

## Southern Capital Services, Inc.

### First Client Event for 2015

by Eric Nager, CRPS®

#### Monthly Connection:

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#### Organization

“There’s a fine line between keeping items and being kept by them!”

-Virginia Barkley-

Be thankful for your blessings...



...and gobble ‘til you wobble!

While we are still a couple of months away from flipping the calendar to 2015, we have been busy making plans for the upcoming year. On the heels of what we considered to be a very successful client event this year in May (“The Shredding Party”), we thought, “What other productive opportunities can we line up for our clients?” We have come up with several ideas for next year that we hope collectively offer something for everyone.

First, on February 26th, we plan on offering a seminar to our female clients (sorry, guys). One portion will focus on tips for organizing our financial lives, and will be presented by our own Wendy Nelson Bailey, CFP®. For the other portion of the seminar, we are excited to bring in a celebrity guest speaker, Virginia Barkley, author of Clutter Busting for Busy Women. Every attendee will receive an autographed copy of her book. Specific invitations will go out closer to the time, but if you’d like to reserve your spot now, please contact us and think about family and friends who you would like to include.

According to Virginia, “Most people exhaust themselves with the mere thought of organizing before they have even begun; and, those that do start often get discouraged and give up before seeing any results. There are several critical secrets absolutely necessary to create fast and sustainable organizing success. If you know them, you will not only be inspired and excited to get organized but also see results the very first time you put these secrets into practice. If you do not, you will continue to struggle, and your clutter will win! Almost everyone makes the same devastating mistakes over and over and over.”

“I equip my audiences with the knowledge and tools to know how and

where to begin their organizing projects. I inspire them to get more done in less time; energize and motivate them to create an organized life that will drive them toward more purpose-filled destinations; train them on simple clutter busting strategies that will instantly allow them to become more productive.”

Our goal for events like this is that we want to create extra value for our clients by sharing helpful information on important topics. More details will come later about the other events that are in the planning stages.

If there is a topic you would like to hear about, please let us know and we can perhaps include it in an event for next year. In the meantime, enjoy a peaceful and relaxed Thanksgiving holiday and please accept our expression of gratitude to you as our client!

Virginia Barkley’s organizational background includes Senior Production Coordinator for the Opening and Closing ceremonies of the



1996 Summer Olympic Games in Atlanta. Following the Olympics, The Coca-Cola Company entrusted Virginia and her team to develop a new division of Worldwide Licensing and Event Merchandising, of which Virginia managed the North American business. A current resident of New Orleans, her clutter busting expertise was born out of the devastating situation she found herself in on the heels of Hurricane Katrina in 2005. More information on her can be found at [www.virginiabarkley.com](http://www.virginiabarkley.com).

## Tax Tip for 2014 Year End: Max Out Your Retirement Plan!

One of the most effective tax planning tips, if the taxpayer can afford to do so, is to maximize annual contributions to a 401(k) or other type of qualified retirement plan. Every dollar contributed to the plan is deducted from your taxable income for the year and is not taxed until it is withdrawn in retirement. The idea is that the income tax bracket in retirement is lower than in working years, so you will effectively be paying less taxes on those earnings, while allowing them to grow and compound tax free until withdrawal.

For tax year 2014 the contribution limit is \$17,500, with a \$5,500 catch up provision for those age 50 and older. For the 50+ age group, the limit is \$23,000. At the very least we recommend that plan participants make a minimal contribution to their plans since many 401(k) plans offer an employer match. A typical example is that for the first 3-6% of income contributed, the employer will match an additional 3-4%. This is free money! So for example, if a plan offered a 3%

match on the first 3% contributed, that is the same as a tax-deferred 3% bonus and a 100% return on the contributed amount. It's very difficult for the market to do better than that.

In the old days, which weren't really that long ago, people worked for one company for their entire careers and retired with a gold watch and a pension. A pension is a defined benefit. In other words, the recipient received a defined amount in retirement each month, based upon earnings during working years and number of years worked for the company offering the pension. Those plans are expensive to administer and they started to go away in the 1970s and 1980s. In their place came 401(k) plans, a type of defined contribution. In these plans, the employee makes a certain contribution every pay day and tries to amass as much as possible before retirement.

One of the challenges with defined contribution plans is that, in a majority of cases, the employees need to manage it themselves by

making their own investment decisions. This can seem intimidating and overwhelming, especially given the market conditions we've had over the past several years. This is why we would like to help. To our current clients, we offer the opportunity to have us review their 401(k) choices. Every six months or so, our clients can send us their current choices within their plan and how their money is currently allocated. We can then review the choices and make recommendations within those choices.

For clients who are participants in retirement plans that we manage, we manage the account for you just as we do for individual clients. If you are a business owner and want to review your current retirement plan or think you want to start one in order to save money on taxes, we are happy to help you consider your options. The 4th quarter, before year end, is generally the best time of the year to do so. Please call or contact us today at [info@southerncapitalservices.com](mailto:info@southerncapitalservices.com) for your 401(k) plan review.

– Eric Nager, CRPS®

### The Kitty Corner

by Moxie H. Nager

### Responses to: What Is Your Favorite Team?



In September, I asked our clients which is their favorite football team. I'm now prepared to share the results! They break down into two categories: college and pro. On the college side, Alabama received the most votes, as you might expect from where we are located. Close on their heels were Auburn and LSU. One client answered that she was a fan of Alabama AND LSU! Since they are such big rivals, I wondered how that was possible!

On the professional side, there were responses for more teams, but not as clear a winner. The Saints had the most, as we'd also expect, but there were also votes for the Dallas Cowboys and the New England Patriots. I guess pro teams have more of a national following. At any rate, it was a fun exercise to hear from those who responded, and we are still interested in knowing who your favorite teams are; so call or e-mail us at [info@southerncapitalservices.com](mailto:info@southerncapitalservices.com) to cast your vote. *\*Meow*