

the BENCHMARK

Newsletter

QUINT - C PALLET & MFG. CO.



04

Client Spotlight

A Conversation with Christina Morgan, Quint-C Pallet Company, Inc.

Quint-C Pallet, a family-owned pallet manufacturer, is our client spotlight this quarter. Christina Morgan talks about

the history of the business started by her father and how his vision carries on to this day.

2018: Retirement Plans & Social Security

Nick Clay explains what's new in 2018 with contribution limits and the increase in Social Security checks.



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Personal Finance Series: A Success!

Philip Bachman recaps the personal finance series and key takeaways from each presentation.



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2018: Retirement Plans & Social Security



By Nick Clay

The Internal Revenue Service recently updated their 2018 retirement plan contribution limits, and the Social Security Administration announced a 2.0% increase to Social Security payouts for 2018. First, let's take a look at the retirement plan contribution limit changes. If your desire is to save the maximum allowable amount for retirement, you may need to make adjustments for 2018 as many retirement plan contribution limits have slightly increased.

401(k), 403(b), 457, and Thrift Savings Plan contribution limits

The contribution limit for these

plans in 2018 will be \$18,500 (up from \$18,000 in 2017). For participants who will be age 50 or older by the end of 2018, the catch-up provision amount will remain unchanged at \$6,000.

These amounts are what you, the participant, can contribute. Anything your employer puts into your account via match, profit sharing, etc. does not count against the \$18,500 or \$24,500. In 2018, the overall contribution limit (counting both your elective deferrals and whatever your employer puts in) will be \$55,000 (up from \$54,000) – or \$61,000 (up from \$60,000) if you are age 50 or older.

If you desire to save the maximum amount for retirement, you may need to make adjustments since many contribution limits have increased in 2018.

If you participate in a 403(b) plan and have a minimum of 15 years of service, you can contribute up to \$3,000 more as part of your contribution. For employees over age 50, both catch-up provisions can be utilized in many cases.

457 plans have their own catch-up provisions. If you participate in a 457 plan you are allowed a catch-up provision of twice the annual elective

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Mike Alread Announces Retirement

BCS Wealth Management founding partner Mike Alread announced his retirement in December in a letter to clients. Under his guidance, BCS Wealth Management has grown into one of the region's most established and respected financial planning firms. Accompanying the growth, Mike has been instrumental in developing a team of financial advisors and support

staff who are committed to the firm's continued success.

We, along with many clients and friends in the community, congratulate Mike on 25 successful years in the financial industry. We look forward to continuing to grow alongside you, and we wish Mike the best as he enters a new phase of life.

Team Spotlight: Myra O'Dell

Myra grew up in Kingsport, TN where she graduated from Sullivan South High School. She attended Milligan College where she played volleyball and tennis. She graduated with honors with undergraduate degrees in Mathematics and Business Administration and a Master's of Business Administration.

Outside of her career as an investment advisor, Myra is an avid sports fan. She's been to 18 women's college basketball final fours as well as many other college games and professional tennis tournaments. Myra also

enjoys participating in our local tennis leagues and tournaments. In her free time, she enjoys jogging and has completed two half-marathons.

In addition to being a sports fan, another hobby that Myra enjoys is traveling. She has set a goal to visit all 50 states. The newest addition to her list of states visited is Montana, which has been one of her favorites. Outside of the US, Myra has visited Spain, Morocco, Great Britain, France, Netherlands, Belgium, Italy, Greece, Germany, Austria, and Switzerland.

Myra's visit to Lake McDonald in Glacier National Park, Montana



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deferral limit. The only caveat is you must be within three years of the plan's normal retirement age.

Traditional and Roth IRA contributions limits

Nothing has changed in regards to IRAs. The annual limit remains \$5,500 for 2018 with an additional \$1,000 catch-up contribution allowed if you are age 50 or older.

SIMPLE IRA contribution limits

The SIMPLE IRA contribution limit is

also unchanged for 2018. The limit remains \$12,500 with an additional \$3,000 catch-up allowance if you are age 50 or older.

SEP-IRA limits

The maximum allowable contribution for 2018 is 25% of pay up to \$55,000. It is a little more complicated for self-employed individuals. Effectively, the limit is reduced to 20% of adjusted profit after removing self-employment tax. The calculations is based on NET self-employment income, which removes the SEP-IRA contribution itself.

Social Security

Good news! If you are one of the 60+ million people currently receiving Social Security benefits, your monthly check is about to get larger. Starting in 2018 you will get a 2% boost to your monthly payout, which is the largest increase since 2012.

