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FINANCIAL GROUP

WEALTH MANAGEMENT & FINANCIAL PLANNING

EYE ON MONEY

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2016

40 FINANCIAL THINGS TO KNOW BY AGE 40

WHAT YOU SHOULD KNOW ABOUT
INVESTING, TAXES, INSURANCE,
AND MORE BY AGE 40



plus

STUDENT LOAN
REPAYMENT TIPS
FOR RECENT GRADS

A 401(k) PLAN FOR
THE SMALLEST
BUSINESSES

AN INTRO TO
DIVIDENDS

TAX IMPLICATIONS
OF HIRING YOUR
CHILD



THREE THINGS TO KNOW ABOUT THE TAX IMPLICATIONS OF HIRING YOUR CHILD

If you own a business, hiring your child for the summer may provide him or her with a great work experience and your family with a few tax breaks.

- 1 You can deduct the wages that you pay your child as a business expense.**
- 2 Your child may not have to pay income tax** if his or her annual income is less than the standard deduction amount, which is \$6,300 for 2016.
- 3 Wages that you pay your child are not subject to Social Security and Medicare tax** if your child is under age 18 and your business is a sole proprietorship or a partnership in which the child's parents are the only partners.

Please consult your tax advisor for more details.

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The potential for larger contributions? Give me an example.

Let's say you are over age 50, receive \$100,000 in compensation from your corporation, and want to contribute the most you can to your retirement account.

INDIVIDUAL 401(k): \$49,000

You can make a salary-deferral contribution of \$24,000 (the maximum amount for someone age 50 or older). Plus, you can make a profit-sharing contribution of \$25,000 (25% of your \$100,000 compensation), bringing your total contribution for the year to \$49,000.

SEP-IRA: \$25,000

SEP-IRAs limit employer contributions to 25% of compensation and do not allow salary-deferral contributions, so the most you can contribute in this example is \$25,000.

SIMPLE IRA: \$18,500

You can contribute up to \$15,500, which includes a \$3,000 catch-up contribution. Your business can also contribute, adding another \$3,000 (3% of your compensation) at most to your total contribution.

THE INDIVIDUAL 401(k): BIG BENEFITS FOR THE SMALLEST BUSINESSES

Who's it for?

- ▶ Self-employed individuals and owners of businesses without employees, other than a spouse.

What does it offer that SIMPLE IRA and SEP-IRA retirement plans don't?

- ▶ The potential to make larger contributions in many cases.
- ▶ The option to make Roth contributions, in addition to tax-deferred contributions.

How much can I contribute?

- ▶ A salary-deferral contribution of up to \$18,000 (\$24,000 if you are age 50 or older) in 2016.
- ▶ A profit-sharing contribution of up to 25% of your compensation if your business is incorporated or 20% of your net self-employment income if it is not.
- ▶ The total of your 2016 salary-deferral and profit-sharing contributions may not exceed \$53,000 (\$59,000 if you are age 50 or older).

If your goal is to contribute large amounts to your retirement plan or to make Roth contributions, ask your financial advisor about the Individual 401(k). Your advisor can review your financial situation and goals and help you choose the retirement plan that is right for you.



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What is a dividend?

Many companies pay dividends to their shareholders on a regular basis. Here's an introduction to this potential source of investment income.

WHAT IS A DIVIDEND?

A dividend is a distribution (usually in cash, occasionally in stock) made by a corporation to its shareholders. Not all corporations pay dividends. Those that do tend to be mature companies that believe they can better reward their shareholders by paying them a portion of their net earnings rather than reinvesting every cent in growing the company and ultimately the share price.

HOW OFTEN ARE DIVIDENDS PAID?

Cash dividends are usually paid quarterly, creating a potential stream of income for investors. The income can be reinvested or pocketed by the investor. Keep in mind, though, that dividends are not guaranteed. They can fluctuate in value and dry up altogether if the company decides to suspend them.

AM I ELIGIBLE FOR THE NEXT DIVIDEND?

You must purchase the stock before its ex-dividend date to receive the company's next scheduled dividend. What is an ex-dividend date?

When a company's board of directors declares a dividend, a number of dates—the record date, the ex-dividend date, and the payable date—are set. The record date is the day when an investor must be a "shareholder of record" with the corporation to receive the dividend. The ex-dividend date is generally two business days before the record date. And the payable date is the day when shareholders will actually be paid the dividend. To give you an example of how the dates generally work:

DECLARATION DATE	EX-DIVIDEND DATE	RECORD DATE	PAYABLE DATE	DIVIDEND PER SHARE
03/10/16	04/20/16	04/22/16	05/16/16	\$0.35

In this example, a corporation declares a cash dividend of \$0.35 per share on March 10. The dividend will be paid on May 16 to investors who are shareholders of record on April 22. The ex-dividend date is two business days earlier, on April 20. To receive this dividend, you must purchase the stock before April 20. ■

PLEASE NOTE: All investing involves risk, including the possible loss of principal. When redeemed, a stock may be worth more or less than the amount originally invested.

Please consult your financial advisor for help in developing and implementing an investment plan.



