



ZRC WEALTH MANAGEMENT, LLC

SANTA ROSA • WALNUT CREEK • ST. HELENA

December 2, 2015

Dear Client,

With the holidays and end of year upon us, we at ZRC Wealth Management would like to thank our clients, friends, and fellow professionals for their support over the years. In the spirit of the season, we offer these 12 Year-End Financial & Investment Tips to increase your wealth and plan for a financially secure future.

1. Establish a 401(k) plan or solo 401(k) plan (if self-employed). If you are no longer employed, consider rolling your 401(k) account into an IRA. For those with an active 401(k) plan, max out contributions including catch-up contributions (\$6,000 if you are 50 or older).
2. Max out your IRA and/or Roth IRA contributions. For those over 70, take Required Minimum Distributions (RMDs) from IRA accounts. Review your overall retirement withdrawal and distribution strategy.
3. Sell losers in taxable accounts to save on taxes. In investment speak, we call this "Tax-Loss Harvesting" - which is selling a perfectly good investment that happens to be currently worth less than what you originally paid for it. In doing so, you generate a loss for which you can use to offset taxes on current or future gains. At the same time, steer clear of the IRS's Wash-Sale Rule and purchase a similar (but not identical) investment, so that you are not out of the market.
4. Two popular Social Security filing strategies were eliminated by the most recent budget and many couples may need to rethink their retirement strategies. The two strategies, known as "file and suspend" and "restricted application," have grown in popularity in recent years because they allow married couples to maximize their benefits based on the earnings of their spouse. The changes are complicated, so contact ZRC Wealth Management to determine their potential impact.
5. Create family spending plans, budgets and automate savings plans. The holidays can be a good time of the year to set some financial savings goals for the coming year, review progress from the past year, and plan for any large expenses in the coming year. Some people find it helpful to directly deposit a portion of their paycheck directly to their savings/brokerage accounts to avoid the temptation of having the money in their checking accounts.
6. Talk to your loved ones about money. Over the years, ZRC Wealth Management has suggested numerous ways to bring up money matters at home, open a constructive dialogue, and teach positive spending and saving habits. We offer to be a confidential resource to adult children (whether it be new grads or new dads) that may not have assets or income to afford professional

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advice. We can review their 401K plan and investment options, discuss employee benefits, company stock and options, debt, loans, etc.

7. Update your estate plan and get qualified help if you are unsure of how to do it yourself. We are happy to provide a list of estate attorneys in your area.

8. Review costs, contributions, and coverage for all your insurance policies. As your life changes, so will your insurance needs.

9. Spend and review Health Savings Account contributions (unused funds can be rolled-over to the following year). For Flexible Savings Accounts, \$500 can be rolled-over to the following year.

10. Consider gifts to charitable organizations and family members. Make any planned 529 college savings contributions. ZRC recommends the top rated Utah Educational Savings Plan and Vanguard Nevada College Savings Plan.

11. Establish or tune-up your Emergency Fund. Our typical suggestion is to maintain funds to cover 6 - 9 months of living expenses in the form of liquid assets such as a money market fund or a very short term bond fund. Volatility of income and job security are also factors that would need to be considered when creating the Emergency Fund.

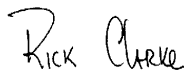
12. Not sure what you are doing and don't feel good about it? Sitting in cash? Don't know what your number is? Make it your New Year's resolution to contact an independent financial advisor and Certified Financial Planner™ professional. Remember, time is your most valuable asset, so don't wait!

As always, we are here to be a resource to you and those important to you.

Sincerely,



Barry N. Mendelson, CFP



Richard P. Clarke, CPA, PFS



Ryan K. Kosakura, CFA