system was initially put into place, it was set up as a safety net for those few people who lived much beyond age 65. Now there are people who have been drawing from the Social Security system for almost as many years as they paid into it.

So how do we plan for living a long life? Obviously, we need to have our finances in order. The greatest fear of many retirees is outliving their assets. Many are dependent on investment income to supplement Social Security earnings to meet their day-to-day expenses. Most people are reluctant to tap into their principal, wanting to preserve it at all costs. They want to preserve the income stream, but they also want to preserve the principal, so they have something to leave to their children, grandchildren, or favorite charity.

One of the greatest risks to a portfolio is that of an extended care need. And the likelihood of needing care increases with increased age. The older we are, the more likely we are to develop conditions that may require us to have assistance with day- to -day activities such as bathing, dressing, getting in and out of a chair. The need for assistance can be due to things like severe arthritis, emphysema, cardiac problems, or even an accident. It may also be due to conditions such as multiple sclerosis or Parkinson's. It may simply be due to growing old and frailer or developing dementia. Of those over age 85, fifty percent have some level of dementia. Remember, this is the fastest growing age group in our country!

Planning for a long life must include planning for disability or incapacity. Have you given this any thought? If you were unable to care for yourself, what would you do? Would your spouse be able to care for you? What if your spouse were to pass away before you? What if your spouse was the one who needed care? Would you be able, physically, emotionally, and financially to provide the necessary care?

Have you spoken with your children about your preferences if you need care? Many of us have living wills and other documents that may say we don't want to be kept alive by artificial means. The chronic conditions that were mentioned earlier—arthritis, cardiac problems, emphysema, Alzheimer's disease, do not require life support. These are not situations where you are given the choice of "pulling the plug". You could live with these conditions for many years, still enjoying many activities and relationships while needing assistance daily.

I hear people say, "My children will take care of me". What does that mean in your family? Does that mean that they will move in with you or have you move in with them and their family? Does that mean that they will provide hands-on care such as bathing you? Or does it mean that they will provide for you financially?

As part of your planning, it's important first to acknowledge that living a long life is a near certainty, that the longer we live the more likely we are to need some type of day-to-day assistance; that Medicare, Medicaid, and the Veteran's Administration do not provide for the type of care that we are most likely to need. The care most likely to be needed is having someone come into our own home to aid.

It's then important to acknowledge that an extended care situation will have a tremendous impact on your family. What would the impact be on your child's life if they become responsible for your care twenty-four hours a day? Think about the impact even if they provide care only eight hours a day. What does that do to their family time? To their career? To their other responsibilities and commitments? What would it mean to them financially?

Continued on Page 5

Have a Plan for Care *Continued from page 4*

I firmly believe that spouses and children will do all they can to provide care, but it can be very difficult. They will do the right thing. But having a plan in place can help them in this new role as caregiver.

So, for your planning, make your loved ones aware of your care preferences. Do you want to stay in this area if you need care or would you prefer to move to another part of the country where you have family or friends? Would you want to move in with your children or, like many, do you not want to be a burden to your family members? Do you want to receive care at home for as long as possible or would you prefer to be in a setting such as an assisted living facility where there are other people around, there is help as needed, and there are a variety of social activities planned?

If care is needed, how will you pay for it? Have you considered investigating long-term care insurance as an option to provide the financing for extended care services? Many people are unaware that long term care policies will pay for a caregiver to come into your home to provide care there. Many people are also unaware that they can insure for a portion of the cost if they feel that they can afford to pay the remaining portion of the cost of care.

Do a favor for yourself and for your loved ones. Have a plan for the eventuality of needing care. Let people know your desires. Set up the financial resources. Let your family know what resources are available either in the form of assets or insurance to pay for your care. Then, enjoy the peace of mind that comes from good planning and get out there and enjoy the years that you've been given!

John R Creteau, Investment Adviser

What is a Limited Liability Company (LLC)?

When one decides to start a new business, a legal form needs to be selected. The options available include sole proprietorships, general partnerships, limited partnerships, limited liability partnerships, limited liability companies, C corporations, and S corporations.

