Center for Financial Planning, Inc.®

2023

Dear Valued Clients and Friends of The Center,

As we approach the end of 2023 and step into the promise of 2024, we extend our warmest greetings and heartfelt gratitude for your continued trust in The Center.

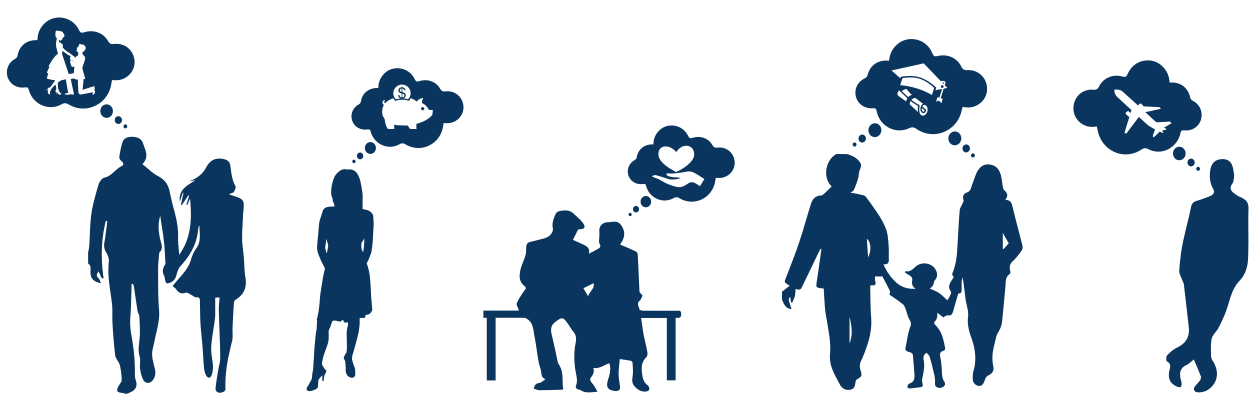
With the turning of each year, we take this opportunity to provide you with our annual year-end planning guide, a resource designed to assist you in reflecting on the past year and preparing for the opportunities and challenges that lie ahead. Enclosed, you will discover valuable insights, important reminders, and actionable takeaways to help you and your family stay organized and make informed financial decisions. Together, we can proactively navigate the road ahead, making adjustments as needed to pursue your financial goals.

We are profoundly appreciative of the privilege to serve you, and we are excited to continue supporting you and your family on your financial journey. As always, we love to be the first one you call when you have questions or want to discuss your situation further.

Warmly,

Your Center Team

Live YOUR Plan™



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Center for **Financial Planning**, Inc.®

YEAR-END PLANNING OPPORTUNITIES

These important tax and financial planning moves can help prepare you for the upcoming tax season and better align your portfolio with your short- and long-term goals.

2023

KEY TAKEAWAYS

While tax and financial planning should take place all year long, there are several actionable strategies to consider before year-end IRS deadlines.

Important life events can have financial implications and should be discussed with your tax and financial advisors.

Certain investments generate more taxable distributions than others, so work with your advisor and tax professionals to evaluate your investments and after-tax returns.

WORK WITH THE CENTER

Get organized
Collect all important tax and financial documents to prepare for a thorough year-end review.

Make necessary adjustments
Think strategically about what changes need to be made to best position you to achieve your goals.

Meet Annually
Discuss all aspects of your financial life, including any major changes you anticipate.

Take action
And do so before year-end.