Test Your Retirement Planning Knowledge

Test your knowledge—and gain a greater understanding of a few of the factors that go into saving and planning for retirement. Please consult your financial advisor for specific advice.

1. When planning how long your savings may need to last, keep in mind that about one out of every four 65-year-olds today will live past age:

- A. 80
- B. 90
- C. 100

2. And one out of every ten 65-year-olds will live past age:

- A. 85
- B. 95
- C. 105

3. If you were born after 1959, you can begin collecting full Social Security benefits at age:

- A. 65
- B. 66
- C. 67

4. The average monthly Social Security benefit for a retired worker in January 2016 was:

- A. \$1,341
- B. \$2,341
- C. \$3,341

5. On average, how much do people age 65 or older pay out-of-pocket for health care each year?

- A. \$849
- B. \$2,849
- C. \$5,849

6. The maximum amount that someone under age 50 can contribute to a 401(k) retirement plan in 2016 is:

- A. \$8,000
- B. \$18,000
- C. \$28,000

7. People who contribute the maximum amount to a retirement plan at work, but still need to save more, should consider:

- A. Contributing to an IRA
- B. Using a taxable investment account to invest additional amounts
- C. All of the above

8. Anyone under age 70½ with taxable compensation (wages, commissions, etc.) can contribute to a traditional IRA.

- A. True
- B. False

9. You can begin contributing extra amounts, known as catch-up contributions, to your IRA at age:

- A. 40
- B. 50
- C. 60

10. Roth IRAs offer which tax benefit?

- A. Qualified withdrawals are tax-free
- B. Contributions are tax-deductible

11. When leaving a job, you can avoid immediate taxation on the money in your 401(k) account by:

- A. Transferring it directly to an IRA
- B. Transferring it directly to your new employer's retirement plan
- C. Leaving it where it is
- D. Any of the above

12. People who are close to retirement age, but haven't saved enough, should consider:

- A. Increasing how much they save
- B. Working a few extra years
- C. Investing more aggressively
- D. All of the above

SOURCES: 1, 2, 3, 4—Social Security Administration's website, 5—Bureau of Labor Statistic's Consumer Expenditure Survey, 2014.

Answers: 1-B, 2-B, 3-C, 4-A, 5-C, 6-B, 7-C, 8-A, 9-B, 10-A, 11-D, 12-D

40 Financial Things to Know By Age 40

Knowing these key financial things can help you manage your finances today and lay a solid financial groundwork for your next 40 years.

INSURANCE

* **Whether you need life insurance.**

Not everyone does. You may not need it if you do not have a spouse or young children or if you have saved enough to provide for your loved ones. But if you have people who depend on you financially and who would struggle without your income, life insurance can be a good solution.

* **How long your disability insurance will pay out.**

Some employers only offer short-term disability insurance, which replaces part of your income for three to six months following a disability. Unless you also have long-term disability insurance or other resources to see you through several years of being unable to work, consider purchasing a long-term disability insurance policy that kicks in after the payouts from the short-term policy stop.

* **How to beef up your liability coverage.**

The more you own and earn, the more you have at risk from a lawsuit if someone is injured on your property or while you are driving. Primary insurance policies, such as homeowners, auto, and boat, generally limit liability coverage to \$100,000, \$300,000, or \$500,000. You can expand your coverage and help protect your assets in a major lawsuit with personal umbrella insurance—a type of policy that provides additional liability coverage beyond the limits of your primary insurance policies.

* **Standard homeowners insurance does not cover damage from flooding.**

For this type of coverage, you will generally need a separate flood insurance policy.

CREDIT

* **Why your credit reports matter.**

The information in your credit reports, such as your payment history, how much you owe, and how long you have used credit, is used to calculate your credit score, a gauge that lenders use to judge whether you are a good credit risk. A higher credit score improves your chances of qualifying for credit and may result in a better interest rate.

* **How to get free credit reports.**

By law, you are entitled to a free copy of your credit report from each of the three credit reporting agencies—Experian, Equifax, and TransUnion—once every 12 months. You can get your reports online at www.AnnualCreditReport.com or by calling 1-877-322-8228. It is a good idea to review your reports annually for accuracy and signs of fraud.

* **The best way to improve your credit score.**

Paying your bills on time is the most important thing you can do to improve your credit score. It also helps to keep your credit card balance well below your credit limit and to not apply for more credit than you need.

RETIREMENT PLANNING

* **How much you may get from Social Security.**

To learn how much you may receive in benefits when you retire, take a look at your Social Security Statement. You can review it at any time by creating a “my Social Security account” on the Social Security Administration’s website, www.ssa.gov. If you prefer not to create an account, the Social Security Administration will mail you a statement at ages 40, 45, 50, 55, 60, and each year after that until you begin receiving benefits. Reviewing your statement provides an opportunity to correct any errors in your earnings record, which is important because your benefits will be based on it. Plus the statement serves as a great reminder of the importance of your own savings in helping to ensure a financially secure retirement.