If you are not currently taking Social Security and have questions about your benefit and when the right time might be to start taking it, please feel free to reach out to us. We are happy to help. We have many tools that can be of use to help educate you and provide peace of mind.



Nick is the managing partner of BCS Wealth Management and one of a select few Dave Ramsey endorsed SmartVestor Pro advisors in our area. He is pictured with his wife, Lacy, and their children, Addilyn, Halle and Camp.

A Conversation with Christina Morgan, Quint-C Pallet



Christina Morgan, at left, is a co-owner of Quint-C Pallet Co., Inc. She, along with her sister, Carolyn, at right, and brother, Charles, center, continue a family tradition started in 1981.



Can you give us a brief history of the business and the family members involved?

Quint-C Pallet Co., Inc. was started in 1981 by Carroll and Connie Hensley. By 1984, the business was growing and relocated to the current location on 11-E. Charles, the oldest child, joined the business in 1987. Charles has performed many roles at Quint-C. He has worked on the assembly line, served as salesman, and is now president of the company. Carolyn Mussard, the oldest daughter, joined the business in 1994. She has worn many hats, from answering the phone to her current position as office manager and Vice President. The youngest daughter, Christina Morgan, finally joined the family business in 2011 after 10 years of service with BCS.

In 2012, Carroll and Connie both passed away, leaving the business to the three children. Quint-C has continued to thrive under the children's leadership. 2017 was one of the biggest years for the company. Currently, Quint-C has two locations with six buildings, 40+ workers, five trucks, three saws, and five pallet assembly machines.

What is changing in your business/what do you see in your future?

The biggest changes in our business are taking place in the office. We are in the process of going paperless. This process includes our trucks. We are transitioning to e-signature when we deliver pallets. This means customers sign a tablet rather than paper (similar to the current UPS method). Also, tractor-trailers are being converted to e-log (per Department of Transportation mandate). Quint-C has already implemented this system in their fleet.

How does BCS and BCSWM help you in your daily running of your business?

BCS and BCS Wealth Management have been great partners and provide tremendous support with our tax preparation and 401k plan.





A Successful First Edition of the Personal Finance Series

By Philip Bachman

BCS Wealth Management and Blackburn, Childers & Steagall co-hosted a personal finance series in Johnson City. The six-week series ended October 26 and gave an introduction to financial planning concepts. The topics were budgeting, credit and loans, insurance, investing, retirement planning, and estate planning.

The workshop was geared toward young professionals and welcomed folks of any age interested in learning more about personal finance. The audience represented a wide span of walks of life: an encouragement that financial education workshops can benefit nearly everyone in some aspect. Here is a recap of the six presentations:

Budgeting

Discipline in managing our income and expenses is the first step of wealth creation and wealth preservation. Budgeting is understanding how much money we have, knowing where it goes, and planning how to best allocate it to reach our goals.

“Spy on your money,” said presenter Myra O’Dell, partner at BCS Wealth. “Track your fixed expenses and variable

expenses. The breathing room we need is the difference between our income and our fixed and variable expenses.” Myra concluded the presentation with sage advice, “The decisions, debts, and savings we make today will follow us into the future.”

Credit and Loans

Presenter James Steffen, CPA, gave a working knowledge of loans, interest, and the pros and cons to using credit. He explained the “Five C’s” that credit decisions are based on: condition, capacity,

collateral, character, and capital.

Regarding personal finance, credit scores and credit reports are usually the most important factors in loan decisions and interest rate offers. The five components of a credit score (listed in order of importance) are payment history, current total debt, length of credit history, requests for new credit, and types of credit in use. James reassured the audience, “If that sounds overwhelming, just keep in mind that the single most important step is to pay bills on time every time.”

“Building wealth is a marathon, not a sprint.”
~ Dave Ramsey

Market Returns

Major Stock Indexes	4th Quarter 2017	2017
DJIA	10.3%	25.1%
Nasdaq Composite	6.3%	28.2%
S&P 500	6.1%	19.4%
Russell 2000	3.0%	13.1%
Global Dow	6.1%	21.9%
Japan: Nikkei 225	11.8%	19.1%
Stoxx Europe 600	0.3%	7.7%
UK: FTSE 100	4.3%	7.6%

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Insurance

Insurance is central to a well-rounded financial plan. "Insurance is designed to protect things we can't afford to lose," noted Paul Hoilman, Insurance Manager at BCS Wealth Management. Paul's presentation emphasized life insurance and disability insurance, which are often-overlooked tools of financial planning.

