



Winter 2018

# the COUNTRY BANKER

Your News. Your Life. Your Country Bank.

## BRUNING STATE BANK

### IN THIS ISSUE

Observation  
Over 50 years  
of Banking  
FRANK BRUNING

Do The Right  
Thing!  
KEN MEHLIN

Holiday Open  
House and  
Banking Hours

Do You Have Your  
Umbrella?  
BSB INSURANCE AGENCY

Holiday Giving

### Giving Back

Many people wonder what community banks do besides banking. We at Bruning State Bank pride ourselves in helping our communities with as many non-profit events that we can. Just like many other family owned banks across the state, we know how important it is to give back.

My grandfather, Fred H. Bruning said to surround yourself with good people for employees. I feel we have those employees who help in their communities. I would like to share a few examples of how we have given back.

Each year we work with the Farmers & Ranchers College that includes area ag businesses and UNL Extension to provide continued education for farmers and ranchers at no costs. We bring in well-known speakers such as Dr. David Kohl to provide educational opportunities to our areas.

Since we are passionate about youth in agriculture, we helped implement the Heifer Link program at Nebraska College of Tech Ag in Curtis. This includes donating a heifer to students to take home and start a cow herd of their own.

We also helped start the UNL Ag Banking and Finance program where students intern in the summer at rural banks. Many return back to the rural areas as a banker following graduation. We have had interns at our locations complete this major successfully. We have had the great opportunity to host high school students to do a one-day shadowing in our bank to see if they may like to study or have a career in banking.

This past year we sponsored the Friday night event at the Cattlemen's Ball in Hebron, NE. Our area was very fortunate to raise over \$1.7 million dollars for cancer research. Some of these funds were given back to local communities as well.

Locally here in Bruning, just like many rural communities, we have the Bruning Community Foundation which helps fund our local, café, library, fitness center, and new fire hall. It takes many good people and resources to help make rural communities thrive. All our branches are active in supporting our local schools, 4-H and FFA programs, hospital foundations, churches, chambers and variety of other non-profit organizations.

As you see, not only our bank but most community banks value the importance of giving back to their communities in Nebraska. We are blessed in our state to have many family owned banks who care about their customers and their communities. As our mission statement is to assist clients to Build and Maintain Wealth, we feel this applies to our communities as well.

*"The world is divided into people who do things and people who get the credit. Try, if you can, to belong to the first class. There is far less competition "- Dwight Whitney Morrow*

*-Fred D. Bruning, Chief Executive Officer*



FRED D. BRUNING



[www.bruningbank.com](http://www.bruningbank.com)

Be sure to look for more News Stories updated on the BSB website in between published newsletters. Look for them on the homepage!

# Frank's Observation Over 50 years of Banking

It has been a real joy to see young farmers and business men and women advance and be successful in their way of life.

I know I dwell on this subject a lot but for me it seems to stand out above everything else: Communication Skills. I don't think you necessarily always learn this in college, and to some degree you learn these skills all your life, but I think it starts earlier. The parents that understand this start at a grade school level by encouraging participation in group activities, school plays, etc.

I've watched many young successful farmers follow this educational theme and learn to visit with older people, and eventually these communication skills turn into negotiating skills. These young folks have also educated themselves beyond what formal education they have had by attending farm and business meetings and really push toward self-improvement. I see the progress in farming and how these young people have helped change it into a very professional way of life.

I would also encourage older people to learn to communicate with young people as there are young people who would like to be involved with an older person and move up to the ranks of tenant or partner.

Sometimes it is difficult to speak to people who have had problems and tragedy in their life. Sometimes the only communication needed is a hug or a handshake.

Maybe I dwell on this subject because I talk too much, but I encourage all walks of life to keep talking and especially young people. Learn your negotiating skills; it's a good way to do business.

*"You never know when a moment and a few sincere words can have an impact on a life" - Zig Ziglar*

*-Frank L. Bruning, Chairman of the Board Emeritus*



FRANK L. BRUNING

## Jerry's Journal



JERRY CATLETT

It seems like there are a lot of bad things happening in the world, and bad things happening to good people. We all experience loss and wonder why tragic things happen. I don't know why bad things happen, but my faith tells me there is a plan for all of us. Our thoughts and prayers go out to all those who are suffering from the loss of loved ones. As Thanksgiving has just passed

and the Christmas season is here, we need to reflect on all the blessings we have, even as we mourn those that have been lost with the many recent tragedies.