* **How much money you may need to retire.**

Although you may not retire for another twenty or thirty years, estimating how much money you may need to support the retirement you envision can help you determine how much you may need to save each month. While there are calculators on the Internet that can provide rough numbers, the better approach is to consult your financial advisor, who can review your financial situation and goals, help you determine how large a nest egg you may need, and create a financial plan for moving toward that amount.

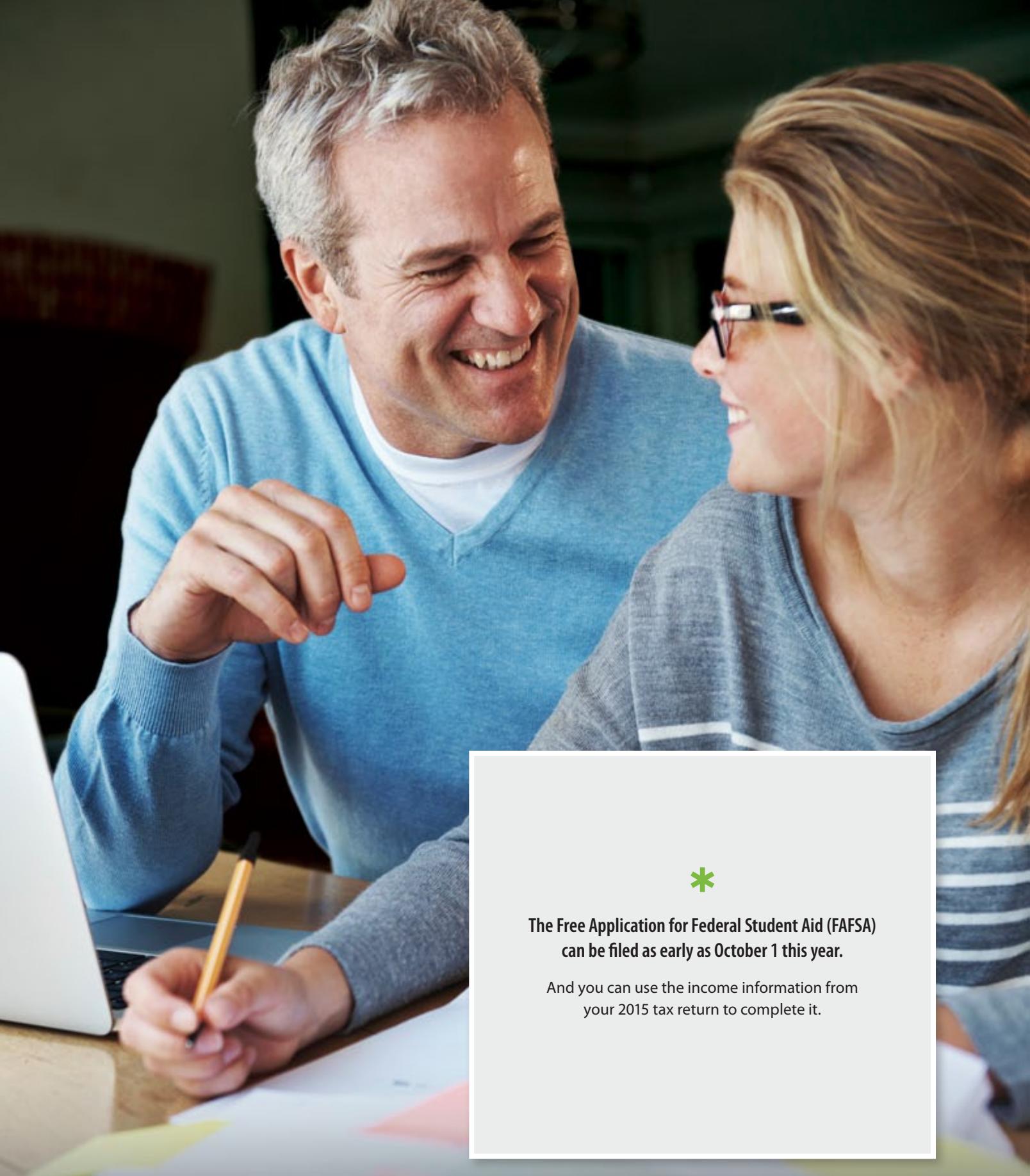


Starting to save earlier can make a big difference.

The longer the earnings on your investments have to compound—that is, potentially generate earnings themselves—the less income you may need to contribute to reach your savings goal.

To illustrate this point, let's take a look at two hypothetical investors: Sarah and Jay. Both invest the same amount—\$2,000 per month for twenty years—and earn the same rate of return—6% annually. However, Sarah invests \$2,000 per month from age 40 to 60, and then leaves the money in her account where it continues to compound until she retires at age 70. Jay gets a later start, investing \$2,000 per month from age 50 to 70.

Despite contributing the same overall amount and earning the same rate, at age 70, Sarah's savings amount to approximately \$1.69 million and Jay's to \$929,000 simply because Sarah's savings had ten more years to compound. For Jay to accumulate Sarah's amount by age 70, he would have needed to invest about \$3,640 per month—\$1,640 more per month than Sarah. (This is a hypothetical example for illustrative purposes; your results will vary.)



