NAVIGATOR

SEASCAPE
CAPITAL MANAGEMENT

SPRING 2015

INSIDE THIS ISSUE:

Seascape Capital Management, LLC

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Happy Spring! While it may not feel quite like the seasons have changed here in the northeast, we are looking forward to the longer days and shorter nights.

As the state's colleges and universities return from their spring breaks, we thought it would be a great time to bring back our successful college financial planning seminar. If you did not join us in the fall and it is a topic of interest to you and your family, then we hope to see you there.

In addition to college savings, this issue of the Navigator focuses on the importance of long-term savings and your financial health with information about new IRA rules, contribution limits for 2015, and some interesting models showing the importance of lifelong savings.

Finally we've included an excerpt from Michael Kitces' blog, which articulates the value proposition of a good financial planner. These are the values we seek to emulate as your chief financial officer.

College Financial Planning Strategies
Seminar this Thursday

According to Labor Department data, between 2003 and 2013 – the overall consumer price index grew by approximately 27%, while medical care grew by 43%. During this same period, college tuition increased a staggering 79.9% – nearly twice as fast as medical costs.

As a result, even families with above average income and assets are finding college costs daunting. Fortunately, through careful planning, it's possible to successfully navigate this complex process and create opportunities for your children while preserving your wealth.

Together with Angela Castonguay of The New Hampshire Higher Education Assistance Foundation's Center for College Planning, we will address how families can best position themselves to save for and fund their students' educations.

Thursday, March 26 at 6 p.m.

The One Hundred Club

100 Market Street, Fifth Floor, Portsmouth, NH

Drinks and hors d'oeuvres will be served

College Planning Seminar

Angela Castonguay is an experienced College Counselor with the New Hampshire Higher Education Assistance Foundation's Center for College Planning. The NHHEAF began as a small agency in 1962 and has evolved into New Hampshire's source of knowledge for everything college.

The seminar will explore topics such as:

- What assistance is available to you and how to obtain it
- What assets are counted against you
- How savings affects your EFC (expected family contribution)
- 529 plans
- Tax strategies
- And more!

Parking is available in the neighboring Hanover Street Garage.

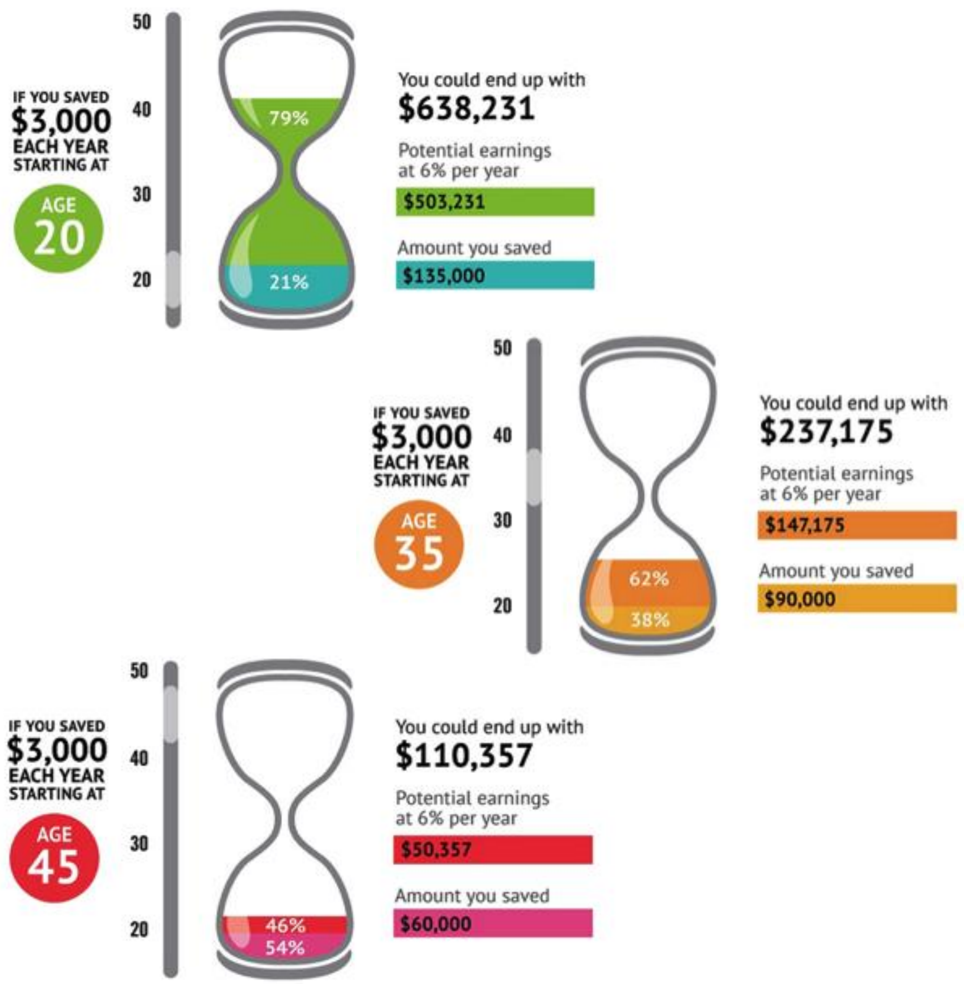
Have someone in mind who might be interested in this topic? We greatly appreciate referrals and welcome you to share this invitation.