With all that said, I do have some good news to report. As much as the person that is the subject of this good news would prefer to keep it under wraps, I feel that it certainly needs to be shared in this issue of the newsletter.

Back in 1997 the American Bankers Association (ABA), the largest banking trade group in the United States, established an annual award to recognize a "dedicated and committed Ag

Banking professional that most importantly demonstrates lifetime achievement of leadership and outstanding dedication to providing credit and financial guidance to farmers, ranchers and businesses in rural America." That award was first given to Frank L. Bruning. The Bruning Award is given annually at the ABA Agricultural Credit Conference held in various locations across the country. The 2018 Bruning Award was presented in November at the ABA conference held in Omaha. The 21st recipient of that award is Fred D. Bruning, Chief Executive Officer and Board Chairman of Bruning State Bank.

Frank and Fred Bruning are so intertwined in American and Nebraska agriculture and banking. It is very fitting to have the award named after Frank and it now being awarded to Fred. I know Fred did not want the recognition that comes along with this prestigious award, but I decided it needed to be shared with you. I hope you'll pass along your congratulations the next time you see Fred.

In case I don't get to see you, I wish you all a happy holiday season.

*-Jerry Catlett, President, COO*

*Fred Bruning was presented with the Bruning Award at the American Bankers Association National Agricultural Bankers Conference.*



## Do the Right Thing!



KEN MEHLIN

Years ago, I was visiting with a customer about a personal decision I was facing. The customer told me, "Do what you think is right." Those are simple words, but they have a strong message. That simple sentence has stuck with me over the years, "Do what you think is right". When I am facing decisions, I always think back to that simple sentence. People's perception of what is "right" will be different. What I believe is the right decision may be questioned by someone else.

I have had many influential people in my life leading me to the path of doing what is right. My parents talked about doing the right thing and showed their belief in doing the right thing by their actions toward others. Many times, what we do is a stronger influence than what we say. I was fortunate enough to play football under Coach Tom Osborne. Coach always talked to the team about doing the right things, keeping your priorities straight – relationship with God, relationship with family/friends, then college/football. Coach lived his life by the motto, "Do what you think is right."

In banking, this simple sentence is extremely important. Bank employees are faced with decisions every day that impact customers. I always ask myself, "What would I want/expect the Bank to do if I were the customer in the same situation?" Bruning State Bank Bankers always think about the best interest of customers and try to do the right thing. Sometimes the decisions are small and sometimes the decisions are life-changing. In a tough agricultural economy, sometimes what bankers believe is the right decision may be questioned by customers. Selling a fixed asset to provide cash to the operation may be a better decision than borrowing more money against that asset to raise cash. These are very hard decisions for the customer and the banker. In all instances, bankers try to make the best decision for all parties involved.

I recently made the decision to change employment from a competitor to Bruning State Bank. One of the biggest factors on making the change was the character of the bank employees and the character of the ownership, the Bruning family. In the short few years I have known the Bruning family, I know they live by the simple sentence, "Do what you think is right!"

- Ken Mehlin, *Kearney President*

### Join us in the tradition of holiday giving!

**Bruning/Hebron** – Place new or "gently used" toys under our Christmas Trees for Blue Valley Community Action.

**Broken Bow** – Add gifts to our Holiday Gift Box.

**Holdrege** – Place a new toy under our Christmas Tree for Toys for Tots.

**Kearney** – Provide monetary donation for Good Fellows.



## Holiday Shopping Made Easier



COREY SWARTZENDRUBER

With the holiday season now upon us, the familiar conversation with my wife can now begin. We'll be sitting there with the kids, watching Rudolph the Red Nosed Reindeer, Charlie Brown, or just a random ball game and the commercial will come on. It changes slightly year to year but it's always the same deal.... a man or woman who clearly lives in an enormous house takes their spouse or family out to the drive way on a snow-covered morn to reveal that they have purchased a luxury car for them for Christmas. The gigantic red bow is always centered on the roof. Alyson will then turn to me and say the same thing, "I'd like to think that if you dropped that much on a car, we'd talk about it first". To which I will always say, "Our cars are just fine as they are and the transaction would never go through on my debit card." The 10-year-old will then say, "Our cars are pretty old and this would be a cool gift." I'll then say, "The marketing department got to you again." And so it goes, every year like clockwork.