**The Free Application for Federal Student Aid (FAFSA)
can be filed as early as October 1 this year.**

And you can use the income information from
your 2015 tax return to complete it.

COLLEGE PLANNING

* Saving may cost less than borrowing.

Think of an amount that your child may need to attend college. If you save or invest for it, the potential returns on your savings or investments may add up over time so that you may not need to contribute as much money yourself to reach your goal. If you borrow the full amount, you will need to repay it in full plus interest. *Please note: All investing involves risk, including the possible loss of principal.*

* The importance of shifting a college fund to more conservative investments as college nears.

The closer your children are to college age, the less time there is for their college funds to potentially recover from downturns in the stock market. To avoid having to sell stocks when the market is down in order to pay tuition, it is generally a good idea to shift to a less volatile mix of investments, such as bonds and cash, the closer your children get to college age.

* Where to apply for financial aid or estimate how much aid your child may receive.

The first step in applying for financial aid is to complete the Free Application for Federal Student Aid (FAFSA) on the FAFSA.ed.gov website. You can also get an early financial aid estimate on the same website if your child is not ready to apply for aid yet.

* Where to find information about preparing for college.

The website StudentAid.ed.gov offers a wealth of information for families with college-bound students, including an overview of financial aid, considerations when choosing a college or a career, checklists of what needs to be done in the years leading up to college, and much more.

* Where to find and compare colleges.

The website CollegeCost.ed.gov is a great place to start a college search. A link on the site takes you to the College Navigator, where you can search for and compare colleges on criteria such as costs, majors offered, school size, campus safety, and graduation rates. Another link takes you to the College Scorecard, where you can compare colleges based on their cost, graduation rate, and the salary after attending.

INVESTING

* The appropriate asset allocation for you at age 40.

How you divide your portfolio among stocks, bonds, and cash investments can have a big impact on your returns—and the asset allocation percentages you chose years ago may no longer be right for you as your investment time frame shortens or your financial goals change. Your financial advisor can help you determine an appropriate asset allocation for this stage in your life, as well as adjust your portfolio if necessary.

* The importance of diversification.

If you put all of your eggs in one basket and the basket falls, you may be left with little or nothing. The same holds

true for investing. For example, rather than investing in just a few hot stocks, it is generally a better idea to invest in a variety of companies, sectors, market capitalizations, and geographies so that the effect of a downturn in one company, industry, market cap, or region has less of an impact on your overall portfolio.

It is important to remember that although diversification and asset allocation can help cushion losses, they do not ensure a profit or guarantee against loss in declining markets.

* How to qualify for a lower tax rate on your investment gains.

When you sell an investment in a taxable account for more than you paid for it, your gain (profit) is taxable. You can slash the tax rate you pay on it by holding the investment for longer than one year before selling it.

And if you hold the investment for longer than one year and your taxable income for 2016 is not over \$37,650 if single or \$75,300 if married filing jointly, you can generally avoid all tax on the gain.

There is no tax advantage to be gained by holding an investment for longer than a year in a tax-favored account, such as an IRA or a 401(k), because selling or trading securities in these accounts is not a taxable event.



You do not have to do it all yourself.

Because your financial future may depend on how well you invest today, it is a good idea to ask your financial advisor for help creating and implementing an investment plan.



Best tax advice ever: Hire a tax pro.

The rules regarding taxes are complex and change frequently. Hiring a tax pro to review your situation and prepare your tax returns can save you time and may help you avoid tax penalties and minimize your taxes.

TAXES

* The fastest way to get your refund.

According to the IRS, there are two things you can do to speed up access to your refund: file your tax return electronically and have your refund directly deposited into your financial account. Refunds are usually issued within three weeks if you use these methods in contrast to six to eight weeks if you file a paper tax return.

* Why a smaller refund is better than a larger refund.

Remember, a tax refund is simply a refund of money that you overpaid to the government. Rather than giving the government free use of your money for several months, it is generally better to pay as close to your actual tax liability as possible throughout the year. You can adjust how much tax is withheld from your paycheck by giving your employer a new Form W-4.

TERMS USED ON A TAX RETURN

* AGI

AGI, or adjusted gross income, is your gross income minus certain adjustments to your income, such as your deductible IRA contributions, moving expenses, and alimony you paid. Your AGI, or a modified version of it, affects your eligibility for and the value of some tax credits, deductions, and exemptions.

* Tax credits and deductions

Tax credits reduce your taxes dollar-for-dollar. Tax deductions reduce the income on which you are taxed. Both are generally based on certain expenditures that you make and are often used to encourage taxpayers to do things the government believes are desirable, such as buy a home, improve the energy efficiency of that home, give to charity, save for your retirement, and pay for your children's college educations.

* Itemized deductions

Itemizing deductions enables you to reduce the amount of income on which you are taxed by the actual amount, or part of the amount, that you pay for expenses, such as real estate taxes, home mortgage interest, charitable contributions, and medical expenses.

* Standard deduction

The standard deduction is a fixed dollar amount that you can generally deduct from your income instead of itemizing your deductions. The standard deduction is generally the way to go if it is larger than your allowable itemized deductions.

