

January 13, 2023



Hello Friends,

With the New Year here, it's a good time to reflect on the past year—and create goals for this year. But whether or not you believe in setting New Year's resolutions, it's a good idea to review your finances and make sure they're in good shape.

### **Provide Us the Most Recent Information So We Can Update Your Financial Plan**

**Prior to your Spring meeting, we want to ensure we have the most updated information for your financial plan. Therefore, please send us the following items so that we have the most accurate information when refreshing your plan:**

- **Recent pay stubs**
- **Employer benefits plans**
- **Salary and bonus information**
- **Cash levels (bank accounts and money markets)**
- **Expense breakdown and spending**

### **Set Short- and Long-Term Financial Goals**

You're more inclined to save if you have specific goals. Whether your goals are to buy a house on an island, or pay for your grandkid's college, we want to know about it to help you.

**Complete our [2023 Goals Checklist](#) and return it back to us because the faster you let us know of your goals, the faster we can help you reach them!**

### **Track Your Cash Flow & Boost Your Investments**

Our goal is to create a plan for you to help you build your road map and stay on track. Here is what you can do to ensure we help you achieve many of life's most important goals:

- Pay yourself first (and make sure to boost investment and retirement accounts)
- Get in touch with us on the cost of essential big-ticket items
- Retired? Make sure you have a "liquidity bucket" and an open credit line with available funds
- Check your credit report
- Prepare for emergencies

**Take advantage of new emergency savings opportunities through the recently passed SECURE Act 2.0 (click button below for more information)!**

### Optimize Your Portfolio

We want to make sure that your asset allocation is in line with your investment goals which is an essential part of managing a portfolio. **The beginning of the year is an opportune time to do it, and it's important that you let us know of any investment goal changes.** Here is what we consider when we rebalance your portfolio:

- Your overall investment mix
- Diversification across and within the asset classes
- Taxes and tax diversification
- Choosing appropriate benchmarks
- Monitoring and rebalancing your portfolio as needed

### Prepare For the Unexpected

Risk is a part of life, particularly in investments and finance. Your financial life can be upended by all kinds of surprises—an illness, job loss, disability, death, natural disasters, or lawsuits. If you don't have enough assets to self-insure against major risks, make a resolution to get your insurance needs covered. We consider the following guidelines when helping you prepare for life's unexpected moments:

- Protect against large medical expenses with health insurance
- Purchase life insurance if you have dependents or other obligations
- Protect your earning power with long-term disability insurance
- Protect your physical assets with property-casualty insurance
- Obtain additional liability coverage, if needed
- Long-term-care insurance to address the high expenses of obtaining care
- Create a disaster plan for your safety and peace of mind

[Click here to view our New Year Checklist](#)

Finally, remember you don't have to do everything at once. There's a lot we can do to improve your financial health by taking one step at a time. We are here to help you find your freedom for 2023 and beyond.

Thanks and Regards,  
Debra Taylor, *CPA/PFS™, JD, CDEA®*

## SECURE Act 2.0 is Here!



The SECURE 2.0 Act has passed, making it the largest retirement legislation since the original Secure Act hit in late 2019.


As 55% of Americans say they don't have enough saved for retirement, this bipartisan legislation primarily seeks to make it easier to contribute to retirement plans and use those funds appropriately for their needs in retirement.

**Review the recently enacted SECURE Act 2.0 to determine which provisions can benefit you (see link below).**



# What Issues Should I Consider At The Start Of The Year?

Checklist Provided by Taylor Financial Group

2023 - WHAT ISSUES SHOULD I CONSIDER AT THE START OF THE YEAR? 