I don't bring this story up to mock you if you've ever purchased a car for a significant other at Christmas (I'm sure your kid or kids thought you were a hero) but to bring up that we naturally spend more during this gift giving season. As I mentioned in my last article, this is a busy time for my family anyway with a ton of birthdays happening, but then throw Christmas on top of it and we are spending at a different level than the rest of the year. And we aren't the only ones, each year the holiday season shows an uptick in spending for most of our customers.

With that in mind, Bruning State Bank is here to help you out. We are going to temporarily raise our debit card limits on our debit cards to \$3,000 per day from the first week of November through the end of the year. We know this is a hectic time and the last thing you want to do is call the Bank to raise your debit card limit for that large purchase. Want to buy that new gaming system or computer at a Black Friday discount? We have you covered. Going to replace that washing machine/dryer combo? Go for it! Your card won't be an issue!

The great part about this is even with the raised limit, our fraud detection system is still working overtime to keep your account safe. We would also highly encourage you to set up Card Valet, our debit card monitoring system that not only alerts you when your card is used but also can help you to control your card right from your phone! Our helpful customer service people are always here for you with any questions you may have. And whether you are getting that brand-new Lexus or something less extravagant, Bruning State Bank wishes you a Happy Holiday season!

- Corey Swartzendruber, *Chief Information Officer*

## Home Loan...



JANICE NOZICKA

The dreaded “TO DO” list! You know what list I’m talking about. The list that contains those one or two items that stare you down each time you look at it, but continually get pacified. If one of those items is stopping by the bank to talk to a mortgage loan officer, then let Bruning State Bank help you mark it off your list. Whether its refinancing your residence, a relocation loan for either upgrading where you are or putting roots down somewhere new, or finding what options are available for those much needed home improvements — we are here to help.

Bruning State Bank now has a complete online system to better serve you and your time! With the online system, you don’t need to schedule a time to visit the bank. Simply visit [www.bruningbank.com](http://www.bruningbank.com) from the comforts of your own home, when it is convenient for you. The best part...you are talking to real people, even if it is by computer. When you go to Bruning State Bank’s home page, click Personal, then Home Mortgage Loans. Here you will see the friendly faces of the mortgage loan officers ready to help find you a solution. We are the same people you run into at the grocery store, sit beside at the local high school volleyball/football game, or meet at the cozy restaurant down the street for a lazy weeknight meal.

If you’re ready to find a solution, Bruning State Bank’s Mortgage Center is ready to help you reach your goal. The Mortgage Center is a trustworthy link to get your mortgage request rolling by filling out the easy and straight forward Full Application. Not sure what mortgage product would best fit your needs? Select Contact Us and one of those friendly faces will contact you to start the discussion. The beauty of Bruning State Bank’s online process is that you get great service and help no matter your location. So, if you’re uprooting from being local to see what the rest of the world has to offer, Bruning State Bank is only a click away. We are also there when it’s time to come “home”. Bruning State Bank can be your constant that follows you anywhere and gives support!

Whether location or schedules are the issue our online system not only takes your request, but can deliver documents, accept an electronic signature, and allow verification documents to be uploaded directly to your mortgage loan officer. We have taken the necessary steps to make the online process safe and secure. Don’t be fooled by other online systems that entice you to get started with them and then when you’re into the process, they begin to change the terms that enticed you in the beginning. Trust Bruning State Bank to get the job done, and done right so you can confidently cross that item off your “TO DO” list!

*-Janice Nozicka, Director of Mortgage Lending*

NMLS #474132

## Spider Web Planning

A spider web planning approach is often taught in writing classes. The idea is to put a main idea in the center and put web threads surrounding it that support your main idea. What if a similar approach could be used to assist in planning your finances?