* Exemptions

An exemption is a dollar amount that you may subtract from your income for yourself, your spouse, and each of your dependents.

* Phaseout

A phaseout reduces the value of certain tax benefits as income rises. Several tax credits, deductions, and exemptions begin to phase out when a taxpayer's income exceeds a certain dollar threshold. Most phaseouts reduce the value of a tax benefit gradually as income rises above the threshold. They are used to prevent higher-income taxpayers from utilizing, or fully utilizing, tax breaks intended primarily for lower- and middle-income taxpayers.

* Alternative minimum tax

The alternative minimum tax (AMT) is an alternative method of calculating tax that eliminates or reduces some of the deductions and exclusions from income that are allowed when calculating taxes the regular way. The AMT was originally intended to prevent wealthy Americans from using tax loopholes to pay little or no tax, but it now affects some middle-income taxpayers, in addition to high-income taxpayers.

To determine whether you are subject to the AMT, your taxes are calculated both ways. You pay the larger amount.

MISSING MONEY



Where to find missing money.

Whatever happened to your old savings account? Or that rental security deposit? Your state may be holding the funds for you. State laws generally require businesses and financial institutions to turn over cash and property to the state after there has been no activity on the account or contact with the owner for a number of years. You can search for property you lost, forgot, or never knew about at MissingMoney.com, a website that searches the unclaimed property records of many states and provides links to those states that are not represented in its database.



How to redeem a lost savings bond.

If you have lost track of a matured savings bond, the U.S. Department of Treasury has a search feature at www.TreasuryHunt.gov that can help.



Where to find a missing tax refund.

The IRS is holding millions of dollars of undeliverable refund checks. If you did not receive a refund you were due, you can check on its status and update your address if necessary by visiting the IRS website, www.IRS.gov, and clicking on "Get Your Refund Status".



How to name a guardian for your children.

You name a guardian for your young children in your will. If you do not name one and both parents die while the children are still young, the courts will decide who will raise your children, without any input from you.

ESTATE PLANNING

* **Everyone needs a will.**

If you want to control who will inherit your assets, you need a will and possibly a revocable living trust. Without at least a will in place, the laws of your state will dictate who will inherit those assets that are not transferred by other means, such as beneficiary designations.

* **Beneficiary designations trump a will.**

The people you name as beneficiaries on your financial and retirement accounts will generally inherit the assets in those accounts regardless of instructions to the contrary in your will or other estate planning documents. For this reason, it is important to review your beneficiary designations at least once a year and when major events occur in your life (for example, marriages, divorces, and deaths) to help ensure that your beneficiary designations reflect your current wishes on who should inherit those assets.

* **Your estate planning documents may need to be updated if you move to a new state.**

The laws governing estates differ from state to state so it is a good idea to have an attorney in your new state review your estate planning documents.

FRAUD AND IDENTITY THEFT

* **What to do if your credit, ATM, or debit card is lost, stolen, or used fraudulently.**

If you lose a card or if you notice a fraudulent charge on your statement, call your card issuer immediately to let them know.

The Federal Trade Commission recommends that you also write a letter to the card issuer to confirm when you reported the problem by phone. Send your letter by certified mail and ask for a return receipt. Keep records of all of your communications.

* **How to protect your credit, ATM, and debit cards and account info.**

The Federal Trade Commission offers these tips:

- ▶ Do not tell anyone your account number over the phone unless you are the one who made the call.
- ▶ Keep your account information private. Do not leave it out where others can see it.
- ▶ Be prepared to report a loss quickly by keeping a record of your account numbers, expiration dates, and each card issuer's telephone number.
- ▶ Cut up your old cards before you throw them away.
- ▶ Commit your PIN to memory. Do not carry a written copy of it with your card.
- ▶ Review your statements promptly and report discrepancies to your card issuer immediately.
- ▶ Check your account activity periodically, especially if you bank online.

* **What to do if your identity is stolen.**

If you suspect that someone is using your personal information fraudulently, the Federal Trade Commission recommends that you do three things immediately:

- ▶ Place an initial fraud alert by contacting one of the three credit reporting companies: Equifax (1-800-525-6285), Experian (1-888-397-3742), or TransUnion (1-800-680-7289).
- ▶ Order credit reports from the three credit reporting companies and review them for signs of fraud.
- ▶ Create an identity theft report. This involves submitting a complaint to the FTC and filing a police report.

The website IdentityTheft.gov can guide you through the steps you may need to take to recover your identity. ■



Please consult your tax advisor for advice on taxes and your financial advisor for advice on retirement, college, insurance, and investment planning.

Federal Student Loan Repayment Tips for Recent Grads

If you recently graduated or left college, you may need to begin repaying your federal student loans soon. Here are a few tips that may help.

Determine when repayment must begin.

Federal student loans generally offer a grace period—a period of time after you leave school before repayment must begin. This period is intended to give you enough time to find a job so that you are financially ready to begin repaying your loans.

Direct Subsidized and Unsubsidized Loans generally have a six-month grace period after you graduate, leave school, or drop below half-time status.

Direct PLUS Loans made to graduate or professional students generally have an automatic six-month deferment period after you drop below half-time status.