PERSONAL ISSUES	YES	NO	CASH FLOW ISSUES (CONTINUED)	YES	NO
Do you need to assess the progress you made toward your goals last year? If so, consider the following: <ul style="list-style-type: none"> <li>Review and compare your financial goals, comparing a snapshot of where you are today to last year and/or a prior time.</li> <li>Measure your recent accomplishments to identify what strategies worked well.</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<ul style="list-style-type: none"> <li>If you are married and your spouse does not have earned income, explore spousal IRA options.</li> <li>Do you need to confirm that you are adequately saving toward your goals? If so, review your asset savings and funding rates, if you fully fund some goals early in the year, continue saving toward other goals.</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>
Have you identified new goals for this year or the future? If so, assign a priority and time horizon, and incorporate them into your overall plan.	<input type="checkbox"/>	<input type="checkbox"/>	Do you have funds left in your 529 from last year? If so, consider spending such funds before the expiration of any grace periods.	<input type="checkbox"/>	<input type="checkbox"/>
Are there any life events that are likely to occur for yourself or your immediate family this year (e.g., move, marriage, birth, higher education, job change, retirement, illness, death)?	<input type="checkbox"/>	<input type="checkbox"/>	Are you subject to taking RMDs (inherited IRA or age 72 or older)? If so, consider the following: <ul style="list-style-type: none"> <li>If you are a charity, include and age 70½ or older, you can do a QCD to satisfy your RMD. Note the "first dollar out" rule.</li> <li>Time the satisfaction of your RMD to support your goals, and be sure to review your withdrawal.</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>
Do you need to confirm whether you or any family members will reach a milestone age this year? If so, reference the "Important Milestones" guide.	<input type="checkbox"/>	<input type="checkbox"/>	Do you make annual gifts? If so, make a plan to fund strategically, and track the use of your annual exclusion amount for noncharitable gifts.	<input type="checkbox"/>	<input type="checkbox"/>
Are you concerned about any variables or circumstances that could potentially impact your plans for this year?	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
<b>CASH FLOW ISSUES</b>	<b>YES</b>	<b>NO</b>	<b>ASSET &amp; DEBT ISSUES</b>	<b>YES</b>	<b>NO</b>
Do you expect your household income and/or expenses to change materially this year?	<input type="checkbox"/>	<input type="checkbox"/>	Do you need to adjust or replenish your emergency fund?	<input type="checkbox"/>	<input type="checkbox"/>
Do you need to review your cash flow plan? If so, evaluate your actual income and expenses, and adjust your spending plan as necessary.	<input type="checkbox"/>	<input type="checkbox"/>	Are you planning to buy or sell business, personal, or real property this year?	<input type="checkbox"/>	<input type="checkbox"/>
Do you need to review your employee benefits to ensure that you are taking advantage of what your employer offers? If so, consider making out annual contributions to any retirement accounts, Health Savings Account, Flexible Spending Account, and/or Dependent Care Flexible Spending Account.	<input type="checkbox"/>	<input type="checkbox"/>	Do you need to review your investment risk tolerance?	<input type="checkbox"/>	<input type="checkbox"/>
Are you able to contribute to an IRA? If so, consider the following: <ul style="list-style-type: none"> <li>If a Roth IRA, make distributions contributions to a traditional IRA, or make after-tax contributions to a traditional IRA, depending upon your eligibility, constraints or next column.</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	Do you need to rebalance your investment portfolio or otherwise adjust your asset allocation? If so, consider the following: <ul style="list-style-type: none"> <li>Be sure to consider the tax consequences and trade strategically.</li> <li>If you made any trades last year that were meant to be short-term, (i.e., due to tax loss harvesting or to avoid capital gain distributions), review your strategy and reposition as necessary, (continue on next page)</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>

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This checklist will guide you through actionable items regarding:

- Personal issues
- Cash flow issues
- Asset and debt issues
- Tax issues
- Insurance issues
- Legal issues