It might be worth trying with an income tax refund, a bonus, or other unexpected money. Many times, family members have differing ideas on what to use money for. For an example, put the amount, we’ll say \$3000, in the center.

Next, draw lines all around it with items and estimated amounts for each different need or want. Don’t be too concerned at this point if the amount adds up to \$3000. This process provides a picture that, with some family members, is worth far more than a spreadsheet. Speaking of pictures, family members could actually cut out pictures of items to better illustrate.

Prioritization comes next. The amount of \$3000 is what you have to work with, so at this time evaluate your needs versus wants. Dad would like to add \$500 to the emergency fund, while Mom is concerned that the attic fan is making funny noises.

She has priced a new fan for \$250. The teens have requested that the old television in the family room be replaced with a flat screen model. They have found the one they want for \$750. Final allocation may be dependent Whether family consensus factors in or if the parents make the final decision may be dependent on the amount of money and the particular family dynamics in place.

Whatever decisions are made, this approach evokes a listening mode. It may also help to develop important family money handling skills. These webs might also be saved, for the next time, as a starting point for further money discussions.

Please remember to contact the staff at your local Bruning State Bank branch for ideas on accounts to meet all your personal and business financial needs.

*-Customer Service, Kearney*



## MARK YOUR CALENDAR

### December:

- Dec 14 – Join us at your local branch for the Holiday Open House.

### January:

- Jan 14 – Farmers & Ranchers College: Partners In Progress Beef Seminar at the U.S. Meat Animal Research Center near Clay Center from 10:00 AM to 3:30 PM, registration at 9:30 AM.
- Jan 21 – CLOSED in observance of Martin Luther King Jr. Day

### February:

- Feb 12 - Farmers & Ranchers College: Managing Ag Land in the 21st Century at the Fillmore County Fairgrounds in Geneva from 9:30 AM - 3:00 PM, with registration at 9:15 AM.
- Feb 18 – CLOSED in observance of President’s Day

## Coaching Matters



KVLE ANDERSON

During the past few months I've had the opportunity to participate in a Friday morning fellowship study with some of our local high school coaches here in Holdrege. We have been reviewing a faith-based study titled Coaching Matters by Coach Tom Osborne. Within one of the chapters coach Osborne makes reference to legendary coach John Wooden. Coach Wooden was fond of pointing out that his father gave him a creed when he graduated from the eighth grade

which provided him a compass by which to live his life and guided him through the challenges of coaching. The creed is as follows:

- Be true to yourself
- Help others
- Make friendships a fine art
- Drink deeply from good books, especially the Bible
- Make each day your masterpiece
- Build a shelter against a rainy day by the life that you live
- Give thanks for your blessings and pray for guidance every day

Fortunately, John didn't lose the handwritten note his father gave him containing the seven principles but rather incorporated them into his daily life and based his life on the wisdom they contained. These seven principles are a great foundation to a life lived well and should be passed down to future generations. Coaching does matter and we all have opportunities daily to be an effective coach whether you are coaching a team, your employees or your family.

As we approach the holiday season, we here at the Holdrege Branch want to wish you and your family all the best!

*-Kyle L. Anderson, Holdrege Senior Vice President*

## Welcome

We are excited to introduce you to a new member of our team! **Sarah Auld** has joined us as a Credit Analyst at our Kearney branch. Sarah grew up in Lincoln, NE and graduated from UNL with a degree in Business Administration with a Finance emphasis. She met her husband, Sam, in college and his career brought them to Kearney where they were married and have lived for the past 14 years. Sarah has worked with the State of Nebraska Department of Banking as an Examiner before joining First National Bank as a Commercial and Agribusiness Credit Analyst for the past 8 years.



Sarah and her husband traveled the world with friends before they were blessed with their first child, Rachel, in 2017. Rachel has been a wonderful surprise addition to their family and has brought added joy to their lives. Sarah enjoys spending time with family, decorating & design projects, reading, golfing, traveling and catching up with friends. Stop by our Kearney location to say hello and welcome Sarah to BSB!

