Kerrspeak

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Stuff Worth Knowin' about Money, Practice, and Life!

1. Financial Considerations
2. Facing Mortality
3. Reducing Stress, and Loving Life!!
4. Plan for Practice Success!

Financial Considerations:

Use Debt Properly

1. Borrow only when it makes financial sense
2. Ask "Will this asset grow over time?"
3. Is the interest tax deductible?
4. Is your credit score high enough to obtain a low interest rate?
5. Is your total debt less than 30% of your pre-tax income?
6. Could you make payments if you were out of work for six months?
7. Can you prepay without penalty?

You can safely retire (according to AARP) when:

1. You won't run out of money until age 95
2. You can afford to wait for Social Security
3. You own your home
4. At least 40% of your income is guaranteed
5. You can cut spending 20% in difficult economic times

Retirement Planning Advice:

1. Seek unbiased advice from a financial planner
2. Save early, often, and regularly
3. Dollar cost average your investments
4. Let your employer help you save (401k match)
5. Use "catch-up" provision if you're age 50 or older
6. Rebalance your portfolio annually
7. Plan to withdraw 4% of your nest egg annually
8. Review your designated beneficiaries
9. Rehearse for retirement
10. Protect your savings with Long-Term-Care insurance

Helpful Internet Retirement Planning Tools:

How much money do I need to save?
www.cnnmoney.com/retirement
How long will my money last?
www.troweprice.com/ric
What will my Social Security benefit be?
www.ssa.gov/estimator
Obtain your personalized Social Security annual statement online at:
www.socialsecurity.gov/mystatement

Financial Tools:

Request your free Annual Credit report from:
www.AnnualCreditReport.com
www.equifax.com
www.experian.com
www.transunion.com
How fast will my savings grow?
www.cnnmoney.com/tools
Should I use a Roth IRA?
www.vanguard.com/rothconvert
Excellent Commercial Sites:
www.vanguard.com
www.fidelity.com
www.troweprice.com
www.kiplinger.com

Personal Financial Statement Form provided by John K. McGill & Company

Avoid carrying in your purse or wallet:

1. Social Security or Original Medicare Card
2. List of Passwords
3. Spare key to your home
4. Blank checks
5. Passport or Birth Certificate
6. Numerous Credit Cards

Facing Mortality….

Important Information to Record and Provide for Immediate Family

1. Personal (birthplace, education, SS#, etc.)
2. Family (names, addresses, phone numbers of parents, siblings, etc.)
3. Document Storage (what do you have, and where is it?)
4. Insurance policies and beneficiaries (keep information current!)
5. PFS (assets and liabilities – what do you have, what do you owe, and who do you owe it to?)
6. Investments (what and where? broker information, etc.)
7. Funeral Arrangements
8. Complete CURRENT list of User IDs and Passwords!!!!

Letters to Your Loved Ones:

Share your philosophies
Give meaningful advice
Revisit favorite memories
Share your faith
Remind them of your love for them
Thank them for being who they are

Caring for Our Parents and "Having the Talk…"

1. How much do you have?
2. Is it enough and is it secure?
3. Have you made long-term-care arrangements?

The Documents we Need!!

1. Inventory of assets (acct. nos. PINS, passwords, locations, etc.)
2. List of debts (financial institutions, acct. nos., amounts owed, etc.)
3. Important Contacts (attorney, physicians, dentist, financial advisor, etc.)
4. Will, Living Will, HIPAA authorization
5. Financial Power of Attorney
6. Brief medical history (conditions, prescriptions, allergies, insurance info)

Useful Internet Tools:

www.eldercare.gov
www.Medicare.gov/NHcompare

Reducing Stress and Loving Life!!

Ways to Minimize Stress:

1. Eliminate visual clutter
2. Turn off the email!
3. Improve computer posture
4. Take a break each hour
5. Get some fresh air
6. Improve indoor light (5500 Kelvin)
7. Avoid negative people
8. No negative "self-talk"
9. Let go of any grudges
10. Smile
11. Ask for help
12. Exercise
13. Learn to manage your time

Love Life More!