Perkins Loans generally offer a nine-month grace period if you attended school at least half-time. Check with your school for more details.

Choose a repayment plan.

Your Direct Loans and FFEL Loans may be eligible for a few repayment plans. The one you choose will affect how much you pay each month and overall. Generally, the lower the monthly payment or the longer the loan term, the more interest you will pay over the life of the loan.

► **Standard repayment plan.** Your loan servicer will put you on this plan if you do not choose another one. On this plan, you will pay a fixed amount each month for up to 10 years. Although your monthly payments will generally be higher, you will pay the least amount of interest over the life of the loan on this plan. However, if the monthly payment amount is too high for you, you can lower it by choosing another plan.

► **Graduated repayment plan.** This plan starts with lower monthly payments and then ratchets up the payment amount over time for a total of 10 years.

► **Extended repayment plans.** If your Direct Loan or FFEL Loan balance is over \$30,000, you can choose an extended repayment plan and stretch either fixed or graduated payments over a maximum of 25 years.

► **Income-driven plans.** Income-driven plans generally limit your monthly payment amount to a percentage of your discretionary income and forgive the remaining balance after 20 or 25 years (potentially after 10 years if you qualify for Public Service Loan Forgiveness).

To get an idea of which repayment plans you may qualify for and an estimate of how much you pay monthly and overall, check out the Repayment Estimator at StudentLoans.gov.

As you review the plans, keep in mind that you can change plans for free. So if your financial situation changes—for better or worse—you can switch to a plan with a monthly payment that suits you better.

Consider the Public Service Loan Forgiveness Program.

If you plan to work full-time in the government, the military, law enforcement, public health, or certain other public service occupations for at least 10 years, consider the Public Service

Loan Forgiveness Program. Under this program, you may be eligible to have the remaining balance of your Direct Loans forgiven after you make 120 payments on those loans while working full-time for certain public service organizations.

If loan forgiveness is a possibility for you, using an income-driven repayment plan will maximize the amount forgiven. Although payments made under the 10-Year Standard Repayment Plan also count toward the required 120 payments, your loans will be fully paid off after 10 years under the standard plan, leaving nothing left to forgive.

Consider consolidating your loans.

You can consolidate most federal loans into one Direct Consolidation Loan, but be sure to carefully consider the pros and cons before you do.

Loan consolidation will generally lower your monthly payment by lengthening your repayment period, but you will pay more interest over time as a result.

If all of your student loans are not presented on one bill, consolidating them into one loan can simplify things by reducing your loan payments to one per month.

If you have federal loans other than Direct Loans, combining them in a Direct Consolidation Loan may make you eligible for additional repayment plans.

If you are seeking public service loan forgiveness, only Direct Loans can be forgiven so consolidating your other federal loans into a Direct Consolidation Loan will make them eligible to be forgiven.

You may lose some of the benefits associated with your original loans if you consolidate them. For example, if you consolidate a Perkins Loan, you give up the potential for the loan to be cancelled. (All or part of your original Perkins Loan may be cancelled if you are a full-time firefighter, VISTA or Peace Corps volunteer, nurse, medical technician, or work in certain other public service occupations.)

Automating your payments can reduce your interest rate.

You will receive a .25% reduction in the interest rates on your Direct Loans if you have the payments on those loans automatically debited from your bank account. Plus, automating your payments lessens the chance of you missing a payment!

If you cannot make a payment, work it out with your loan servicer.

Your loan servicer may be able to offer you a deferment or a forbearance that temporarily stops or reduces your payments. Or you may be able to switch to a repayment plan with a lower payment.

If you do nothing, your loan may eventually go into default and the consequences of defaulting can be significant.

Claim a tax deduction for interest that you pay.

You may be able to deduct up to \$2,500 of the interest that you pay each year on your qualified student loans as long as your modified adjusted gross income (MAGI) is within certain limits, no one else claims an exemption for you on their tax return, and your tax filing status is something other than married filing separately.

The deduction is limited to taxpayers with a MAGI under \$80,000 (single) or \$160,000 (married filing jointly). If your MAGI is between \$65,000 and \$80,000 (single) or \$130,000 and \$160,000 (married filing jointly), the deduction amount will be reduced. ■



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Your loan servicer can provide you with specific information about your federal student loans and how to repay them.

If you have a Federal Perkins Loan, your school can generally provide the details about repaying your loan.



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GREAT OCEAN ROAD, AUSTRALIA | Coasting Along

BY BRIAN JOHNSTON

The Great Ocean Road is one of Australia's best road-touring routes, providing not only splendid scenery, but a taste of the laidback, seaside Aussie lifestyle.

IF YOU'RE SOME MAD SIGHTSEER, you could hurtle along the Great Ocean Road in a day. It runs along the coast of the state of Victoria in southern Australia, starting (or finishing) just south of Melbourne, and easily taken in on a drive towards Adelaide. Resist the temptation to zip along this 150-mile route in a hurry, however. Unwind and enjoy all the activities on offer, from heritage houses to museums, from waterfalls and wetlands to some great restaurants and golf courses, and you'll enjoy it so much more. And while the landscapes might be the focus, the towns along the way are worth exploration as well. A day? Give it a week and you'll see what this sublime corner of Victoria is really all about.

