



Taylor Financial Group, LLC

Weekly Update

January 23, 2023

Four Exciting Aspects of SECURE Act 2.0 (Intermediate)

Dear Friends,

SECURE Act 2.0, passed at the end of December, has been described as legislation that is designed to help the hard-working people of America to get their retirement savings back on track. Although it is unclear whether SECURE Act 2.0 will meet such ambitious goals, there are a few provisions that are intriguing—and very beneficial.



First, a way to roll over unused 529 plans to Roth IRAs. Starting in 2024, the legislation allows a tax- and penalty-free rollover from a 529 account to a Roth IRA. More specifically, after 15 years, beneficiaries of 529 college savings accounts are permitted to roll over funds from a 529 account in their name to a Roth IRA account also in their name. These rollovers are subject to a number of limitations, including an aggregate lifetime limit of \$35,000. Rollovers also cannot exceed the aggregate before the 5-year period ending on the date of the distribution. In addition, the rollover is treated as a contribution towards the annual Roth IRA contribution limit, currently \$6,500.

Second, matching contributions to a Roth account for high earners. In an apparent attempt to raise tax revenue to offset the costs of other provisions, SECURE Act 2.0 provides for certain matching contributions to be made on a Roth basis. Effective for tax years beginning after 2023, catch-up contributions to 401(k), 403(b), and governmental 457(b) plans by employees whose wages exceed \$145,000 (as indexed) must be made on a Roth basis. This Roth treatment of catch-up contributions is mandatory for any plan that makes catch-up contributions available.

Third, the expansion of QCDs and charitable contributions. At present, QCDs are capped at \$100,000 per year, and that amount doesn't go up each year. The SECURE 2.0 Act allows the \$100,000 limit to be adjusted annually for inflation (rounded to

the nearest \$1,000). The adjustments will begin in 2024. Note, for gifts to count, they must come directly from an IRA by the end of the calendar year. QCDs cannot be made to all charities. In addition, starting in 2023, a one-time QCD of up to \$50,000 to charities is allowed through certain charitable remainder annuity trusts (CRATs), charitable remainder unitrusts (CRUTs) or charitable gift annuities (CGAs). The Act expands the ways in which people who are age 70½ and older can use trusts in tandem with charitable giving to potentially lower their federal tax bills. Starting in 2023, such people can make a one-time gift up to \$50,000, adjusted annually for inflation, to a CRAT, CRUT or CGA. Essentially, the new rule on so-called qualified charitable distributions expands the types of “charities” that can receive the gift.

Fourth, the RMD options for surviving spouses grow. Special rules currently exist for determining when a surviving spouse must start taking RMDs from an inherited retirement account. One of those rules states that, if an account holder dies before RMDs are required and his or her surviving spouse is the beneficiary (and doesn’t change that status), RMDs from the inherited account aren’t required until the year in which the deceased account holder would have reached age 72. The SECURE Act 2.0 tweaks this rule by also allowing the surviving spouse to be treated as the deceased account owner for RMD purposes starting in 2024. In some cases, this will allow the surviving spouse to delay taking RMDs from the inherited account—e.g., if the surviving spouse is younger than the deceased spouse.

Although I believe that much of the SECURE Act 2.0 is hyped, these four provisions are legitimately exciting.

As always, please reach out with any questions.

Debbie

Market Commentary: New Market Highs are Possible in 2023 (Intermediate)

Weekly Market Commentary 1.23.2023

Published by The Carson Group, LLC

Stocks sold off early in the week on disappointing retail sales and industrial production numbers, but they staged a nice bounce on Friday to close out the week. Although some recent data has been disappointing, inflation data continues to show fast improvement, with producer-level inflation coming in lower than expected last week. Additionally, prices-paid components of regional surveys and supply chain data continues to quickly improve.



supply chain data continues to quickly improve.

[Click Here To Read More!](#)

Come Join Us For Our Exclusive Client-Only Office Hours On February 6th @ 4:15 pm



You are invited to join our exclusive client-only 45-minute Market Update with Founder, and Lead Wealth Advisor Debra Taylor!