KEY DATES TO REMEMBER

2023

NOV 30 .... Review the tax impact of your investments

DEC 01 .... Submit the FAFSA 2023-2024 form for college enrollment 7/1/23-6/30/24 using your 2022 income and tax information

DEC 07 .... Last day to make changes to your Medicare health or prescription drug coverage

DEC 31 .... Last day to sell securities to realize a gain or loss

DEC 31 .... Last day to establish a qualified retirement plan for 2023 (SEP IRA plans may be established until the tax-filing deadline (April 15th) plus extension

DEC 31 .... Last day to complete charitable contributions for 2023 (be sure to allow enough time to complete donations that may require additional lead time, such as gifting appreciated securities)

2024

JAN 15 .... Estimated tax payment due

JAN 31 .... Deadline for employers to send W-2s/1099s to individuals

FEB 28 .... Deadline for financial institutions to send 1099s to individuals (delayed 1099s will be sent 30 days after)

APR 15.......... Deadline to file individual income tax return or file for an extension with the IRS

APR 15.......... Last day to contribute to Traditional & Roth IRAs & HSAs (if eligible) for 2023

APR 15.......... Estimated tax payment due

JUN 15.......... Estimated tax payment due

JUN 30.......... Deadline to submit the FAFSA 2023-2024 form for college enrollment 7/1/23-6/30/24

SEP 15.......... Estimated tax payment due

OCT 01 .... Last day to establish a SIMPLE IRA plan

OCT 01 .... Submit the FAFSA 2024-2025 form for college enrollment 7/1/24-6/30/25 using your 2023 income and tax information

OCT 15 .... Deadline to file and pay your 2023 personal income tax return if you received an extension

OCT 15 .... Medicare Annual Election Period opens

November 2023

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December 2023

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January 2024

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February 2024

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April 2024

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July 2024

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August 2024

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September 2024

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October 2024

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27	28	29	30	31		

FINANCIAL PLANNING

1. **Identify your personal goals.** Studies have proven that when you write down what's important to you and plan ahead, good things usually happen. Whether the goals are related to your finances, career or family, having them in place and on paper helps us to get where we want to be.
2. **Discuss important life changes with tax and financial professionals.** Whether you expect a new addition to the family or want to build a new addition to your house, professionals can help you with the financial implications. When it comes to your financial plan, what is most critical is establishing your short- and long-term goals, planning accordingly and stress testing your plan under different scenarios. As this is an ongoing process, make some time throughout the year to have planning conversations with your financial advisor.
3. **Stay organized and proactive.** Put your tax return and supporting records in a safe place. This can ease the process when you apply for a home loan or financial aid, or when you need a guide for filing next year's taxes.

   Completing these items first, then taking advantage of some of the strategies in this guide, and reviewing regularly will set the framework for a successful financial plan.
4. **Stay engaged.** Financial planning is a process that doesn't get completed overnight. Over the course of our 37 year history, we've found that the clients who typically live the most fulfilling retirement were engaged in the financial planning process and met with their advisor at least annually to stay on course and make adjustments along the way. Even if you've reached retirement, the financial planning process and journey is never over!

MAJOR LIFE EVENTS

Birth	Divorce
Death	Job Changes
Marriage	Inheritance
Retirement	

SECURE ACT 2.0 HIGHLIGHTS

In late 2022, SECURE Act 2.0 was passed by Congress with the intention of expanding access to retirement savings. The law builds on earlier legislation that mostly impacts those that are preparing for retirement or are already in retirement. Some of the key provisions contained in the bill include:

1. Higher retirement plan catch-up limits beginning at age 60 and increasing each year of age Starting January 1, 2025, individuals ages 60 through 63 years old will be able to make catch-up contributions up to $10,000 annually to a workplace plan, and that amount will be indexed to inflation. (The catch-up amount for people age 50 and older in 2023 is currently $7,500.)

IRAs currently have a $1,000 catch-up contribution limit for people age 50 and over. Starting in 2024, that limit will be indexed to inflation, meaning it could increase every year, based on federally determined cost-of-living increases.

2. Required Minimum Distributions (RMDs)

This age at which owners of retirement accounts must start taking RMDs increased to 73, starting January 1, 2023. The current age to begin taking RMDs is 73, so individuals will have an additional year to delay taking a mandatory withdrawal of deferred savings from their retirement accounts. Two important things to think about: If you turned 72 in 2022 or earlier, you will need to continue taking RMDs as scheduled. If you're turning 72 in 2023 and have already scheduled your withdrawal, you may want to consider updating your withdrawal plan. Good to know: SECURE 2.0 also pushes the age at which RMDs must start to 75 starting in 2033.