1. Count Your Blessings
2. Savor Life's Joys
3. Invest Time in Loved Ones
4. Learn to Forgive
5. Develop Coping Strategies
6. Practice Acts of Kindness
7. Simplify Your Life
8. Live Within Your Means
9. Listen to Your Body
10. Be Kind to Yourself
11. Remember to Chill
12. Use the Good Stuff
13. Maintain a Positive Attitude
14. Keep Things in Perspective
15. Don't Worry About Who Gets Credit
16. Let Stuff Go
17. Thank Your Mentors

(Special Thanks to Dr. Randy Martin)

Plan for Practice Success!

1. "Back-Door" Calculation

Total monthly fixed costs; multiply by 12 (for total annual fixed costs)
Multiply total annual fixed costs by 117% (to allow for variable expenses)
Add personal financial needs to this new total (include retirement funding)
Divide this new total by 365, 52, or 12 for daily, weekly, or monthly goals!

2. Overhead Analysis

Expense Category	% of Practice Revenue
Salaries, benefits, taxes	25 – 38
Laboratory	10 – 14
Facility	5 - 7
Dental Supplies	5 - 7
Marketing	1 - 3
Operational	10 – 12
Discretionary	0 – 10

3. Practice Reinvestment

Practice must be in growth and at treatment capacity.
Discretionary funding must be less than 10% of practice revenue for ROI.

4. Planning

Plan for one hygiene day per week for every 200 active patients
3-year review of practice statistics to identify trends
Determine calendar, fees (National Dental Advisory Service), and goals
Review systems and marketing plan
Team discussion on topics invites team "ownership" and creativity
Plan team continuing education

John K. McGill & Company - Tax and Financial Planning Program

PERSONAL FINANCIAL STATEMENT **DATE:** _____

Doctor's Name:	
Birthdate:	

Spouse's Name:	
Birthdate:	
Children's Names/Birthdates:	

Monthly Household Expenses (includes mortgages, groceries, utilities, etc.)	$

ASSETS:	VALUE:
Cash/ Money Market/ Savings	$
Accounts/ Notes Receivable	$
Cash Surrender Value of Life Insurance	$
Stocks, Bonds, Mutual Funds	$
Real Estate (please specify)	$
- Personal residence	
- Office building	
- Other	
IRAs	$
Retirement Plans	$
Practice Value (Net of debt)	$
Autos/ Furniture/ Jewelry/ Other Personal	$
Other Assets (please specify)	$
-	
-	
-	
TOTAL ASSETS	$

LIABILITIES	BALANCE	ORIG. AMT.	TERM (yrs)	RATE (F/V)	PAYMENT AMT.	PREPAY AMT.
Mortgages (please specify)	$	$			$	$
- Personal residence	$	$			$	$
- Home Equity Line / 2nd Mort.	$	$			$	$
-	$	$			$	$
-	$	$			$	$
Practice Debt (please specify)						
-	$	$			$	$
-	$	$			$	$
-	$	$			$	$
Autos (please specify)						
-	$	$			$	$
-	$	$			$	$
Other Liabilities (please specify)						
-	$	$			$	$
-	$	$			$	$
-	$	$			$	$
TOTAL LIABILITIES	$	$			$	$

Thinking of retiring?

www.socialsecurity.gov

Some things to consider

Retirement can have more than one meaning these days. It can mean that you have applied for Social Security retirement benefits or that you are no longer working. Or it can mean that you have chosen to receive Social Security while still working, either full or part-time. All of these choices are available to you. Your retirement decisions can have very real effects on your ability to maintain a comfortable retirement.

If you retire early, you may not have enough income to enjoy the years ahead of you. Likewise, if you retire late, you'll have a larger income, but fewer years to enjoy it. Everyone needs to try to find the right balance, based on his or her own circumstances.

