

**MEDIA CONTACT:**

Laura Asendio  
RMR & Associates  
301-230-0045, ext. XXX  
[lasendio@rmr.com](mailto:lasendio@rmr.com)

**Kendall Capital Management Pinpoints How ObamaCare Tax Hikes Will Affect Retirement Planning in the D.C. Metro Area Starting in 2013**

*Individuals Earning More than \$200,000 Per Year, and Couples Earning More than \$250,000 Annually, Will Have to Save More to Reach Retirement Goals*

**Rockville, MD – December 20, 2012** – Kendall Capital Management (KCM), the award-winning Maryland-based financial services firm, today announced how tax hikes for healthcare and capital gains mandated by President Obama’s Affordable Health Care Act (ObamaCare) will affect retirement planning for a sizeable percentage of people in the Washington, D.C. metro area.

“Roughly one out of 50 Americans make more than \$200,000 a year, but in the affluent suburbs of D.C. that percentage is much higher,” said KCM president Clark Kendall. “For example, in Montgomery County (Md.) and Fairfax County (Va.), there are more than one in 10 people in the plus-\$200,000 income category. If you are one of these people, starting January 2, you are going to have to save more to reach your retirement goals because your savings will be taxed at a higher rate under the provisions of ObamaCare.”

Currently, the Medicare tax on salary and/or self-employment (SE) income is 2.9%. Beginning in 2013, ObamaCare increases this tax to 3.8 percent for individuals earning above \$200,000 and couples earning more than \$250,000. At the same time, it is expected the capital gains tax rate will increase from 15 to 20 percent in 2013.

To illustrate the impact of the ObamaCare tax hikes, Kendall offered the example of a married couple making \$250,000 per year with \$500,000 of investable assets:

- Both are age 50 and would like to retire at age 67 with 80% of their preretirement income (\$200,000). The rule of thumb in financial planning is for people to have 70 to 80 percent of their preretirement income when they retire.
- At the 2012 income and capital gains tax rates, this couple will need to save \$90,000 per year for the next 17 years assuming a 7.5% return on their investable assets.
- With the new taxes under ObamaCare, the same couple will need to save \$96,000 per year.
- Not only will they pay more income taxes, but they will also need to save \$6,000 more (6.67%) to derive the same retirement benefit when they expect to retire in 17 years.

The ObamaCare tax hikes could have even broader negative effects on the economy, according to Kendall. “Because people will have less money to spend and will need to save more, it could

have a dampening effect on economic growth,” he said. “People might be less inclined to buy cars and make other major purchases.”

### **About Kendall Capital Management**

Established in 2002, Kendall Capital Management (KCM) is an independently registered investment services firm located in Rockville, Maryland. KCM was founded by CEO Clark Kendall, who has over 29 years of financial knowledge and experience. KCM employs certified CFAs, AEPs and CFPs, and offers unbiased, fee-only wealth management planning to a clientele from a variety of sectors, including non-profit organizations, corporate pension funds and high net worth families and individuals in Montgomery County, Maryland. Our financial planning team serves a variety of sectors in Montgomery County, Maryland with a focus on: non-profit organizations, corporate pension funds, and high net worth families and individuals. KCM is committed to understanding the financial goals and needs of our clients, and helping them attain these goals. To learn more about KCM, visit [www.kendallcapital.com](http://www.kendallcapital.com). Also, follow KCM on Facebook (<https://www.facebook.com/pages/Kendall-Capital/172208776442>) and Twitter (<https://twitter.com/kendallcapital> or @KendallCapital).

###