Loose Change®
a penny saved is a penny earned

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I am committed to helping my clients pursue their financial goals for themselves, their families and their businesses by providing them with strategies for asset accumulation, preservation and transfer.

Securities and investment advisory services offered through ABC Company, member FINRA/SIPC.

LTM Client Marketing
helping financial professionals stay connected

Contribute to Retirement and Lower Your Tax Bill?

You can do both! By contributing to a traditional individual retirement account (IRA) by the April 2024 tax filing deadline, you can deduct some or all of your contributions on your 2023 income tax return.

Above-the-Line Deduction

Above-the-line deductions help reduce the amount of your income subject to federal income tax. Contributions to a traditional IRA are deducted directly from your gross income, which is used to calculate your adjusted gross income (AGI), the income you report on your return.

Who Is Eligible?

Your ability to deduct contributions to a traditional IRA is affected by how much you earn and whether you or your spouse has a retirement plan at work. For 2023, deduction limits for individuals who are covered by a workplace retirement plan are:

- ❖ Single/Head of Household filers with Modified AGI (MAGI) of $73,000 or less, full deduction; $73,000 - $83,000, partial deduction; over $83,000, no deduction.
- ❖ Married filers with MAGI of $116,000 or less, full deduction; $116,000 - $136,000, partial deduction; over $136,000, no deduction.
- ❖ Married separate filers with MAGI less than $10,000, partial deduction; over $10,000, no deduction.
- ❖ Single/Head of Household and Married Joint filers not covered by a workplace plan can take the full deduction.

What if Your Spouse is Covered?

Married joint filers with Modified Adjusted Gross income (MAGI) up to $218,000 can claim the full deduction when a workplace plan covers one spouse.

A partial deduction is available with MAGI between $218,000 and $228,000. Once MAGI exceeds $228,000, no deduction is allowed. Married filing separately whose MAGI is $10,000 or less get a partial deduction.

Contribution Limits

You can contribute up to $6,500, or your taxable compensation, if less, to a traditional IRA for 2023. Individuals age 50 and older can make an additional catch-up contribution of $1,000, for a total of $7,500.

Reap the Benefits

Over time, even small contributions to an IRA can compound, so don't miss out on this opportunity to help grow your retirement fund and potentially reduce your federal income tax bill.

You CAN Organize Your Financial Life

You didn't plan on your financial and personal records ending up in a free-for-all, but that's what's happened. How you wish someone would organize your stuff! Good news! YOU can get your financial records in order! Here are some tips for simplifying your financial life.

Decide on a System

Organize your information by year. Use folders to hold similar information, including tax documents, investment reports, bank statements, etc. Label everything so you can find it easily. Keep all your records in one place, such as a fireproof safe or a filing cabinet.

Create a Backup System

Scan critical financial documents before filing them. Keep them in a password-protected computer file or a removable drive, or store them in the cloud.

Shred any documents with sensitive information that you no longer need.

Put You Financial Life Online

Paperless billing and electronic delivery of bank and investment statements reduce clutter and prevent you from misplacing important bills and documents.

Setting up automatic bill pay can further simplify your finances.

Consider a Safe Deposit Box

You can store critical documents you don't often need and keep them safe from fire and theft.

Share Your Information.

Tell someone you trust where your information is located and how to access it.

Tips for Sole Proprietors

As a sole proprietor, you're responsible for everything from filing taxes to setting up your retirement plan.

First Up: A Retirement Plan

A solo 401(k) plan is a popular choice for sole proprietors. The business owner contributes to the plan as both employer and employee, up to the annual contribution limit for 401(k) plans.

A SEP (Simplified Employee Pension) IRA is another option for sole proprietors or small businesses with only a few employees. Only the employer is allowed to make contributions to the plan. The same percentage of compensation must be contributed to employee accounts as the employer contributes to his or her account.

Line Up Your Deductions

With a sole proprietorship, all business income and tax deductions are reported on your individual income tax return.

Health Insurance. You generally can take an above-the-line deduction for the cost of health insurance for yourself, your spouse, and your dependents. The amount of your taxable income limits the deduction.

Business Expenses. Deductible expenses include utilities, subscription services, travel, and capital assets. You may be able to take the home office deduction for a portion of rent and utilities if an area of your home is dedicated exclusively to your business.

Self-employment Tax. Sole proprietors must pay both the employee and employer portion of self-employment tax (Social Security and Medicare.) You are allowed to deduct half the tax on your return.

A Different Business Structure

You may consider a different business structure offering liability protection as your business grows. An LLC (limited liability company) is the simplest way to structure a business and protect your assets. An S-corporation eliminates your liability and allows you to save on unemployment taxes. However, your Social Security benefits could be reduced. Your financial and tax professionals can help you with all of these strategies.