Starting in 2023, the steep penalty for failing to take an RMD decreased to 25% of the RMD amount not taken, from 50% currently. The penalty will be reduced to 10% for IRA owners if the account owner withdraws the RMD amount previously not taken and submits a corrected tax return in a timely manner.

Additionally, Roth accounts in employer retirement plans will be exempt from the RMD requirements starting in 2024. And beginning immediately, for in-plan annuity payments that exceed the participant's RMD amount, the excess annuity payment can be applied to the year's RMD.

3. Matching for Roth 401k accounts

Employers will be able to provide employees the option of receiving vested matching contributions to Roth accounts (although it may take time for plan providers to offer this and for payroll systems to be updated). Previously, matching in employer-sponsored plans was made on a pre-tax basis. Contributions to a Roth retirement plan are made after-tax, after which earnings can grow tax-free.

Important to know: Unlike Roth IRAs, RMDs from an employer-sponsored plan are required for Roth accounts until tax year 2024.

4. Qualified charitable distributions (QCDs)

Beginning in 2023, people who are age 70½ and older may elect as part of their QCD limit a one-time gift up to $50,000, adjusted annually for inflation, to a charitable remainder uni-trust, a charitable remainder annuity trust, or a charitable gift annuity. This is an expansion of the type of charity, or charities, that can receive a QCD. This amount counts toward the annual RMD, if applicable. Note, for gifts to count, they must come directly from your IRA by the end of the calendar year. QCDs cannot be made to all charities.

5. Qualified longevity annuity contracts (QLACs)

Qualified longevity annuity contracts (QLACs) are getting a boost. QLACs are deferred income annuities purchased with retirement funds typically held in an IRA or 401(k) that begin payments on or before age 85. The dollar limitation for premiums increased to $200,000 from $145,000 as of January 1, 2023. The law also eliminates a previous requirement that limited premiums to 25% of an individual's retirement account balance.

6. Automatic enrollment and automatic plan portability

The legislation requires businesses adopting new 401(k) and 403(b) plans to automatically enroll eligible employees, starting at a contribution rate of at least 3%, starting in 2025. It also permits retirement plan service providers to offer plan sponsors automatic portability services, transferring an employee's low balance retirement accounts to a new plan when they change jobs. The change could be especially useful for lower-balance savers who typically cash out their retirement plans when they leave jobs, rather than continue saving in another eligible retirement plan.

7. Emergency savings

Defined contribution retirement plans would be able to add an emergency savings account that is a designated Roth account eligible to accept participant contributions for non-highly compensated employees starting in 2024. Contributions would be limited to $2,500 annually (or lower, as set by the employer) and the first 4 withdrawals in a year would be tax- and penalty-free. Depending on plan rules, contributions may be eligible for an employer match. In addition to giving participants penalty-free access to funds, an emergency savings fund could encourage plan participants to save for short-term and unexpected expenses.

8. Student Loan Debt

Starting in 2024, employers will be able to "match" employee student loan payments with matching payments to a retirement account, giving workers an extra incentive to save while paying off educational loans.

9. 529 Plans

After 15 years, 529 plan assets can be rolled over to a Roth IRA for the beneficiary, subject to annual Roth contribution limits and an aggregate lifetime limit of $35,000. Rollovers cannot exceed the aggregate before the 5-year period ending on the date of the distribution. The rollover is treated as a contribution towards the annual Roth IRA contribution limit.

While SECURE 2.0 provides increased opportunities to save for retirement, everyone's financial situation is different. As always, consult your financial advisor or tax professional to understand how SECURE 2.0 changes apply to you.

INCOME TAX PLANNING

1. **Determine if it makes sense to accelerate or defer income** (e.g., a bonus, severance or retirement payments).

    TIP: Deferred compensation strategies in qualified plans, such as a 401(k), and non-qualified plans, like a supplemental employee retirement plan (SERP), are an excellent way to defer or minimize income taxes over the long term. You can defer compensation into future years when your income may be lower, you may have more deductions or tax rates may be lower due to legislative changes.