Paul challenged the audience to consider that our ability to earn an income – indeed, our life itself – is probably our most valuable asset that we should protect. He illustrated building a pyramid of insurance coverage, in which life insurance and disability insurance are the base. He explained, "Establishing this base helps us protect ourselves and our families from the biggest risks to long-term financial wellbeing first."

Investing

Nick Clay, partner at BCS Wealth began the presentation with a question: why invest? "Most simply put," he answered, "we invest so that we can reach our goals. We invest to grow wealth, combat inflation, and meet future anticipated expenditures."

Nick defined and explained common

investment types, including stocks, bonds, mutual funds, index funds, and others. He discussed the power of compound interest, a central concept to building wealth. The presentation concluded with one of the most powerful takeaways: the importance of saving and investing as early as possible.

Retirement Planning

Nathan Goodwin, partner at BCS Wealth, armed the audience with retirement planning knowledge and an inspiration to take individual steps. He highlighted the importance of being disciplined with retirement savings regardless of our age.

Many variables about retirement planning are outside our control. For example, we have little control over market cycles, inflation, and the outlook of Social Security. However, we do have control over our discipline in saving and tending to our investments. To that end, Nathan spoke about controlling spending and rebalancing allocations as our careers progress.



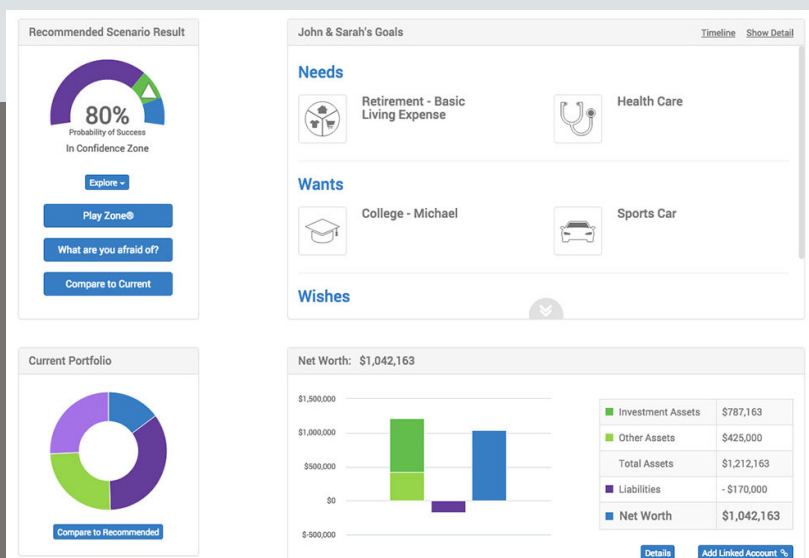
Estate Planning

Estate planning is a crucial piece of the financial planning puzzle regardless of our net worth. Brandy Bradley, CPA, discussed wills, revocable living trusts, living wills, powers of attorney, and other estate planning topics.

It is important to take a fresh look at our estate planning documents if any significant life events have happened since last doing so – or if we have not done estate planning yet at all. Updating beneficiaries on insurance policies and other accounts should be part of the overall process. Brandy also suggested making a list of assets and accounts to aid those that follow us in locating our assets.

We hope to host a similar series in the future. If you would like to discuss any of these topics individually, feel free to contact us. We would be glad to help.

Philip is shown here in historic Abingdon, Virginia, adjacent to the Martha Washington Inn and Barter Theatre.



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BCS Wealth Management is an independent financial planning firm in Johnson City, TN. We help individuals, families, and businesses reach goals important to their financial wellbeing. We provide investments and financial planning, insurance, and group benefits.



Planning for the Future: Setting Goals & Strategies

By Nathan Goodwin

Every year in January, the whole BCS Wealth team spends a day away from the office at our annual retreat. This year, we headed to the Grove Park Inn in Asheville. The retreat afforded us time together to evaluate processes, staffing, and technology so that we can continually improve our clients' experience. We constantly challenge ourselves with goals and strategies to remain a leading financial planning firm.

While setting goals for our companies is important, so is setting personal financial goals – and revisiting those periodically. A great tool for making sure your goals are realistic and charting the path to success is our MoneyGuidePro software, which is featured on page 5. Any of our clients can receive a complimentary MoneyGuidePro analysis, and in fact, it's beneficial to update it every 2-3 years. Please contact us to get started with MoneyGuidePro or to update your profile.

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We tried flavored popcorn with liquid nitrogen poured over it at the Grove Park Inn. It was cold!