In this article the focus is on limited liability companies (LLCs). LLCs are business entities created under state law that are owned by members and combine the tax advantages of a partnership or limited partnership with the liability protection of a corporation. All LLC's owners, regardless of participation, receive limited liability.

Owners of an LLC, referred to as members, include individuals, corporations, other LLCs and foreign entities with banks and insurance companies generally excluded.

For tax reporting, the IRS will classify an LLC as either a corporation, partnership, or part of the member's tax return as a "disregarded entity."

LLCs with at least two members will be classified as a partnership for federal income tax unless an election is made to be treated as a corporation on Form 8832.
An LLC with one member will be treated as part of the member's return unless an election to be treated as a corporation is made on Form 8832.

If you don't want to accept the default federal tax classification of the LLC or wish to change its classification refer to Form 8832, Entity Classification Election.

Richard K Hackett, CPA

Richard K. Hackett is a Certified Public Accountant and Enrolled Agent with over forty years of experience providing bookkeeping, accounting, payroll, and tax services. If you are interested in contacting him, he may be reached at 603-770-2758 or by email at richardhackett71@yahoo.com

Richard K. Hackett, CPA, EA is not affiliated with Cetera Wealth Partners. Neither Cetera Wealth Partners nor its representatives offer tax or legal advice. Please consult with your tax and legal advisors regarding your individual situation.

Moving?

Moving can be time consuming and stressful. We make it easy to keep your investments, retirement, and insurance accounts up to date.

Just email us at Laura.Fleming@ceteraweath.com with the subject line: ***Change of Address*** and include your name, your old address and your new address and updated phone numbers.

Or call the office at 603-332-6518 ~

Health Tip Of The Month

October

With fall here who wouldn't want to curl up with a cup of coffee or tea with a berry scone. Or need a quick dessert for the kids or football gathering. These two recipes are quick and easy.

BERRY SCONES

Serves 4
1 cup almond flour
¼ cup coconut flour
½ teaspoon baking powder
¼ teaspoon salt
¼ cup almond milk
¼ cup maple syrup
2 Tablespoons coconut oil
1 large egg
1 teaspoon vanilla extract
¾ cup blueberries fresh or frozen

Topping: drizzle warm nut/seed butter

Preheat oven to 350 degrees and line a baking sheet with parchment paper.
In a medium bowl, combine dry ingredients: almond flour, coconut flour, baking powder and salt. In a separate bowl, combine wet ingredients: almond milk, maple syrup, coconut oil, egg, and vanilla. Add dry ingredients to wet until well incorporated. Gently fold blueberries in.

Place the dough onto the lined baking sheet and form a disc shape, about 1 inch thick. Cut into 8 wedges, like a pie. Move the pieces about 1 inch apart on the baking sheet. Bake for 18-22 minutes or until golden brown.

Drizzle with warmed nut or seed butter and serve!

SKILLET ALMOND BUTTER & DARK CHOCOLATE COOKIE

Serves 6

1 cup smooth almond butter
1/3 cup honey
1 large egg
1 large egg white
1 teaspoon vanilla extract
2 Tablespoons flaxseed meal
¼ cup almond flour
½ teaspoon baking soda
¼ teaspoon sea salt
½ cup dark chocolate chips
(like the Enjoy Life brand), divided
½ cup fresh berries for serving

Preheat the oven to 350 degrees. Over low heat, spray an 8- to 10-inch skillet with coconut oil spray. Add almond butter and stir with a spatula until melted and smooth. Stir in honey until well blended. Shut off the heat and let cool for about 10 minutes. Once cooled, mix in the egg, egg white, vanilla and flaxseed meal, then stir until smooth. Finally, blend in the almond flour, baking soda and salt. Smooth out the batter evenly on the bottom of the skillet with your spatula. Stir in 2/3 of the chocolate chips and add the remaining on top.

Transfer to the oven and bake for 15-18 minutes. Let cool slightly, cut into wedges and top with fresh berries before serving.

Source

https://caraclarknutrition.com/blog

Client Quiz!