2. **Evaluate your income sources to reduce the overall tax impact.**

INCOME TYPE	TAXATION
Earned income	Marginal income tax rate
Corporate bonds	Marginal income tax rate
Qualified dividends	Long-Term capital gains rate
Municipals	Exempt from federal and in many cases state income taxes in their state of issue*

3. **Review income for adjustment to estimated payments.** With your income picture for the year more clear, coordinated conversations with your CPA and financial planner can help you to prepare and plan for tax obligations in current and future years.

4. **Work with your financial and tax advisors to determine when you should realize long-term gains and/or harvest capital losses.** Offset investment gains with losses, as appropriate, to reduce your overall tax liability, including the Medicare surtax. However, be aware of "wash sale" rules**. Intentionally selling positions with a capital gain, a strategy known as "gain harvesting" could also make sense for those in the 12% marginal bracket. Doing so could potentially re-set the client's cost basis and effectively pay $0 in capital gains tax.

5. **Consider establishing a securities-based line of credit (SBLC***)** as a tool to cover unexpected expenses, intra family loans or provide a form of bridge financing just to name a few.

    TIP: By borrowing from a SBL, you can delay the need to sell assets that may generate capital gains and perhaps obtain a lower borrowing interest rate compared to banks or credit unions.

*While interest on municipal bonds is generally exempt from federal income tax, keep in mind that it may be subject to the federal alternative minimum tax, state or local taxes. Profits and losses on federally tax-exempt bonds may be subject to capital gains tax treatment. In addition, certain municipal bonds (such as Build America Bonds) are issued without a federal tax exemption, which subjects the related interest income to federal income tax. Dividends are not guaranteed and will fluctuate.
** Please see the explanation of the wash sale rule on page seven.
***A Securities Based Line of Credit (SBLC) may not be suitable for all clients. The proceeds from a SBLC cannot be (a) used to purchase or carry securities; (b) deposited into a Raymond James investment or trust account; (c) used to purchase any product issued or brokered through an affiliate of Raymond James, including insurance; or (d) otherwise used for the benefit of, or transferred to, an affiliate of Raymond James. Raymond James Bank does not accept RJF stock or any securities issued by affiliates of Raymond James Financial as pledged securities towards a SBLC. Borrowing on securities based lending products and using securities as collateral may involve a high degree of risk including unintended tax consequences and the possible need to sell your holdings, which may lead to a significant impact on long-term investment goals. Market conditions can magnify any potential for loss. If the market turns against the client, he or she may be required to quickly deposit additional securities and/or cash in the account(s) or pay down the loan to avoid liquidation. The securities in the Pledged Account(s) may be sold to meet the Collateral Call, and the firm can sell the client's securities without contacting them. A client is not entitled to choose which securities or other assets in his or her account are liquidated or sold to meet a Collateral Call. The firm can increase its maintenance requirements at any time and is not required to provide a client advance written notice. A client is not entitled to an extension of time on a Collateral Call. Increased interest rates could also affect LIBOR rates that apply to your SBLC causing the cost of the credit line to increase significantly. The interest rates charged are determined by the market value of pledged assets and the net value of the client's Capital Access account. Securities Based Line of Credit provided by Raymond James Bank. Raymond James & Associates, Inc. and Raymond James Financial Services, Inc. are affiliated with Raymond James Bank, a federally chartered national bank.

PAPERWORK

Here are a few documents you'll need to get organized while tax planning.

- ☐ Copies of 2021 and 2022 income tax returns
- ☐ W-2/1099s from your employer(s)
- ☐ Brokerage statements (1099-B) and any statements showing investment purchase/sale dates
- ☐ Dividend and interest statements (1099-DIV, 1099-INT and 1099-OID)
- ☐ Social Security statement (1099-SSA) and/or retirement distributions (1099-R), if applicable
- ☐ Statements reporting profits from partnerships, trusts and small businesses (K-1), if applicable
- ☐ Mortgage interest statements (1098)
- ☐ Student loan interest statements (1098-E), if applicable
- ☐ Information on Health Insurance (1095 A, B, or C).