Gen X: Hone Your Financial Skills

Baby Boomer parents have amassed significant wealth as a generation, but their Gen X children are not following in their footsteps. According to a recent National Institute on Retirement Security report, Gen Xers, born from 1965 through 1980, generally aren't following a retirement strategy, saving enough for the future, or accounting for long-term healthcare and assisted living expenses.

Contributing Factors

Heavy student loan debt and the loss of employer-provided pensions are significant reasons why Gen Xers are having difficulty saving for retirement. Defined contribution plans, such as 401(k) plans and individual retirement accounts, depend primarily on employees' willingness to participate and accept the responsibility for their retirement savings.

Changing It Up

With help from a financial professional, Gen Xers can acquire the financial skills needed to start saving enough for retirement. Creating a budget with automatic savings can put you on the right track. By assessing where you currently stand financially, you can determine strategies for increasing your retirement coffers, such as retiring later than you planned and postponing taking Social Security benefits until age 70.

Will You Inherit Wealth?

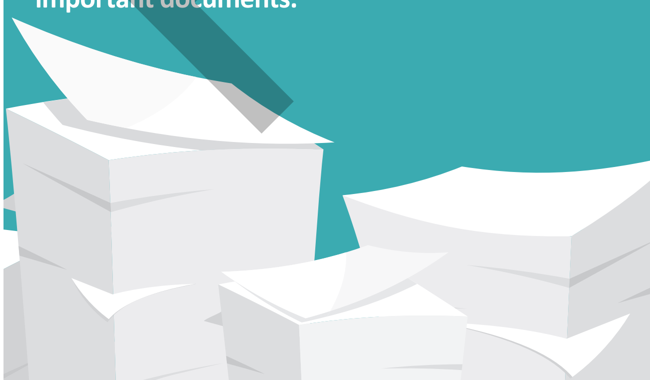
If you're unfamiliar with your parents' estate plans, it's time to talk to them about their finances and wealth transfer plans and prepare for any inheritance you may eventually receive. Know your parents' assets, including retirement accounts, investment portfolios, real estate and life insurance. Ask for a list of their debts, such as mortgages, credit cards, and loans. Know who their tax and financial professionals are, too.

The Bottom Line

Gen Xers who make strides in preparing for their own retirement can gain the financial knowledge they'll need to handle the transfer of wealth from parent to child responsibly. An estate attorney can set you on the right path.

How Long Should You Keep Them?

Follow these general guidelines for retaining important documents.



- **Personal Legal Documents: Forever**
- **Tax Records: 7 – 10 Years**
- **Bank Statements: 1 Year**
- **Real Estate: 7 Years after Sale**
- **Investments: 3 Years after Sale**
- **Credit Card Statements: 60 Days**
- **Self-employed Business Records: 6 Years or Longer**

Safe Deposit Box Do's and Dont's

Some items should be stored in a safe deposit box, while others should be stored in a fireproof safe where you can access them quickly.

Safe Deposit Box:

- Birth certificates, adoption papers, marriage license, divorce decree, citizenship papers
- Copies of wills and powers of attorney
- Deeds to property and car titles
- Paper stock or bond certificates
- Business records/ contracts
- Valuable jewelry
- Home inventory

Fireproof Safe:

- Passports
- Living wills and medical directives
- Cash
- Uninsured valuables
- Any documents or items you might need to access quickly when the repository is closed.

HSA Contributions Offer Tax Benefits

When you're covered under a high deductible health plan (HDHP), any contributions you make to a Health Savings Account (HSA) by the April 15, 2024 tax filing deadline can be deducted.

Triple Tax Benefits

Pre-tax dollars are invested based on your preferences. Account growth and withdrawals to pay qualified medical expenses are also tax-free.

HSA Contribution Limits

For 2023, contribution limits are $3,850 for individuals and $7,750 for families. Those limits increase to $4,150 and $8,300, respectively, for 2024. Individuals 55 and older can contribute an additional $1,000.

Let It Ride

You don't have to request reimbursement for medical expenses in the year they occur. If you save your receipts, you can submit them for a lump-sum distribution in the future.

Save for Future Care

By contributing the maximum amount to an HSA and allowing the account to grow throughout your working years, you could accumulate substantial assets to help pay for long-term care should you need it in the future.

Name a Beneficiary

Designate a beneficiary to receive any funds remaining in your HSA when you die. If you name your spouse, the account remains an HSA for his/her benefit. If you name someone other than a spouse, the HSA ends with your death. The account's fair market value then becomes taxable income to the beneficiary, less qualified medical expenses paid on your behalf.

