



In everyone's best interest

EMPLOYEE BENEFIT CONSULTANTS | RETIREMENT PLAN ADMINISTRATORS | REGISTERED INVESTMENT ADVISORS

QUARTERLY INSIGHTS

Fourth Quarter - 2016

The fourth quarter provided investors in the stock market another strong performance. With a rally that brought all the major indices into double digit returns for the year, 2016 marked the 8th straight year of gains. In the 4th quarter the S&P 500 added 3.82% to an annual gain of 11.96%. The Mid-Cap Index gained 7.42% during the 4th quarter bringing the annual return to 20.74%. The Small-Cap Index added a 11.13% return for the quarter which outperformed both the Large-Cap and Mid-Cap Index for the year with a gain of 26.56%.

As we did in our third quarter newsletter we will address another important financial planning topic, specifically the need for disability income insurance.

This is a topic that many times is overlooked by workers today when taking financial steps to insure the security of their families. Working individuals buy life, home, and auto insurance but don't consider disability coverage although statistics indicate that up to age 50, a person has a much greater chance of becoming disabled than of dying. Of particular importance to younger workers is that according to the Social Security Administration, one in every four 20 year olds will become disabled before reaching retirement age.

For most of us our largest asset during our working years is our ability to earn an income. A loss of that income translates into an inability to meet current expenses after savings has been depleted. Basic living expenses continue without regard to income availability. What do we then depend upon? Is it smart to assume the

risk that injury or sickness will never occur? The answer is no. What should motivate you to take some action and what action should we all take?

The initial action to take is to become informed. Find out what your sick pay plan is at work and make certain you're aware of any short-term and long-term disability coverages your employer provides. Is the disability coverage employer provided, paid for by the company, or paid for by the employee (Voluntary)? Today employers are required to protect workers if they are injured while at their job through worker's compensation insurance, but this will not protect you from sickness or an injury that doesn't occur at work. As stated above, get informed about employer provided benefits and understand that these disability benefits, if provided, are only provided while in the employment of your current employer. They are not portable.

If your employer does not offer group disability coverage or you don't like the options provided, it is possible to buy an individual disability policy. Individual policies offer the advantage of being customized for each policyholder and if you change employers, your coverage continues as long as you pay the premiums. The disadvantage of individual disability policies is that they require medical underwriting so coverage isn't guaranteed.

If you have any questions about your retirement goals, 401k plan, or any other aspect of your financial planning, please contact BenefitWorks at (717) 273-8441 or 1(800) 931-3144.

All investments (or failure to invest) involve risk. Statements made regarding future performance are opinions based on economic and political assumptions. BenefitWorks, Inc. cannot provide any assurance that the expectations described in this quarterly insight will be realized.

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