LET'S TALK MONEY®

March/April 2024

Save for 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 may be able to 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 that is 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), which is the amount of 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 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 - $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 grow and compound, so don't miss out on this opportunity. Your financial professional can provide guidance on contributing to an IRA.

MAGI is your AGI plus a few items — like exempt or excluded income and certain deductions. The IRS uses MAGI to determine your eligibility for certain deductions, credits and retirement plans.

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

Standard Version

LTM Client Marketing
helping financial professionals stay connected

Have the Money Talk

Are you and your significant other on the same page when it comes to your finances? Disagreements about money are a leading cause of friction between couples. Talking about your individual feelings regarding money can help you understand the other person's point of view and help you reach a compromise.

Savers and Spenders

Your feelings about money may have their roots in how your family dealt with their finances. If your family was conscientious about saving and didn't spend money without having a plan, you may have adopted those same traits. But, if your partner's family spent money without thinking about their future needs, your partner may follow in their footsteps. Discussing each family's relationship to money is a good place to start the conversation.

Compromise Is Key

When one of you is a saver and the other is a spender, compromising is essential for the health of your relationship. Come up with a plan that includes saving a certain percentage of your income. Having money deposited directly into a savings or retirement account can automate the process and remove any temptation to spend. Then, set aside a modest amount of money from each paycheck to spend on yourselves. That way, the spender is less likely to feel deprived.

A Budget Is Non-negotiable

Whether you're the spender or the saver, creating a budget that both partners buy into is the cornerstone of a successful strategy. Tally fixed and variable monthly expenses to find out how much of your income remains. One of your first priorities should be saving three to six months' expenses in an emergency fund. Communication and compromise can put partners on the same financial page.

Work with a financial professional who can provide a fresh perspective and offer suggestions as to how to organize your financial life.

A Financial Checklist for Couples

Working together to create a healthy financial picture should be a priority for couples. Here are a few ways to get started.

Tackle your debt. Getting debt under control can improve your finances. Eliminate credit card balances and pay off high-interest loans to have money to save toward your goals. But not all debt is bad. Debt that you take on to improve your life, such as a mortgage, education loan or business loan, is typically considered good debt.

Define your goals. You may have short-term goals, such as saving for a car or vacation, mid-term goals like college savings, and long-term goals like retirement.

Assess insurance needs. If you have a family or plan to, life insurance should be on your list. Consider adding health and long-term care insurance to your list as well.

You *Can* Organize Your Financial Life

Piles of receipts on the dining room table. Bank statements on the desk in the spare room. 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! There is someone who can get your financial records in order. And that someone is you! Because you might need some help in the organizing department, here are some tips for simplifying your financial life.

Decide on a system. You can organize your information by topic or by year, whichever method is easier for you. Use colored 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 back-up system. Scan critical financial documents before filing them. Keep them in a password-protected computer file or on a removable drive or store them in the cloud. Shred any documents with sensitive information that you no longer need.

Put your financial life online. Paperless billing and electronic delivery of bank and investment statements reduce clutter and prevents you from misplacing important bills and documents. Establish online bank, credit card, phone, cable and utility accounts to make payments. Setting up automatic bill pay can further simplify your finances. Make sure you have sufficient money in your bank account when payments are deducted.

Consider a safe deposit box. You can store many critical documents that you don't often need and keep them safe from fire and theft. Keep copies of stored documents in case you need to refer to them quickly.

Share your information. Tell someone you trust where your information is located and how to access it. Share a list of your accounts with password information so that a person can retrieve them in an emergency.

Safe Deposit Box Do's and Don'ts

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.

Do keep:

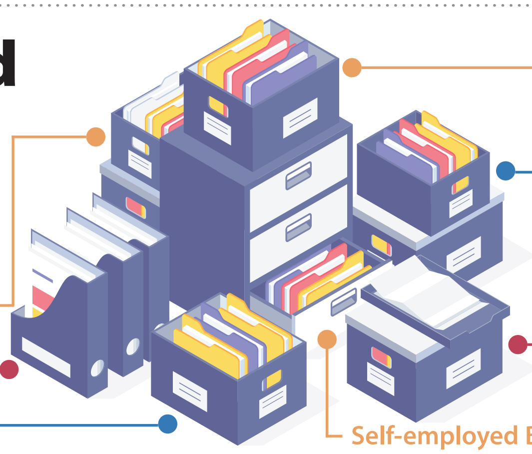
- Birth certificates, adoption papers, marriage license, divorce decrees, citizenship papers
- Copies of wills and powers of attorney
- Deeds to property and car titles
- Paper stock or bond certificates
- Business records/contracts
- Valuable jewelry
- Home inventory

Don't keep:

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

How Long Should You Keep Them?

Follow these general guidelines for retaining important documents.



Real Estate: 7 Years after Sale

Investments: 3 Years after Sale

Personal Legal Documents: Forever

Credit Card Statements: 60 Days

Tax Records: 7 – 10 Years

Bank Statements: 1 Year

Self-employed Business Records: 6 Years or Longer

HSA Contributions Offer Tax Benefits

If you're looking for a way to lower your 2023 income taxes, your health plan might be able to help. 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 on your 2023 tax return.

Triple Tax Benefits

Health savings accounts offer a tax-advantaged way to pay current and future out-of-pocket medical expenses. HSA contributions are made pretax. Money in the account is invested based on your preferences and potentially grows tax-free. Withdrawals to pay qualified medical expenses are also tax-free.

Nonqualified withdrawals incur a tax penalty before age 65. After reaching 65, you can take penalty-free withdrawals for any reason but must pay income tax on any nonqualified amounts.

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. Limits include employer contributions, if any. You must participate in a high-deductible health plan to be eligible for an HSA.

Let It Ride

There is no time limit on using the money in your HSA, so 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

With long-term care costs rising every year, a lengthy stay in a nursing home may become unaffordable. 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 care should you need it in the future.

Name a Beneficiary

As with 401(k) and other investment accounts, you 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.

We Value Your Input...

Your feedback is very important to us. If you have any questions about the subjects covered here, or suggestions for future issues, please don't hesitate to call. You'll find our number on the front of this newsletter. It's always a pleasure to hear from you.

ADVERTISING REGULATION DEPARTMENT REVIEW LETTER

December 12, 2023

Reference: **FR2023-1127-0068/E**

Org Id: 23568

1. LTM 2024 Mar-April Standard
   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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