RECEIPTS OR PROOF OF:

- ☐ Charitable gifts
- ☐ Medical/dental expenses
- ☐ Education expenses
- ☐ Daycare/childcare costs

TAX-DEFERRED GROWTH OPPORTUNITIES*

QUALIFIED PLANS

Defer up to $23,000 a year, $30,500 if you're age 50 or over, into a 401(k), 403(b) or 457 plan for 2024.

INDIVIDUAL RETIREMENT ACCOUNTS

You may be able to deduct IRA contributions, even if you participate in a retirement plan at work, if your modified adjusted gross income (MAGI) is less than $87,000 for single filers or $143,000 for joint filers. The maximum contribution to a Traditional or Roth IRA in 2024 is $7,000; $8,000 if you're age 50 or over.

ANNUITIES

Annuities offer an opportunity for tax-deferred growth on assets.

*Any withdrawals may be subject to income taxes and prior to age 59 1/2, a 10% federal penalty tax and state penalty taxes may apply to the taxable amount.

INVESTMENT PLANNING

1. **Review your asset allocation to ensure it is still geared toward your goals and tolerance for risk.** As life progresses and changes occur, it's important to make sure the way your portfolio is allocated is still aligned with your personal situation. For many, this means reducing risk as retirement gets closer. Many clients are often times surprised to see how aggressive their accounts are invested, so it's essential to have a firm grip on your overall risk tolerance and make sure your portfolio is allocated accordingly.

2. **Consider rebalancing your portfolio** to include more tax-advantaged investments, such as municipal bonds or dividend paying stocks, especially for those in higher tax brackets.

   TIP: When rebalancing, consider investing new money into the account instead of selling certain investments to avoid unnecessary capital gain taxes.

3. **Review your portfolio's tax efficiency.** Simply put, tax efficiency is measured by how much of an investment's return remains after taxes are paid. Certain investments generate more taxable distributions than others. Work with your advisor and accountant to evaluate your investments and after-tax returns. Make sure you also review your brokerage accounts' cost basis method as well for an optimal tax strategy.
   As an example, for clients with a Roth IRA, Traditional IRA and after-tax brokerage account, we might consider the following "tax location" strategies:

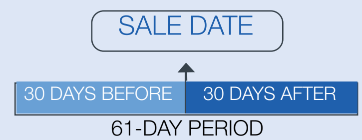
   - Roth IRA - Heavier allocation of stock and growth oriented assets. If there's ever an account we might want more stock exposure in, it would be the Roth IRA because earnings and growth at 100% tax free!

   - Traditional IRA - Heavier tilt towards bonds given the tax-deferred nature of a Traditional IRA. If the client's Roth IRA is positioned more aggressively, we'll likely need some more conservative bonds in the Traditional IRA to keep the client's allocation in line with their risk tolerance

   - After-Tax Bokerage Account - It's common to own more Exchange Traded Funds (ETFs) or certain mutual funds that are more tax-efficient and historically produce less income and capital gain distributions at year-end.

"WASH SALE" RULES

You can't deduct capital losses on the sale of a particular security if you initiate a similar position within a 61-day period.



Asset allocation does not ensure a profit or guarantee against loss. Rebalancing a non-retirement account could be a taxable event that may increase your tax liability.

RETIREMENT PLANNING

1. **Review portfolio withdrawals and update your retirement analysis on a regular basis.** Successful retirement planning is supported by regular review of your personal situation.

2. **Maximize your retirement contributions to take advantage of tax-deferred growth if you're still working.** Many companies allow you to arrange automatic contributions each pay period. Remember, that if you're turning 50 at any point in 2023 or 2024, you're allowed to take advantage of "catch-up" contributions within your company retirement plan or IRA.