## Farm Management



CRAIG POPE

Bruning State Bank has been managing farms for over 25 years and has grown to over 4,000 acres. As farm ownership transfers to the next generation or people have purchased farmland as an investment, many may not have a farming background, time, interest, or experience to run a farm, let alone keep up with technological advances and new marketing strategies. That is where Bruning State Bank can help.

Our farm management department strives to know our clients and learn what their objectives and goals are for their farm. Our clients decide how involved they would like to be in management decisions.

As your farm manager, Bruning State Bank can:

- Negotiate rents on your behalf and prepare farm lease documents
- Collect rents (grain proceeds or cash rents)
- Market grain and pay input expenses on your behalf in a crop share rental arrangement
- Pay real estate taxes
- Pay insurance premiums
- Assist in getting income tax data together
- Sign farms up for government farm programs (Farm Service Agency [FSA])
- Arrange irrigation equipment replacement as appropriate
- Oversee maintenance needs on irrigation equipment as applicable
- Acquire crop insurance as applicable
- Work with Natural Resource District (NRD) regarding water meter readings and certify irrigated acres
- Work with Natural Resource District (NRD) pertaining to water well abandonment as relevant
- Work with Nebraska Department of Water Resources regarding proper well registration
- Oversee irrigation development (convert dry land to irrigated) and acquire irrigation equipment as necessary
- Monitor soil fertility

We would be happy to answer any questions you have or discuss with you in more detail how we can help manage your farm; contact Craig Pope, Renee Dowdy, or Zach Messman.

*-Craig Pope, Hebron President*

Bruning State Bank would like to remind all customers that by mid-January 2019 you will be receiving 1099's and other important tax documents. Please watch your mail closely.





KATHY ROBERTS



BRIAN HULSE



KRISTEN MONTEFORTE

## Do you have your Umbrella?

Why do I need an umbrella, you ask? It's winter time – not the rainy season!

The umbrella you need is a personal (or commercial) umbrella insurance policy! An umbrella policy provides additional liability coverage above and beyond the liability limits provided on your home, farm, auto or commercial insurance policies.

What happens if you are involved in a serious accident and you don't have sufficient liability coverage on your auto, home, or farm policy? Unfortunately, you can be held financially responsible and may have to deplete your savings or sell some of your assets to satisfy the judgement against you. An umbrella policy is designed to help protect your finances and assets. You should seriously consider getting a personal umbrella policy for those unforeseen life events!

Would you have enough liability coverage in the following situations? Are you prepared to pay additional expenses out-of-pocket?

- Your vehicle is involved in a serious accident and it is deemed to be your fault. The parties in the other vehicle all sustain extensive injuries that require surgery, rehab, loss of wages, and possible long-term disabilities or even death. Do you have enough bodily injury liability coverage to pay for all the medical bills, pain and suffering, and disability income?  
→ Your auto insurance would only pay up to the Bodily Injury liability limit on your policy. Is that enough? Who pays the rest of the damages? YOU DO!
- You're working in your yard or on

the farm and you unknowingly cause damage to a gas line. You continue working and an explosion occurs causing major damage to neighboring property and possibly some injuries.

→ Your home/farm insurance would pay up to the limit of liability for property damage and injuries. Is it enough? If not, you would be responsible for paying the additional damages yourself.

- A friend is helping you construct a building and several trees have to be removed to make room for the building. You use a backhoe to knock down the trees and a tree lands on your friend. His medical bills, lost wages, and future disability damages are close to \$1,000,000! Do you have enough liability insurance coverage to pay the damages caused?  
→ Again, your home insurance would only pay up to the limit of liability on your policy. YOU are responsible for the rest of the damages.

An umbrella policy is fairly inexpensive and can be your saving grace in any of these unforeseen incidents!! Serious accidents don't happen every day, but the umbrella policy is there to help out during those times!

Call us today to discuss your insurance coverage and be sure you have adequate coverage to protect you, your family, and your life savings!

MERRY CHRISTMAS AND  
HAPPY NEW YEAR TO EVERYONE!