We hope the following information will help you as you plan for your future retirement and consider your retirement options.

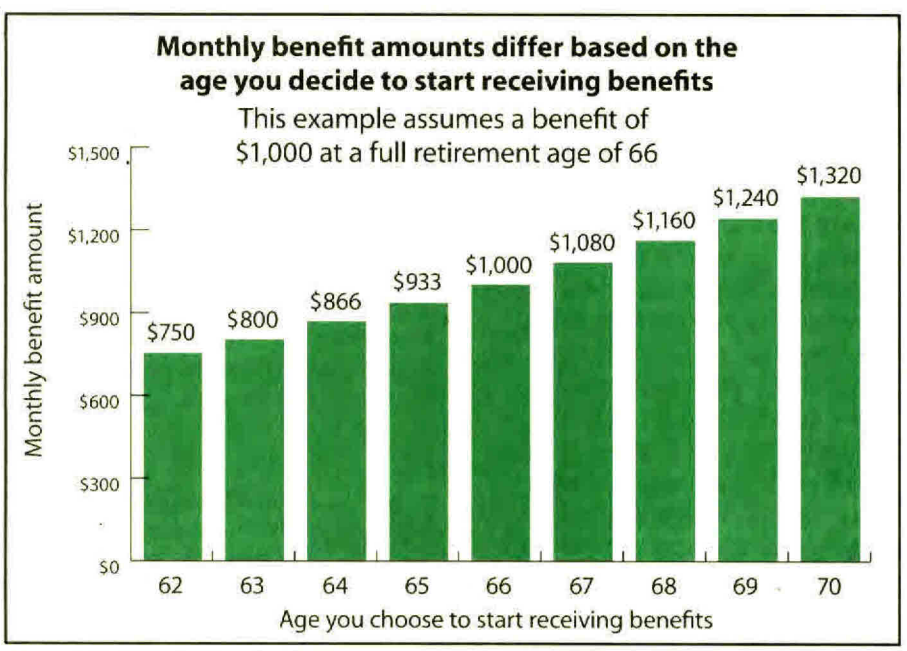
It's so easy to apply online for benefits

The easiest way to apply for Social Security retirement benefits is to go online at ***www.socialsecurity.gov/applyforbenefits***. If you do not have access to the Internet, you can call **1-800-772-1213** (TTY number, **1-800-325-0778**) between 7 a.m. and 7 p.m., Monday through Friday, to apply by phone. You also can apply at any Social Security office. To avoid having to wait, call first to make an appointment.

What is the best option for you?

Everyone's situation is different. That is why Social Security has created several retirement planners to help you decide what would be best for you and your family. Social Security has an online calculator that can provide immediate and accurate retirement benefit estimates to help you plan for your retirement.

The online Retirement Estimator is a convenient, secure, and quick financial planning tool. It uses your own earnings record information, thereby eliminating any need to manually key in years of earnings information. The estimator also will let you create "what if" scenarios. You can, for example, change your "stop work" date or expected future earnings to create and compare different retirement options. To use the Retirement Estimator, go to our website at ***www.socialsecurity.gov/estimator.***



There is one more thing you should remember as you crunch the numbers for your retirement. You may need your income to be sufficient for a long time, because people are living longer than ever before, and generally, women tend to live longer than men. For example:

- The typical 65-year-old today will live to age 83;
- One in four 65-year-olds will live to age 90; and
- One in 10 65-year-olds will live to age 95.

Once you decide on the best age for you to actually retire, remember to complete your application *three months before* the month in which you want retirement benefits to begin.

Don't forget Medicare

Even if you don't plan to receive monthly benefits, you should sign up for Medicare *three months before* reaching age 65. Otherwise, your Medicare medical insurance, as well as prescription drug coverage, could be delayed and you could be charged higher premiums. You even can apply online. Visit ***www.socialsecurity.gov/medicareonly*** for more information about Medicare eligibility and filing online. Also ask for *Apply Online For Medicare—Even If You Are Not Ready To Retire* (Publication No. 05-10530).