When it comes to exploring the towns, Portland is the first port of call along the Great Ocean Road if you're driving it from west to east. Call in at the Maritime Discovery Center to find out about Portland's history, then watch the tugs outside as they guide big ships into the modern aluminum smelter. Out on the bay, historic buildings and seafood restaurants gleam. Just out of town, great walking tracks allow for a stretch; at Cape Bridgewater you'll see fur seals, blowholes, and a petrified forest.

As you drive towards Port Fairy, jagged outcrops of rock and coastal panoramas greet you along the road. It's the start of the generous coastal scenery that makes this route so famous. Port

Fairy has retained much of its colonial character of stone churches and cottages, and is chock full of craft stores and fine dining restaurants, as well as plenty of accommodation choices. Take the lovely walk along the wharf; whales wallow offshore and muttonbirds soar overhead in admiration. Eat fish and chips under the hopeful eyes of seagulls, and watch families puttering about in their 'tinnies', as Australians affectionately call their basic recreational motorboats.

In early March, the Port Fairy Folk Festival really makes this the place to be. It features some hundred music acts, ranging from country and folk to jazz and bluegrass. There's also street theatre, buskers, kids' events, and food

The Great Ocean Road's most iconic section features the Twelve Apostles (left), a series of rock stacks that rise up from the ocean along Victoria's coast. Another section of the road passes through the Great Otway National Park where lush rainforest trails lead to Hopetoun Falls (below).

and craft markets. You can sit and stuff yourself like a Roman emperor on ridiculously cheap oysters—big, fat, creamy, and freshly plucked from the sea—that would cost you a small fortune in a fancy Melbourne restaurant.

Warrnambool is the biggest town on the Shipwreck Coast, bang slap in the middle of beautiful scenery, full of parks, and fronted by some fine beaches. Following the heritage trail around town takes a pleasant hour. Then head to Flagstaff Hill, which recreates the early 1870s port as a living museum where you can watch sail-makers, printers, and other tradesmen at work. There are re-creations of a doctor's surgery, lighthouse-keeper's cottage, and school, among forty other buildings. The laser show *Shipwrecked*, staged in the evening, is well worth seeing.

After Warrnambool, it's on to Peterborough, where you can golf on one of Victoria's top links, kayak, windsurf, and surfboard on the protected Curdies River inlet, or simply bushwalk along the cliff tops and across the sands of the Bay of Martyrs. The Great Ocean Road's most iconic section unfolds east of Peterborough, most notably the Twelve Apostles, a series of jagged rock outcrops standing in the ocean. Visit Cape Otway Lighthouse, mainland Australia's oldest surviving lighthouse, which commands the tempestuous Bass Strait. Don't forget, however, to turn inland and enjoy the lush rainforest trails and a tree-top walk in the Otway Ranges as well. The glow-worms and giant ferns of Melba Gully State Park, the boardwalk at Maits Rest, and koalas everywhere are a reminder that this isn't all about coast—the hinterland is beautiful too.

Café culture reigns supreme in Lorne, perhaps because of its balmy climate and protected position. The beachfront runs



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for over a mile and has a long strip of restaurants and cafés where you could while away a whole afternoon. But if it's activity you're after, have a round of golf on the spectacular local course, or cross the Erskine River from the beach and walk to Teddy's Lookout for stunning views of the Great Ocean Road. Further east, Anglesea also has a beautiful setting between cliffs, river, and bays. It's a sporty kind of place, with golf, tennis, windsurfing, sea kayaking, and bushwalking. If you have kids who've been cooped up in the car for too long, this is the place to let them loose.

Bells Beach is one of the world's best surfing spots—strictly for experts, but amazing to watch. Waves come sweeping in at Bells from the Southern Ocean to provide near-perfect surfing conditions that see regular pro surfing competitions. Bells was also the culminating location in the classic 1991 surfing-inspired movie *Point Break*—though ironically not actually filmed here but in Oregon. Bells is

further east of Anglesea and just before Torquay, officially the last stop along the Great Ocean Road. The youthful town is full of shops selling trendy surf gear and clothes, while the Surfwear Museum highlights the history of the sport in Australia.

While not strictly on the Ocean Road, travelers would do well to end their journey in Geelong, whose industrial image actually hides a rather charming historic city center. Victoria's largest regional city has long been the butt of jokes, but Geelong has undergone a remarkable renaissance, with many new attractions, great restaurants, lots of walking paths and a revamped waterfront. The waterfront now includes historic buildings, a century-old carousel, an Art Deco swimming complex, nearby botanic gardens, and restaurants galore.

The stadium in Kardinia Park is home to the Geelong Cats, an Australian Football League team. If you're here in season (May to September), you should attend a match. 'Footy' is akin to religion in Victoria and the game—perhaps best described as a cross between rugby, football, and American football without the body armor—is fast, violent, thrilling, and a dazzling display of physical skill.