*Kathy, Brian, Kristen & Lary*  
**Bruning State Bank Insurance Agency**

## Mother Nature – *she's full of surprises!*

The end of another year is approaching quickly! Where does the time go? Mother Nature sure presented us with some interesting weather in 2018. There was a little hail, a lot of wind, too dry over the summer and then extremely wet at row crop harvest and wheat planting time. We got snow and freezing temperatures early in October and then some nice fall weather following that. You just never know what Mother Nature is going to give us!

Your 2019 wheat crop has been planted and hopefully, all the row crops have been harvested for 2018. There certainly were some challenges this year!

Mother Nature is unpredictable, so now is a good time to get your 2019 multi-peril and hail insurance taken care of. Some things you need to do:

1. Report your row crop yields: Gather up your elevator summary sheets and bin measurements and report your row crop yields from 2018 harvest. Your signature is needed on the reporting form. Losses need to be reported within 72 hours of a known loss.
2. Pay your multi-peril crop insurance premium: Premium payments were due September 1st and interest began accruing October 1st.
3. Pay your hail insurance premium – premium was due November 1st.
4. Notify agent of any changes in your farming operation for 2019. Let us know if you will be adding any ground to your operation. Are you breaking-up land that hasn't been farmed in the past? Are there any other changes in your farming operation?

We certainly do appreciate your business! It has been a pleasure working with all of you this past year and we look forward to assisting you with all your insurance needs in 2019.

*Your Crop Insurance Agents*  
**Kathy, Jeff, Shari, Craig, Brian, and Zach**

### Annual Crop Insurance Meeting and Customer Appreciation

Our annual crop meeting and customer appreciation gathering will be held in February 2019.

*Details are still being finalized.*

If you would like to be added to our invitation list, please give us a call at 402.353.2085.



Not FDIC Insured. Not a guarantee of the Bank. Not a deposit of the Bank. Not insured by any federal government agency. May go down in value.

# BRUNING STATE BANK

## WEALTH MANAGEMENT



DAVID FROOK,  
FINANCIAL PLANNER

### Social Security

In October this year I attended the Nebraska Wealth Management Conference held at the Heider College of Business at Creighton University. One of the speakers was nationally recognized Social Security experts, Mary Beth Franklin, Contributing Editor of Investment News.

A couple of Franklin's comments jumped out at me. First was that there are 2,700 rules for Social Security. The other was that the Social Security Administration (SSA) conducted an internal audit and found that 82% of the time, their representative provides the wrong advice to people.

That's not the first time I've heard similar information. As a matter of fact, in other Social Security seminars I have heard that people often must show SSA reps their own rules in order to get their benefits correct. That's a little disheartening. My takeaway from this is that SSA is extremely difficult to navigate all the rules – so much so that their own people don't understand.

I recently experienced frustration with SSA after my step-father passed away. SSA changed my mother's benefit 7 times in 6 months. Each time sending a "cryptic" letter explaining why her benefit was changing. When my mom sent the letters to me I found that the math provided by SSA did not add up correctly. We are still working on this with the SSA. To be fair, prior to my step-dad's death, SSA got their benefits correct for years. It wasn't until a benefit-altering event that the problems began.

Franklin cautioned us that because of the complexity, and probably other cultural factors, so many retirees simply register for their benefits at the earliest age 62 and never question the amount.

My advice is that as you approach 62 – the first year you may receive SSA retirement benefits – is to do a little research and planning. You should receive an estimated benefit amount from SSA. Ask me or another financial advisor to run a benefit analysis to help calculate the breakeven amount between taking your benefit at age 62, or 66, or 70.

If you were born before 1955 your Full Retirement Age (FRA) is 66. Add 2 months for each year after 1954 up to 1960 (i.e. someone born in 1956 FRA is 66 and 4 months). 1960 and later FRA is 67. Your benefit is reduced 25 – 30% if you take it at age 62. And it increases 8% per year for every year you delay up to age 70. If you are healthy and have longevity in your family it can make a lot of sense to delay benefits. If you have a spouse relying on a spousal benefit it can make sense to delay.