Receiving benefits while you work

When you reach your full retirement age, you can work and earn as much as you want and still receive your full Social Security benefit payment. If you are younger than full retirement age and if your earnings exceed certain dollar amounts, some of your benefit payments during the year will be withheld.

This does not mean you must try to limit your earnings. If we withhold some of your benefits because you continue to work, we will pay you a higher monthly benefit amount when you reach your full retirement age. In other words, if you would like to work and earn more than the exempt amount, you should know that it will not, on average, reduce the total value of lifetime benefits you receive from Social Security—and may actually increase them.

Here is how this works: after you reach full retirement age, we will recalculate your benefit amount to give you credit for any months in which you did not receive some benefit because of your earnings. In addition, as long as you continue to work, we will check your record every year to see whether the additional earnings will increase your monthly benefit.

Many people can continue to work and still receive retirement benefits. If you want more information on how earnings affect your retirement benefits, ask for *How Work Affects Your Benefits* (Publication No. 05-10069), which has current annual and monthly earnings limits, and is available on our website.

Retirement age considerations

Full retirement age

For persons born during the years 1943-1954, the full retirement age is 66. If you were not born in this period, you can find your full retirement age on page 2 of your *Social Security Statement.*

Retiring early

If you've earned 40 credits (credits are explained on page 2 of your *Statement*), you can start receiving Social Security benefits at 62 or at any month between 62 and full retirement age. However, your benefits will be reduced based on the number of months you receive benefits before you reach full retirement age.

If your full retirement age is 66, benefits will be reduced:

25 percent at age 62;
20 percent at age 63;
13⅓ percent at age 64; or
6⅔ percent at age 65.

Delaying retirement

You may decide to wait beyond your full retirement age before choosing to receive benefits. If so, your benefit will be increased by a certain percentage for each month you don't receive benefits between your full retirement age and age 70. This table shows the rate your benefits increase if you delay retiring.

Year of birth	Yearly increase rate
1941 - 1942	7.5%
1943 or later	8.0%

Rules that may affect your survivor

If you are married and die before your spouse, he or she may be eligible for a benefit based on your work record. If you start benefits before your full retirement age, we cannot pay your surviving spouse a full benefit from your record. Also, if you wait until after your full retirement age to begin benefits, the surviving spouse benefits based on your record will be higher.

Need more information?

You can find answers to frequently asked questions about Social Security, learn about factors that could affect your benefits, and much more by visiting Social Security online at ***www.socialsecurity.gov.***

If you do not have access to the Internet, you can get information about Social Security by calling **1-800-772-1213 (1-800-325-0778** for the deaf or hard of hearing) or by visiting a local Social Security office.

Other useful websites

www.mymoney.gov

This website contains calculators for financial planning and information on money-related matters, such as retirement planning and starting a small business.

www.dol.gov/ebsa/pdf/nearretirement.pdf

Have you determined how much money you will need in retirement? There are many tools available to help you, such as the *Taking the Mystery Out of Retirement Planning Workbook* available at this link.

www.sec.gov/investor/seniors.shtml

Are you looking for information about the investment options available to you as you enter retirement? The Securities and Exchange Commission has a wealth of information on different investment products and topics available at this website.

www.usa.gov/topics/seniors.shtml

This website has a variety of resources for seniors on topics including retirement planning, housing, and health.