For the latest Seascape news connect with us on LinkedIn!

The Cost of Waiting

Starting to save early means your money has more time to go to work for you.

Starting to save early means your money has more time to work for you. Even if you can only afford to set aside small amounts, compounding earnings can make them really add up. It's never too late to begin, but as this illustration shows, the sooner you start, the less you may need to rely solely on your own savings to build your total nest egg.



This illustration assumes annual investments made at the end of each year through age 65 and a 6% fixed annual rate of return. The rate of return on your actual investment portfolio will be different, and will vary over time, according to actual market performance. This is particularly true for long-term investments. It is important to note that investments offering the potential for higher rates of return also involve a higher degree of risk to principal. The examples are intended as hypothetical illustrations of mathematical principles and should not be considered financial advice.

Helping Our Clients Achieve a Better "Return on Life"

The six key value propositions of a good financial planner

Here at Seascape, we strive to be our clients' partners in every respect of the word. We design and implement comprehensive strategies for our clients as well as develop close personal relationships. We believe the following outline of a *client-centric value proposition* helps show what the intangible side of financial planning can provide.

That's why we really enjoyed a **recent post by Michael Kitces**, a financial blogger we check in with often. He does a nice job detailing the six important traits you should expect of your wealth advisor. It is our responsibility to meet and exceed each of these principles in our dealing with you and your finances. We welcome your feedback on how we're doing.

- **Organization.** We will help bring order to your financial life, by assisting you in getting your financial house in order (at both the "macro" level of investments, insurance, estates, taxes, etc. and also the "micro" level of household cash flow).
- **Accountability.** We will help you follow through on financial commitments, by working with you to prioritize your goals, show you the steps you need to take, and regularly review your progress towards achieving them.
- **Objectivity.** We bring insight from the outside to help you avoid emotionally driven decisions in important money matters, by being able to consult with you at key moments of decision-making, doing the research necessary to ensure you have all the information, and managing and disclosing any of our own potential conflicts of interest.
- **Proactivity.** We work with you to anticipate any potential life transitions that might be coming, and creating the action plan necessary to address and manage them ahead of time.
- **Education.** We will explore what specific knowledge will be needed to succeed in your situation, by first thoroughly understanding your situation, then providing the necessary resources to facilitate your decisions, and explaining the options and risks associated with each choice.
- **Partnership.** We attempt to help you achieve the best life possible but will work in concert with you, not just for you, to make this possible, by taking the time to clearly understand your background, philosophy, needs and objectives, work collaboratively with you and on your behalf (with your permission), and offer transparency around our own costs and compensation.

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How Much Can I Contribute To My IRA in 2015?

The combined amount you can contribute to your traditional and Roth IRAs remains at $5,500 for 2015, or $6,500 if you will be 50 or older by the end of the year.

You can contribute to an IRA in addition to an employer-sponsored retirement plan like a 401(k). But if you (or your spouse) participate in an employer-sponsored plan the amount of traditional IRA contributions you can deduct may be reduced or eliminated (phased out), depending on your modified adjusted gross income (MAGI).

Your ability to make annual Roth contributions may also be phased out, depending on your MAGI. These income limits (phaseout ranges) have increased for 2015: (see table on right).

Income phaseout range for deductibility of traditional IRA contributions in 2015:	
1.Covered by an employer-sponsored plan and filing as:	
Single/ Head of household	$61,000 - $71,000
Married filing jointly	$98,000 - $118,000
Married filing separately	$0 - $10,000
2.Not covered by an employer-sponsored retirement plan, but filing joint return with a spouse who is covered by a plan	$183,000 - $193,000

Income phaseout range for ability to contribute to a Roth IRA in 2015	
Single/Head of household	$116,000 - $131,000
Married filing jointly	$183,000 - $193,000
Married filing separately	$0 - $10,000

Is there a new IRS one-rollover-per-year rule?

Yes. The IRS says that if you receive a distribution from an IRA, you can't make a tax-free (60-day) rollover into another IRA if you've already completed a tax-free rollover within the previous 12-month period.

The long-standing IRS position was this rule applied separately to each IRA someone owns. In 2014, however, the Tax Court ruled regardless of how many IRAs one owns, a taxpayer may make only one nontaxable 60-day rollover within each 12-month period. The IRS announced that it would abide by the decision, but that the revised rule would not apply to any rollover that occurred before January 1, 2015. The IRS recently issued guidance on the application of this limit.

- All IRAs, including traditional, Roth, SEP, and SIMPLE IRAs, are aggregated and treated as one IRA when applying the new rule. For example, if you make a 60-day rollover from a Roth IRA to the same or another Roth IRA, you will be precluded from making a 60-day rollover from any other IRA--including traditional IRAs--within 12 months. The converse is also true--a 60-day rollover from a traditional IRA to the same or another traditional IRA will preclude you from making a 60-day rollover from one Roth IRA to another Roth IRA.
- The exclusion for 2014 distributions is not absolute. Specifically, this special transition rule will NOT apply if the 2015 rollover is from the same IRA that either made, or received, the 2014 rollover.

In general, it's best to avoid 60-day rollovers if possible. Use direct (trustee-to-trustee) transfers instead, as they aren't subject to the one-rollover-per-year limit. The tax consequences of making a mistake can be significant--a failed rollover will be treated as a taxable distribution with possible early-distribution penalties and a potential excess contribution to the receiving IRA.

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