Dynamic Chiropractic

YOUR PRACTICE / BUSINESS

Chiropractor's Retirement Advantage

Robert J. Brennan

In today's turbulent economic environment, the opportunities to build a secure retirement income with tax-advantaged dollars has been severely limited and, in many ways, eliminated all together. The barriers that stand between you and a comfortable retirement are formidable:

- inflation
- rising tax rates
- uncertainty about Social Security
- longer life expectancy - sharply rising costs for qualified plan administration - changes in the tax law

Simply stated, if you do not have an effective retirement strategy, you may have to substantially lower your standard of living in retirement.

In an effort to help you find creative new ways to build your retirement income, the Foundation for Chiropractic Education and Research is pleased to introduce the Chiropractor's Retirement Advantage (CRA) to all our members in good standing.

Did you know that money you may now be losing to taxes can be used to fund your retirement needs and support much needed chiropractic research? The Foundation's CRA is a great way for you to redirect those hard-earned assets into a future retirement income. FCER can show you how these "dormant dollars" can help you achieve a more prosperous retirement.

The CRA is a great way for you to take advantage of the creative financial opportunities that have been used by America's most successfully individuals and families. The CRA is designed to complement existing Qualified Pension Plans, SEPs and IRAs.

Unlike these traditional retirement savings' vehicles, you do not have:

- expensive actuarial and administrative fees
- to include employees - wait to make withdrawals until you reach age 59 1/2 - to worry about over-funding the plan - to be concerned with the limitations of traditional qualified plans

You can fund your CRA with assets other then cash. For example, by placing appreciated assets in your CRA, you can totally or partially (depending on the vehicle selected) avoid the capital gain's tax and receive retirement income based on the full fair market value of the asset placed in your CRA.

Consider the following example:

Dr. John Walsh is 45, married, and in the 36 percent income tax bracket. His practice is quite successful and he has three full time employees. After reviewing his options, Dr. Walsh decides to fund a CRA with contributions of $10,000 per year until he reaches age 65 and retires. Let's look at the results:

Each year that Dr. Walsh makes a contribution to his CRA, he is entitled to a contribution income tax deduction. Over the 20 years his total deductions amount to $83,520. When Dr. Walsh and his wife retire, they begin receiving an income of $20,280 per year for life. They cannot outlive their CRA income and the $20,280 is fixed for both of their lives. This allows the Walsh's to be a little bit more aggressive with their other retirement plan investments because they know that they will have an income of more then $20,000 each year that they can count on.

When reviewing your retirement plans, it may be wise to ask yourself, where is the money going to come from? There are several sources that can produce the income you need to fund your retirement. They are:

- Government Programs: Social Security, civil service and military pensions, etc.

- Retirement Plans: IRAs, SEPs, Keoghs and employer sponsored retirement benefits, etc.

- Personal Savings: liquid assets, investment assets, business assets and personal assets

How much income will you need to retire? Well, that depends on your lifestyle. According to many sources, those who earn more than $100,000 per year need about 75 percent of their pre-retirement income to continue living the way they are accustomed. So if you presently earn $150,000 you will need about $112,500 per year to live comfortably. Where is the money going to come from?

FCER encourages you to start planning today. As the years pass, it gets more and more difficult to achieve your objectives because factors such as inflation and higher taxes will be working against you. Look into to all the avenues available to you and get started. The cost of waiting is significant. Beginning your program now is your lowest cost alternative.

Please consider adding the Chiropractor's Retirement Advantage to your retirement planning strategy. A CRA:

- compliments your existing qualified plans
- is very easy to establish and inexpensive to maintain
- lets you determine the amount you contribute
- is very flexible, you can even choose to skip a year
- eliminates or reduces the capital gain's tax on the sale of appreciated property
- provides generous tax deductions
- will help fund much needed chiropractic research

There are very few opportunities still available to those who want a special financial edge. The CRA is an excellent way for you to help yourself while helping FCER fund promising chiropractic research.

If you would like more information, we have prepared a very special package that shows you how the Chiropractor's Retirement Advantage can work for you. To get your copy of Chiropractor's Retirement Advantage, simply call 1-800-637-6244 and we will send you this exciting information.

FCER, a non-profit 501(c)(3) organization, is the chiropractic profession's primary source of financial support for scientific research. Founded in 1944, FCER supports research grants, fellowship awards, research activities, and educational programs that add new understanding to the field of chiropractic health care.

In 1994, the Foundation will be celebrating its 50th anniversary of service to the chiropractic profession. If you are a member, thank you for your past support, if you are not a member this would be a great time for you to get involved with FCER. Please help us celebrate 50 years of knowledge, leadership and advancement.

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