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OPERATING STATEMENT

OFFICE RELATED–MAJOR EXPENSES Average monthly production $_____

Employee Expenses	MONTHLY AMOUNT	Monthly PROD. ADJ.	Monthly PROD. UCR	Monthly GOAL	YEAR TO DATE AMOUNT	YTD PROD. ADJ.	YTD PROD. UCR	YTD GOAL
Staff Salaries								
Hygiene Salaries								
Employee Fringe Benefits*								
Employee Payroll Taxes								
TOTAL **(A)**								
Lab Expenses								
Outside Lab								
Lab Supplies								
Lab Rent (Sq. Ft. Allocation)								
Lab Salaries								
Lab Fringe Benefits								
Lab Payroll Taxes								
TOTAL **(B)**								
Facility Expenses								
Monthly Rent								
Utilities								
Insurance - Structure								
Property Taxes - Occupant								
Custodial								
Repairs & Maintenance-Structure								
TOTAL **(C)**								

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OPERATING STATEMENT

Dental Supplies	MONTHLY AMOUNT	Monthly PROD. ADJ.	Monthly PROD. UCR	Monthly GOAL	YEAR TO DATE AMOUNT	YTD PROD. ADJ.	YTD PROD. UCR	YTD GOAL
Restorative								
Hygiene								
TOTAL Ortho **(D)**								

Promotion Expenses

Patient Thank You Gifts								
Business Cards & Stationery								
Contributions								
Patient Newsletters								
Telephone Book								
Meals - Professional								
Promotional Networking								
Advertising								
Miscellaneous								
TOTAL **(E)**								

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OPERATING STATEMENT

Minor Expenses	MONTHLY AMOUNT	Monthly PROD. ADJ.	Monthly PROD. UCR	Monthly GOAL	YEAR TO DATE AMOUNT	YTD PROD. ADJ.	YTD PROD. UCR	YTD GOAL
Accounting/Financial Advisory								
Bank Service Charges								
Bookkeeping Service								
Collection Fees								
Computer Expense								
Consulting Fees								
Continuing Ed. Tuition (Doctor)								
Continuing Ed. Travel (Doctor)								
Dues								
Employee Recruitment/Training								
Insurance - General Liability								
Insurance - Malpractice								
Insurance - Overhead Protection								
Insurance - Personal Property								
Insurance - Workers Comp.								
Insurance - Other								
Laundry								
Legal Fees								
Licenses								
Office Supplies								
OSHA Compliance								
Postage								
Repairs & Maint. - Equipment								
Subscriptions								
Telephone								
Telephone Answering Service								
Taxes - Franchise								
Taxes - Personal Property								
Other								
TOTAL MINOR EXPENSES								

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OPERATING STATEMENT

OFFICE RELATED–DISCRETIONARY EXPENSES

Equipment	MONTHLY AMOUNT	Monthly PROD. ADJ.	Monthly PROD. UCR	Monthly GOAL	YEAR TO DATE AMOUNT	YTD PROD. ADJ.	YTD PROD. UCR	YTD GOAL
Equipment Lease								
Equipment Loans								
Small Equipment Purchases								
TOTAL **(A)**								
Other Loans								
Leasehold Improvements								
Practice Buy-Out								
Other								
Other								
Other								
TOTAL **(B)**								
Associate Expenses								
Associate Salary								
Associate Fringe Benefits								
Associate Payroll Taxes								
TOTAL **(C)**								

TOTAL DISCRETIONARY EXPENSES

(A + B + C)								

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OPERATING STATEMENT

Cash Compensation	MONTHLY AMOUNT	Monthly PROD. ADJ.	Monthly PROD. UCR	Monthly GOAL	YEAR TO DATE AMOUNT	YTD PROD. ADJ.	YTD PROD. UCR	YTD GOAL
Owner's Salary/Draw								
Owner's Bonus								
TOTAL **(A)**								

Non-Cash Compensation

Auto								
Auto Insurance								
Auto Repairs								
Key Person Life Insurance								
Key Person Disability Insurance								
Key Person Medical Insurance								
Key Person Medical Reimburse.								
Pension Profit Sharing - Owner								
Payroll Taxes - Owner								
Relatives On Payroll								
Social Clubs - Owner								
Travel & Entertainment - Owner								
Other - Owner (Apparel, Etc.)								
TOTAL **(B)**								

TOTAL OWNER'S COMPENSATION

(A + B)								

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