3. **Evaluate the benefit of a Roth conversion.** Though Roth IRAs have the potential to grow tax-free and withdrawals aren't mandatory during the lifetime of the original owner, a conversion to a Roth IRA results in taxation of any untaxed amounts in the Traditional IRA from which you're converting. Conversions can be especially powerful for clients in their early 60s who have yet to turn on Social Security and have lower taxable income. We are encountering more and more situations where annual, partial Roth IRA conversions make sense to reduce the balance on Traditional IRAs. In some cases, consistent Roth IRA conversions over a number of years have the potential to reduce future Required Minimum Distributions (RMDs) as well as reduce future Medicare premiums.

   TIP: Be sure to discuss the pros and cons with your financial advisor and tax professional.

4. **Determine if you need to take required minimum distributions (RMDs)** from your retirement plan accounts or IRAs. Anyone born on or after July 1, 1949, will have to start taking their annual RMD during the year they turn 72 by December 31st to avoid a 25% tax penalty on any funds you did not distribute. Individuals born between 191 and 1959 who must now begin taking annual distributions from their IRA the year they turn 73. Generally you must take your RMD by December 31 of the year it is due. However, the first year you are required to take a distribution, the IRS permits you to take your first RMD by as late as April 1 of the next year - this is known as the required beginning date.

   If you are charitably inclined, be sure to read more about how you can distribute funds tax-efficiently to charity directly from your IRA. This is covered later in the guide.

   TIP: If you have multiple retirement accounts, consider consolidating them to simplify the RMD process and reduce the chances of making errors.

5. **Know your options for claiming Social Security benefits.** In 2024, benefits will be increasing by approximately 3.2%. In our opinion, delaying Social Security is single handedly one of the best ways to help to protect against longevity risk in retirement, from a retirement income standpoint. For most clients, Social Security will be a large component of their overall retirement spending. Choosing the proper filing strategy that makes the most sense for you can be critical. This is an area we spend a great deal of time on with clients and encourage you to do the same before actually filing for benefits.

   TIP: Chances are, you have friends or family that have said, "everyone should take benefits at 62!" or "you're making a bad decision if you don't delay taking benefits for as long as possible!". These types of statements make us cringe. Always remember, as with many financial planning items, there is no "one size fits all" Social Security strategy!

Unless certain criteria are met, Roth IRA owners must be 59½ or older and have held the IRA for five years before tax-free withdrawals are permitted. Additionally, each converted amount may be subject to its own five-year holding period. Converting a traditional IRA into a Roth IRA has tax implications. Investors should consult a tax advisor before deciding to do a conversion.

ESTATE AND LEGACY PLANNING

1. **Review and update estate plans and documents.** This also includes the titling on all of your accounts and property, as well as beneficiary designations to ensure they reflect your current wishes and family dynamics. We typically recommend you review your wills, powers of attorney and trust every 2-3 years or after a significant life event such as a marriage, death, divorce or birth of a child.

2. **Capitalize on the annual gift tax exclusion** ($18,000 single, $36,000 married). Currently, the estate tax limit and lifetime gift tax exemption amount is $13.61MM for single individuals and $27.22MM for married couples. There has been much discussion about reducing this amount (which is scheduled to sunset in 2026) but the latest legislation has removed this reduction.

   TIP: Consult with your attorney to see how recent tax law change could impact your overall estate plan.

3. **Organize a family meeting.** Thoughtful communication with your family is an important part of multi-generational planning. Talk to your family about money, your estate plan, and family legacy. Don't let legal documents shadow your own voice when it comes to defining your estate.

CHARITABLE GIVING

1. **If you're over 70 ½, consider utilizing the qualified charitable distribution (QCD) strategy.** For those who are charitably inclined, the Qualified Charitable Distribution (or QCD) strategy is worth looking into. This is only available for IRA holders, and is not allowed from an employer sponsored retirement plan like a 403b or 401k. Additionally, as of this year Raymond James is now showing a summary of QCDs sent in their year-end account summary statements.

   TIP: Be sure to discuss this strategy with your advisor to ensure gifts are executed properly – this is very important to ensure you receive the proper tax benefits.

2. **Consider establishing a Donor Advised Fund (DAF)** to make future donations and claim the current income tax deduction. Consider gifting appreciated securities to the DAF that you've owned more than 12 months. Doing so will allow you to avoid paying capital gains tax on the position(s) and help reduce or eliminate net investment income tax.