Talk to your financial and tax professionals for more detailed information.

Life Insurance: Part of a Financial Strategy

Life insurance has many uses. If a breadwinner dies, proceeds from a life insurance policy can fund a child's college education, pay for child care or other services, and ensure that surviving members will maintain their current standard of living. It can also be part of a charitable giving strategy*.

Term Life

Term life provides death benefit coverage for a fixed period. Term life has no cash value, so the policy ends when the term is over.

Whole/Permanent Life

A permanent life policy accumulates cash value at an interest rate set when you purchase the policy. You pay a fixed premium and can borrow against the policy, but unpaid loans will reduce the death benefit.

Universal Life

Universal life is a form of permanent coverage. It offers flexibility with benefits and premiums. The cash value of the policy can be borrowed against or withdrawn.

Variable Life

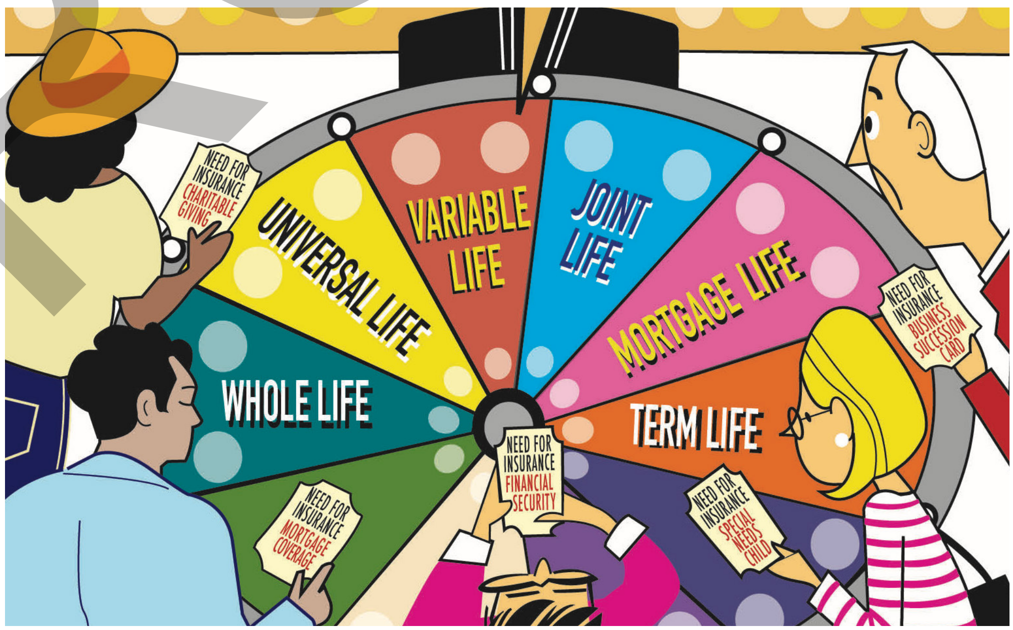
The policy's cash value can be invested to take advantage of rising equity markets in the hope of producing potentially higher returns. However, losses are also possible.

Charitable Giving and Taxes

You can donate a life insurance policy directly to a charity, name a charity as beneficiary, or set up a rider to pay a charity a percentage of the policy's value.

Consult your insurance professional to see if you have any unaddressed life insurance needs—or too much coverage.

**Applications for life insurance are subject to underwriting. Insurance coverage exists only if the required premium is paid. Accessing cash values may reduce the death benefit and policy values, trigger tax consequences, surrender fees, and charges, and may require additional premium payments to maintain coverage. Guarantees are based on the claims-paying ability of the issuer.*



ADVERTISING REGULATION DEPARTMENT REVIEW LETTER

December 12, 2023

Reference: **FR2023-1121-0169/E**

Org Id: 23568

1. Loose Change 2024 March - April
   Rule: FIN 2210

Our review is based on your representation that the final version of this communication will prominently disclose the name of the member, pursuant to FINRA Rule 2210(d)(3)(A).

The communication submitted appears consistent with applicable standards.

Reviewed by,

Jeffrey R. Salisbury
Principal Analyst

Please send any communications related to filing reviews to this Department through the Advertising Regulation Electronic Filing (AREF) system or by facsimile or hard copy mail service. We request that you do not send documents or other communications via email.

NOTE: *We assume that your filed communication doesn't omit or misstate any fact, nor does it offer an opinion without reasonable basis. While you may say that the communication was "reviewed by FINRA" or "FINRA reviewed," you may not say that we approved it.*

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