Click here to view the checklist

## 2023 Goals Checklist

## New Year Checklist

### 2023 Master List of Goals

Retirement Goals	Yes	No
Do you need help deciding when you want to retire?	<input type="checkbox"/>	<input type="checkbox"/>
Do you want to retire early or late?	<input type="checkbox"/>	<input type="checkbox"/>
Do you want to slow down and work part time (semi-retire)?	<input type="checkbox"/>	<input type="checkbox"/>
Do you want to take sabbaticals during your career?	<input type="checkbox"/>	<input type="checkbox"/>
Do you want to feel confident about your plans for retirement?	<input type="checkbox"/>	<input type="checkbox"/>
Do you want to feel confident about your retirement income sources (e.g., investment accounts, retirement plans, pension plans, Social Security)?	<input type="checkbox"/>	<input type="checkbox"/>
Do you want to feel confident about your current (and future) financial situation?	<input type="checkbox"/>	<input type="checkbox"/>
Do you plan to change your residency in retirement?	<input type="checkbox"/>	<input type="checkbox"/>
Family Goals	Yes	No
Do you want to have or adopt a child?	<input type="checkbox"/>	<input type="checkbox"/>
Do you want to save for a child or relative's education?	<input type="checkbox"/>	<input type="checkbox"/>
Do you want to save for any family milestones (e.g., bar/bat mitzvah, graduations, weddings)?	<input type="checkbox"/>	<input type="checkbox"/>
Do you want to support family members who may require special needs planning?	<input type="checkbox"/>	<input type="checkbox"/>
Do you have any parents or other family members you want to care for?	<input type="checkbox"/>	<input type="checkbox"/>
Do you have plans to change your marital status?	<input type="checkbox"/>	<input type="checkbox"/>
Self-Development & Professional Goals	Yes	No
Do you want to achieve financial independence or improve your overall financial health?	<input type="checkbox"/>	<input type="checkbox"/>
Do you want to pursue more education or certifications for personal or professional reasons?	<input type="checkbox"/>	<input type="checkbox"/>
Are you looking for professional advancement (new job, career, promotion)?	<input type="checkbox"/>	<input type="checkbox"/>
Do you want to optimize your employee benefits and compensation package?	<input type="checkbox"/>	<input type="checkbox"/>
Do you want to start your own business?	<input type="checkbox"/>	<input type="checkbox"/>

1 Form continues on next page 1



### New Year Checklist

It's the New Year! Read further to nail down what should be done so you can start the New Year right.

- Retirement Planning – Seize opportunities and avoid missteps**
- Consider both 401(k) contributions and after-tax contributions up to a total of \$64,500 per year in contributions.
  - Maximize your IRA contributions. You may be able to deduct annual contributions of up to \$6,500 to your Traditional IRA and \$6,500 to your spouse's IRA plus \$1,000 in catch-up contributions for ages 50 and over.
  - Consider increasing your 401(k) and retirement account contributions to the maximum of \$22,500.
  - If you are 50 or older, take advantage of catching up on IRA contributions and certain qualified retirement plans. You may be able to contribute (and deduct) an additional \$1,000 to your IRA and \$7,500 to your employer retirement plan, for a total of \$7,500 in IRA contributions and \$30,000 in employer plans.
  - Avoid taking IRA distributions prior to age 59 ½ otherwise a 10% early withdrawal penalty may apply.
  - Consider converting from a Traditional IRA to a Roth IRA.
  - Explore taking employer stock from tax-deferred accounts, under favorable tax rules.
  - Determine the optimal time to begin taking Social Security benefits, which you can apply for between ages 62 to 70.
  - Consider opening a Health Savings Account (HSA). If you already have an HSA, check your Health Savings Account contributions for 2022 to make sure you are meeting contributions. If you qualify, you can contribute up to \$3,850 (individuals) or \$7,750 (families), and an additional \$1,000 catch-up if you are age 55 or older.
  - Turbocharge your savings if you are a business owner. If you have sufficient cash flow available, you should consider investing in a cash balance plan.
  - Confirm you've spent the entire balance in your Flexible Spending Accounts for the year.
  - Revisit contribution amounts to your 529 Plan college savings accounts.
- Investment and income tax strategies**
- Time Your Income and Deductions**
- Deferr your year-end bonus, the sale of capital gain property and receipt of distributions to bunch income and deductions into alternate years.
  - Review your W-2 federal income withholding amount in preparation of a significant tax bill or to avoid the under-withholding tax penalty.
  - Maximize the utilization of itemized medical expenses or other deductions by bunching expenses in the same year in order to take the standard deduction in one year and itemizing in the next year.
  - If you are subject to the Alternative Minimum Tax (AMT), speak with your tax advisor before deferring income or accelerating deductions as they could have a negative effect.
  - Ensure your account preferences, risk tolerance and investment objectives are up to date with us.
  - Audit your beneficiaries. Double check your beneficiary designations for savings accounts, retirement plans and life insurance policies to help ensure your assets pass to the appropriate parties in the event of your death.
- Gifting Strategies**
- Give to Loved ones*
- Gift up to \$17,000 per individual annually in federal tax-free gifts.
  - Make a will or trust bequest so that the estate can take both income and estate tax deductions.

Please feel free to call or email us at any time!  
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