Geelong also boasts the Geelong Art Gallery, one of the state's best, and the National Wool Museum, housed in an 1872 bluestone woolshed. The city also has two National Trust properties: The Heights, full of Georgian furnishings, and Barwon Grange, dating from the 1850s. Walking paths lead behind the grange into the valley, where wetlands are loud with pelicans and swans, and old mills stand at the water's edge.

Rich with scenery and heritage, the Great Ocean Road offers much to those who coast along its span and stop to savor the various towns, dramatic beaches, and lush rainforest along the way. ■

ART walks

Strolling through an art district, stopping at those galleries and studios that catch your eye, perhaps meeting a few artists or watching a demonstration, and topping it off with a bite to eat at a local eatery—it can be a fun way to spend an evening. The art communities in the following cities (and many others) agree, so much so that they made what are called 'art walks' a monthly event in their art districts.

BEND, OR *First Friday of every month*

The first Friday evening of the month is a great time to gallery hop through downtown Bend and the Old Mill District, perhaps stopping along the way to enjoy a meal and browse in the shops that are open late during Bend's First Friday Art Walk.



DENVER, CO *First Friday of every month*

On the first Friday of every month, more than 100 galleries, artist studios, specialty stores, museums, and restaurants in the Art District on Santa Fe and the Golden Triangle Museum District stay open until 9 p.m. for an evening of art, food, and fun. Free shuttle buses are available to take you around the two districts.

FRESNO, CA *First and third Thursday of every month*

More than 50 artist studios, galleries, museums, and other venues exhibiting art throw open their doors to the public for special evenings each month during Fresno's ArtHop. On the first Thursday of the month, the ArtHop venues in downtown Fresno and the Tower District are in full swing with art exhibitions, receptions, and music. On the third Thursday of the month, the ArtHop venues in the Fresno metro area are open from 5–8 p.m.

FORT MYERS, FL *First Friday of every month*

Jump on the trolley on the first Friday evening of every month between 6 and 10 p.m. to visit 11 galleries in the River District and the Gardner's Park area, where you can meet the artists at most galleries and enjoy art demonstrations.

LAGUNA BEACH, CA *First Thursday of every month*

During Laguna Beach's First Thursdays Art Walk, art enthusiasts can take in the latest exhibitions at a dozen or so galleries from 6–9 p.m. A free trolley service makes it easy to get from one gallery to the next.

PHILADELPHIA, PA *First Friday of every month*

Dozens of galleries and shops in Philadelphia's Old City stay open until usually 9 p.m. on the first Friday of every month, offering residents and visitors alike a great reason to stroll this historical neighborhood, dropping in on galleries, studios, home furnishing shops, and restaurants along the way. Most of the galleries are located between Front and 3rd Streets, and Market and Race Streets.

PHOENIX, AZ *First Friday of every month*

In Phoenix, more than 50 galleries, studios, art spaces, and cultural venues are open late on the first Friday of each month. A free trolley loops through downtown Phoenix on those evenings, making it easy to visit a number of the galleries in one evening. Plus, several restaurants, bars, and shops participate in the event, making for an all-round great evening out!

WILMINGTON, NC *Fourth Friday of every month*

Wilmington offers Fourth Friday Gallery Nights, a free monthly event when a dozen or so galleries, studios, and art spaces stay open until 9 p.m. The galleries are located between Front Street and 5th Avenue, and Brunswick and Willard Streets. ■



QUIZ

OLYMPICS

1. After decades-long absences, these two sports will once again be Olympic events in 2016:
 - A. Golf and rugby
 - B. Cricket and bowling
2. The 2016 Olympic Games will be held in:
 - A. Rio de Janeiro, Brazil
 - B. London, England
3. The Olympic motto is:
 - A. May the force be with you.
 - B. Faster. Higher. Stronger.
4. The ancient Olympic Games were held in:
 - A. Mesopotamia
 - B. Greece
5. The year of the first modern Olympic Games was:
 - A. 1896
 - B. 1932
6. The Olympic rings symbolize:
 - A. The laurel wreaths worn by ancient athletes
 - B. The five continents
7. The six colors used today on the Olympic flag (blue, black, red, yellow, green, and white) were chosen because:
 - A. Every nation's flag contained at least one of the colors
 - B. The ancient flag of Olympia used those colors
8. The continent that has hosted the most modern Olympic Summer Games is:
 - A. North America
 - B. Europe
9. A few months before the Olympic Games, the Olympic flame is lit in:
 - A. The most recent Olympic host city
 - B. Olympia, Greece
10. The country whose athletes won the most medals at the 2012 Olympic Games was:
 - A. The United States
 - B. China
11. The 2020 Olympic Summer Games will be held in:
 - A. Beijing, China
 - B. Tokyo, Japan

ANSWERS: 1-A, 2-A, 3-B, 4-B, 5-A, 6-B, 7-A, 8-B, 9-B, 10-A, 11-B.



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Certified Divorce Financial Analysts in Massachusetts. She holds a Master of Science in Finance from Suffolk University and is a Graduate of the Securities Industry Association Institute at the Wharton School. Additionally, she holds a Master of Education in Counseling from Boston University and a Master of Education in Moderate Special Needs from Northeastern University.

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