   TIP: Being that most clients are in a higher tax bracket in the years leading up to retirement compared to the bracket they will be in once they are in retirement, consider "front-loading" a DAF to maximize your deductions.

CHARITABLE GIVING TIPS

Charitable giving can reduce your tax burden and also can provide a sense of satisfaction by benefiting your favorite causes.

- **Qualified Charitable Distribution (QCD)** is now permanent for Traditional IRA owners over the age of 70 1/2.
- Establish a **donor advised fund** to make future donations and claim the current income tax deduction.
- Give **appreciated securities** that you've held for more than 12 months to avoid capital gains and reduce or eliminate net investment income.
- Coordinate estate plan for sophisticated **charitable trusts** for very large gifts.

Donors are urged to consult their attorneys, accountants or tax advisors with respect to questions relating to the deductibility of various types of contributions to a Donor-Advised Fund for federal and state tax purposes. To learn more about the potential risks and benefits of Donor Advised Funds, please contact us.

INHERITED RETIREMENT ACCOUNTS

1. **Be aware of new rules for inherited retirement accounts**
   The SECURE Act eliminated one of the most common provisions used by non-spouse beneficiaries of retirement accounts. Prior to January 2020, a non-spouse beneficiary had the ability to begin taking at least a minimum distribution from the account each year and had the option of spreading out (or "stretching") their distributions over their own lifetimes.

   The SECURE Act changed that, and now non-spouse beneficiaries who are more than 10 years younger must withdraw all of the funds in the inherited account within 10 years following the death of the original account owner. This change doesn't apply to spouses, minor children, chronically ill or disabled beneficiaries, or beneficiaries less than 10 younger than the deceased account holder. This new law has increased the benefit of Roth IRAs, qualified charitable distributions (QCDs), and life insurance.

EDUCATION PLANNING

1. **Have an education funding plan,** which includes 529s, Coverdell Education Savings Accounts, and to a lesser degree UTMA accounts, which offer wider investment options but fewer tax benefits and less control. If you haven't already established one of these accounts, consider doing so now and contributing a gift before year-end. If you have, consider fully funding existing education savings accounts, preferably in a tax-deferred plan, for your children or grandchildren. Starting early and saving often may be your best bet. Old savings bonds could also potentially be a good way to help pay for school.

   TIP: Consider "super funding" your 529 plan account. Take full advantage of the $18,000 annual gift tax exclusion amount by gifting into a 529 account before year-end. For married couples, the gift tax exclusion amount is $36,000.

   TIP: Remember, as of 2019 the definition of a 529 "qualified education expense" has been expanded to include K-12 expenses (up to $10,000 in annual withdrawals per student). Be sure to consult your financial and tax advisor for further guidance.

2. **Strategize how you pay tuition to optimize your tax credits.** Paying tuition directly to the University for Grandchildren or other relatives does not count towards one's annual gift exclusion ($18,000 for a single person, $36,000 for married couples). It's also important to be cognizant of education tax credits your family is eligible for and planning accordingly to optimize these dollar for dollar reductions of tax liability.

3. **File your FAFSA (Federal Student Aid Form) as early as possible.** Changes in law now make it easier and allow parents to file the FAFSA for their child.

As with other investments, there are generally fees and expenses associated with participation in a 529 plan. There is also a risk that these plans may lose money or not perform well enough to cover college costs as anticipated. Most states offer their own 529 programs, which may provide advantages and benefits exclusively for their residents. The tax implications can vary significantly from state to state.

HEALTH CARE

1. **Medicare open enrollment** began on October 15, 2023 and runs through December 7, 2023 Supplemental plans change each and every year so be sure to evaluate your plan to see if a change is warranted. At The Center, we partner with a Medicare specialist to assist clients in this arena and are here to help if needed.