This Month's Quiz

Question: The sole purpose of this instrument is to assist you in determining your general attitudes towards investment risk. One's time horizon and risk aversion are the nucleus of this instrument.

a. Dollar cost averaging
b. Needs analysis
c. Business valuation
d. Risk tolerance questionnaire

Source: *John R. Creteau*

Answer to Last Month's Quiz

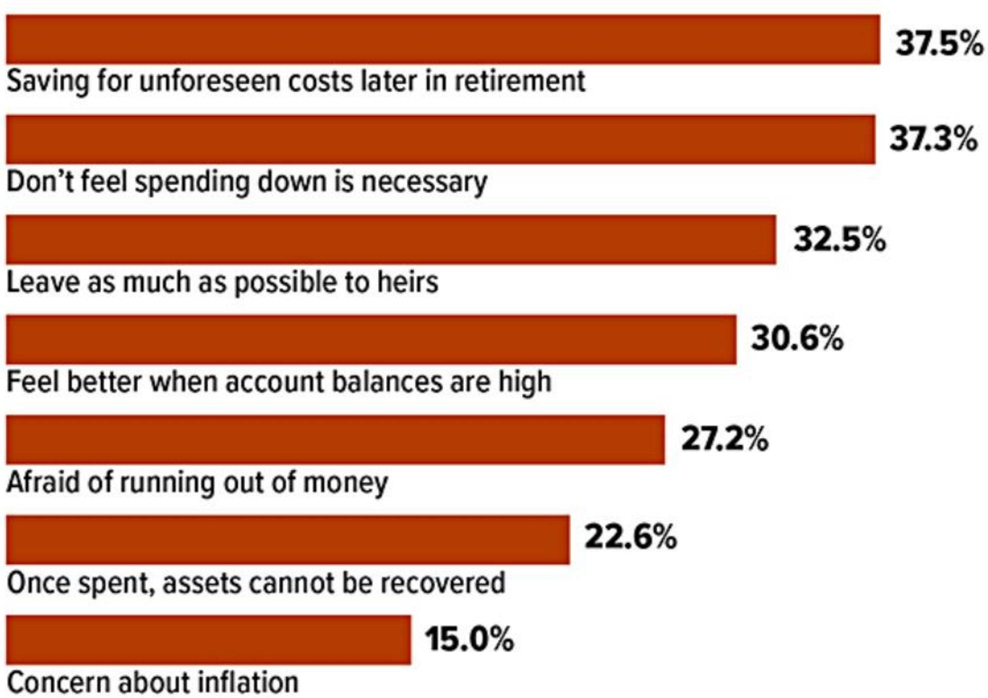
Quiz: Which of these investments is defined as a basket of securities that trade on an exchange just like a stock. This instrument can contain all types of investments including stocks, commodities, and bonds.

a. Annuity
b. Mutual Fund
c. **Exchange Traded Fund (CORRECT)**
d. Unit Investment Trust

Source: *John R. Creteau*

To Spend or Not to Spend?

About 77% of retirees between the ages of 62 and 75 plan to spend down at least some of their retirement assess. The top reasons cited include lifestyle, medical expenses and health insurance, housing expenses, and discretionary spending. The remaining 23% intend to maintain or grow their assets. Why would retirees not want to spend down the assets they've worked so hard to save? Here are the reasons they gave.



Source: broadridgeadvisor.com
Employee Benefit Research Institute, 2021 (multiple responses allowed)

73 Wakefield St, Rochester NH 03867

****<u>EMPLOYERS</u>****

Are you Considering Converting Your Companies Simple Plan to a 401K? Now is the time to do it!

Here’s what you need to do:

1. Notify your employees within a reasonable time before November 2nd that you’ll be discontinuing the Company Simple plan effective the following January 1st. Make sure you receive a confirmation for your records.
2. Notify the financial institution that you have your Simple IRA plan with.
3. Notify your payroll provider or internal accounting department that you won’t be making SIMPLE IRA contributions for the following calendar year and that you want to terminate your contributions.
4. Although you do not have to notify the IRS that you have terminated the SIMPLE IRA plan you should keep detailed records of everything regarding the termination.

***If you have a Simple Plan and would like to discuss converting, please do not hesitate to call one of the partners. In addition, we offer 401(k)’s. If you have a business, or know of a business that needs assistance, give us a call.**

John R Creteau, Investment Adviser