One of the SSA benefit claiming rules that was changed by Congress in 2015 was the "File & Suspend" claiming strategy. This rule was very often misunderstood and ill advised by SSA representatives (often times they didn't even know it existed). Granted this rule does not apply to everyone. Prior to 2015, if the spouse with the

higher benefit amount reached their FRA, they could file for SSA benefits, then suspend their benefit allowing it to continue growing to age 70. By filing, this would allow their spouse to file for spousal benefits on the primary while their own benefit continued to grow. In other words, both spouses own benefits would continue growing to age 70, and the spouse with the smaller benefit could receive the spousal benefit at the same time. The law changed that strategy but it is still in effect for people born before January 1, 1954 through 2023. Now, if the primary worker suspends their benefit, it also suspends the spousal benefit. There are special rules for divorced spouses and survivors.

If you are thinking about drawing your SSA benefit while still working, the earnings cap increases in 2019 from \$17,040 to \$17,640 per year if you are between 62 and your FRA. That means your benefit is reduced by \$1 for every \$2 earned over \$17,640. In the year you reach your FRA (66 – 67) then the new cap is \$46,920 per year, up from \$45,360 in 2018. \$1 of your benefit is reduced for every \$3 earned over \$46,920. Once you reach FRA, there is no longer an earnings cap.

I would caution drawing your Social Security benefit early while you are working. I've heard a couple different reasons for people drawing their SSA benefit early and continuing to work. One is they assume they can invest the benefit while they work. The other is the assumption that by working longer their SSA benefit will increase. This is usually not a good investment because you will permanently reduce your benefit amount for life, and you will reduce the benefit above the earnings cap, and you would have to earn at least 8% per year to breakeven. Actually, more than 8% on a risk-adjusted basis since the SSA benefit grows at 8% to age 70 risk free. The benefit amounts that are held (\$1:\$2 or \$1:\$3) are eventually returned to you after FRA, so it is not a total loss, but in most cases this will not equal the amount you'll receive simply by delaying. While it is true, if the worker's income is substantially greater than in previous years, the benefit will continue to be recalculated based on the worker's average income. Most likely, it still won't move the needle as much as simply delaying benefits. When benefits are delayed you will have both 8% benefit increases as well as income average increases if you are earning a higher amount.

There are cases where it makes sense to apply for your SSA benefit early. If you are in poor health, or if you need the money to make ends meet.

As you may have heard through public announcements, the Social Security Cost of Living Allowance increases by 2.8% for 2019. Tax rates for Employee, Employer, and Self-Employed remain unchanged at 7.65% and 15.30%. And the maximum taxable earning increases from \$128,400 in 2018 to \$132,900 in 2019.

As always, we are happy to help if you have questions.

All investments involve the risk of potential investment losses and no strategy can assure a profit.

Securities offered through Securities America, Inc. Member FINRA/SIPC. David Frook, Registered Representative. Advisory Services offered through Securities America Advisors, Inc. David Frook, Investment Advisor Representative. Bruning State Bank and Bruning State Bank Wealth Management are unaffiliated with Securities America. May Lose Value, Not FDIC Insured, No Bank Guarantee Not a Deposit, Not Insured by Any Federal Government Agency.

# BRUNING STATE BANK

P.O. Box 100  
Bruning, Nebraska 68322

Address Service Requested



Std  
U.S. Postage  
PAID  
Permit No.4  
Bruning,  
Nebraska

*Your Country Bank Since 1891*

Find us on Facebook, Twitter, and LinkedIn.



## *Happy Holidays from Our Family to Yours!*

### **Holiday Banking Hours**

Monday, Dec 24th – Open until 12:00 PM

Tuesday, Dec 25th – Closed

Monday, Dec 31st – Open until 2:30 PM

*End of year cut-off time for 2018 business*

Tuesday, Jan 1st – Closed

### **Holiday Open House**

***Friday, December 14<sup>th</sup>***

**Bruning:** 8:30 AM - 3:30 PM

**Hebron:** 8:30 AM - 3:30 PM

**Broken Bow:** 8:30 AM – 4:30 PM

**Holdrege:** 9:00 AM – 3:00 PM

**Kearney:** 9:00 AM – 3:00 PM