MEDICARE 2024 PART B PREMIUMS BY INCOME If your filing status and yearly income in **2022** was:			
File Individual Tax Return	File Joint Tax Return	Income-Related Monthly Adjustment Amount	Total Monthly Premium Amount
Less than or equal to $103,000	Less than or equal to $206,000	**$0.00**	**$174.70**
Greater than $103,000 and less than or equal to $129,000	Greater than $206,000 and less than or equal to $258,000	**$69.90**	**$244.60**
Greater than $129,000 and less than or equal to $161,000	Greater than $258,000 and less than or equal to $322,000	**$174.70**	**$349.40**
Greater than $161,000 and less than $193,000	Greater than $322,000 and less than $386,000	**$279.50**	**$454.20**
Greater than $193,000 and less than $500,000	Greater than $386,000 and less than $750,000	**$384.30**	**$559.00**
Greater than or equal to $500,000	Greater than or equal to $750,000	**$419.30**	**$594.00**

2. **Affordable Care Act health plans** are designed for those who do not have access to health insurance in the workforce and depending on income, premiums could be dramatically reduced. Open enrollment began on November 1, 2023 and runs through January 15, 2024. Enroll by December 15, 2023 for coverage that starts January 1, 2024.

3. **Health Savings Accounts (HSAs)** can be a fantastic tool to utilize if you have a high-deductible health care plan. Funds contributed to the account receive a tax deduction and distributions are tax-free if used to pay for qualified medical expenses. You also have the option to invest the funds within an HSA to pay for future medical expenses. Contributions for 2024 are $4,150 if covered on an individual health plan or $8,300 if covered on a family high-deductible health care plan. Those age 55 and older can save an extra $1,000.

4. **Have a game plan for a long-term care event.** Insurance coverage is expensive but vital in many cases in one's overall financial game plan. However, if self-insuring is the preferred route, having a game plan of how a family will pay for the cost out-of-pocket is critical.

Long Term Care insurance policies have exclusions and/or limitations. The cost and availability of Long Term Care insurance depend on factors such as age, health, and the type and amount of insurance purchased. As with most financial decisions, there are expenses associated with the purchase of Long Term Care insurance. Guarantees are based on the claims paying ability of the insurance company.

BUSINESS OWNERS

1. Corporate tax rates could increase to 28% from 21%.

Pass through business entities, such as S-corporations, partnerships and LLCs may now benefit from the 20% Qualified Business Income or "QBI" deduction. In the end, those that would normally be taxed at the highest marginal rate of 37%, may pay a top rate of 29.6%. However, depending on the nature of your business and level of income, you may or may not be able to take full advantage of the QBI deduction.

TIP: As you might expect, the devil is always in the details. If you are a business owner and have yet to consult with your tax professional on which business entity makes sense for your own situation, we would strongly encourage you to do so.

2. Consider establishing and contributing to a retirement plan

like a SEP-IRA, Solo 401(k) or SIMPLE IRA. Drafting the right type of retirement plan is important to ensure the business is able to defer sufficient dollars for retirement which in turns help mitigate taxes and can help to retain quality employees.

TIP: Consider implementing a Defined Benefit (DB) pension plan as well as a retirement option to accelerate and increase retirement savings. Many clients are able to save substantial funds into a DB plan which can help save the business owner in taxes and help fund retirement. These plans are especially powerful for those nearing retirement and have businesses with 20 or less employees.

COMPANY RETIREMENT PLANS

SEP-IRA

Solo 401(k)

SIMPLE IRA

Defined Benefit Plan

PERSONAL PLANNER + ACTION ITEMS WORKSHEET

- ☐ **REVIEW Key Dates to Remember** and add the ones that apply to you to your personal calendar.
- ☐ **GOALS:** What do I want to accomplish this year?

1. ____________________
2. ____________________
3. ____________________
4. ____________________
5. ____________________

- ☐ **SUBSCRIBE** to The Center's monthly e-newsletter CenterVIEW to receive timely blogs, dates, tips, and other important information.
- ☐ **GO TO** The Center's Events page for a list of upcoming Webinars at CenterFinPlan.com/Events or use the QR code below to visit us on our home page.
- ☐ **CALL** The Center for help at 248.948.7900!

Notes: