

RADIO 5

Topics

New York state regulators-Fine on LTC
Gran Teton This week's economic symposium
Inflation reduction act
Market time
Study on retirees

New York state regulators are imposing a \$2.5 million penalty on John Hancock Life & Health Insurance Co. for problems with 156 long-term care insurance policy terminations.

The Boston-based Manulife Financial unit will also have to pay \$2.2 million to the New York state Medicaid program, and \$21.6 million in extra benefits to policyholders and beneficiaries, in connection with the LTCI policy termination errors, according to a consent agreement posted online by the New York State Department of Financial Services.

John Hancock found that it miscalculated policy termination dates because it failed to extend benefits periods when insureds used less than the maximum daily benefits on a given day while on the claim, officials said Thursday.

What It Means

Advisors who have clients who are using long-term care insurance or other types of coverage for long-term care may want to work with policy analysts and policyholder advocates to verify that clients are getting the benefits promised.

The attention of the financial world will turn to Grand Teton National Park in the week ahead.

The Kansas City Federal Reserve will host its annual economic symposium in Jackson Hole this week, with Friday morning's speech from Fed Chair Jerome Powell expected to highlight the proceedings as investors search for clues on the central bank's next move.

This year's symposium marks the first in-person Jackson Hole conference since 2019.

A close-reading of Powell's comments on Friday will boil down to whether investors see the Fed chair signaling another 0.75% interest rate hike from the Fed at its next policy announcement on September 21, or whether the Fed will ease its pace of rate hikes and increase benchmark rates by 0.50%.

In a note to clients Friday, Andrew Hunter, senior U.S. economist at Capital Economics, wrote that recent economic events are likely to set the table for a 0.50% rate hike in September.

July inflation data showed a modest softening in inflation pressures, arguing for easing the pace of hikes. The July jobs report dispelled concerns from some Fed officials that the labor market is softening, perhaps making the case for continued aggression on raising rates.

The Inflation Reduction Act — signed into law by President Joe Biden on Aug. 16 — injects the Internal Revenue Service with \$80 billion in new funds, and the big question now is how the agency will use it.



Republican lawmakers argue the funds will supercharge the IRS to hire 87,000 new agents to go after middle-class taxpayers. But President Joe Biden and top democrats maintain that the beefed up IRS will only institute more audits on those earning more than \$400,000 per year.

Industry officials reached by ThinkAdvisor say that an onslaught of new audits will not be immediate.

Market time, time the market...Stay the course, buy the dip. A lot of advise out there.

- **Most workers 70% have some form of financial strategy for retirement BUT only 29%**
- **Have a written plan, 41% said they have an unwritten plan.**
- **Backup Plan if Retirement Comes Unexpectedly**
- **37% of workers have a backup plan for retirement income if unable to work to their**
- **Planned retirement age**

Expected Retirement Age

- **50% of workers expect to work to age 65**
- **31% of workers expect to work past 65**
- **19% of workers do not plan to retire**

7 out of 10 workers agreed with the following statement, "I am concerned that when I am ready to retire, Social Security will not be there for me".

More than half of unemployed workers 54% have no understanding of asset allocation principles.

Other sats:

- **Workers estimate they will need \$350,000 (median) in order to feel secure in their retirement.**
- **Among those who provided an estimate of their retirement savings needs, 45% of**
- **workers have second-guessed their estimated retirement savings needs.**
- **Only 35% of workers said they use a professional financial advisor.**

Mary in _____

How can I locate an investment account that I lost track of many years ago? The firm I invested with sold to other firms. (Check the Office of Unclaimed Funds within your state, usually it's a part of the State Comptroller. You can use the following website to check in individual states, etc.

<https://www.usa.gov/unclaimed-money>

Kenny in _____

I am 67 years old now and want to delay filing and receiving my Social Security benefit until I am 70 years old. My wife is also 67 years old and she is a non-working spouse who is not qualified to receive a Social Security benefit on her own earning, and she has not filed to receive a spousal benefit. Should she file to receive her spousal benefit now, or can she wait until she is 70 years old to get 50 percent of my benefit?



BlackRock, the investment management corporation asked nearly three-thousand retirees and savers to describe their favorite investments to help stoke the nest egg.

ETF's – Some 16-percent of those surveyed said ETF's top their list. The first American ETF (exchange-traded fund) launched in 1993, and in recent years, this type of investment has become increasingly popular.

Unlike mutual funds – which trade at one price after each day's market close – ETFs trade at different prices throughout the day. They also tend to have lower costs than many mutual funds.

Are ETF's right for you? Your advisor can help answer that question.

Annuities – Twenty-one percent said this is what they use along with other strategies to boost retirement savings.

Some experts feel annuities are underappreciated and should be a bigger part of retirement planning.

There are pros and cons to annuities. It's best to work with an independent fiduciary advisor to get the most out of any annuity.

Cash – 46-percent of respondents say this is the best. But is it?

The old saying "cash is king" rings true with the nearly half of Americans who are keeping at least some of their retirement savings in greenbacks. Unlike stocks, cash doesn't end up whipsawed from soaring highs to plummeting lows.

But that doesn't mean cash is a completely safe way to store your money. Inflation can erode the value of cash over time.

Mutual Funds – 49-percent is the number of respondents who use them. Millions of Americans trust mutual funds to do the work of building a large nest egg, and with good reason.

These funds provide high levels of diversification. You can choose index funds that include shares in hundreds or even thousands of companies.