Date: February 6th
Time: 4:15 pm

Dial in information:
+1 929 205 6099

Meeting ID: 875 0829 3166
Passcode: 068599

All About The Secure 2.0 Act (Over 100 Provisions)

The Complete Guide to the SECURE 2.0 Act

By Jamie Hopkins
Managing Partner, Wealth Solutions



SECURE 2.0 Act Guide

Secure 2.0 Act Aims to Increase Retirement Savings for Americans
Published by The Carson Group, LLC

The SECURE 2.0 Act has passed, making it the largest retirement legislation since the original Secure Act hit in the 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. [Click Here to Read More!](#)

Outlook'23 The Edge of Normal



Carson's 2023 Outlook

After a brutal year for stocks in 2022, in fact, the worst since 2008 and the fourth worst year since 1950, Carson believes the market is actually primed for a robust return in 2023 – perhaps to new highs. However, like 2022, this year could just as easily bring more surprises.

[Click Here for Whitepaper Version](#)

A 'Goldilocks' Moment For The Stock Market! (Beginner)



The Stock Market Is Dropping Again. A 'Goldilocks' Moment Is Fading.

Article Published by Barron's Advisor

The stock market has enjoyed a “goldilocks” moment recently, a scenario where inflation and interest rates drop without triggering a plummet in economic growth. But that fairy tale state appears to be fading away, and the economy could

be in for a dose of reality.

[Read More!](#)

Information is provided by Taylor Financial Group and written by Jacob Sonenshine, a non-affiliate of Cetera Advisor Networks LLC.

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

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

Checklist Provided by FpPathfinder

The start of the year is a great time for a financial check-up. In addition to reflecting back on the prior year, you should consider making financial resolutions for the future.

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: • Review and compare your financial models, comparing a snapshot of where you are today to last year and/or a prior time. • Inventory your recent accomplishments to identify what strategies worked well.	<input type="checkbox"/>	<input type="checkbox"/>	• If you are married and your spouse does not have earned income, explore spousal IRA options. • Do you need to confirm that you are adequately saving toward your goals? If so, review your target savings and funding rates. If you fully fund some goals early in the year, continue saving toward other goals.	<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 FSA from last year? If so, consider spending such funds before the expiration of any grace period.	<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: • If you are charitably inclined and age 70½ or older, you can do a QCD to satisfy your RMD. Note the "first dollars out" rule. • Time the satisfaction of your RMD to support your goals, and be sure to review your withholdings.	<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"/>			
CASH FLOW ISSUES	YES	NO	ASSET & DEBT ISSUES	YES	NO
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: • Fund a Roth IRA, make deductible contributions to a traditional IRA, or make after-tax contributions to a traditional IRA, depending upon your eligibility (continue on next column).	<input type="checkbox"/>	<input type="checkbox"/>	Do you need to rebalance your performance portfolio or otherwise adjust your asset allocation? If so, consider the following: • Be sure to consider the tax consequences and trade strategically. • 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 gains distributions), revisit your strategy and reposition as necessary. (continue on next page)	<input type="checkbox"/>	<input type="checkbox"/>

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

[View Checklist Here!](#)

In Case You Missed It!

Financial Fitness and New Year Checklist 01.13.2023

January 13, 2023

FINANCIAL FITNESS

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 breakdowns 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 grandchild'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 wealth 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
- Retire? 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).

Required Minimum Distributions and Qualified Charitable Distributions 01.18.2023

Announcement

Required Minimum Distributions (RMDs) and Qualified Charitable Distributions (QCDs)

Passing of SECURE Act 2.0 Pushes Back RMD Age (and other items to note)

On December 29, 2022, President Biden signed the SECURE 2.0 Act of 2022 ("SECURE 2.0") as part of the Consolidated Appropriations Act of 2023. The law includes a provision that increases the starting age for RMDs to 73, eventually allowing some IRA owners to begin RMDs as late as age 75 in 2033! However, those who have already started RMDs before 2023 must continue.

RMDs Under SECURE Act 2.0

The following table provides a snapshot of when RMDs begin based on your birthdate.

SECURE Act 2.0 RMD Start Dates for Various Birthdates and Ages		
Year/date of birth	Attained age relevant to RMDs	Applicable age (age at which RMDs must begin)
June 30, 1949 and earlier	• Attained age 70½ before 2020	The year the participant attained age 70½
July 1, 1949-December 31, 1950	• Attained age 70½ after 2019	The year the participant attained age 72
January 1, 1951-December 31, 1959	• Will attain age 72 after 2022	The year the participant attains age 73
January 1, 1960 and after	• Will attain age 74 after 2032	The year the participant attains age 75

Source: Horsemouth, LLC

To clarify, there will be no new RMDs in 2023! Only those who already started taking RMDs in 2022 or earlier will continue as normal and the earliest a new RMD will start RMDs in 2026.

Distributions in 2023

With this, if you were expecting to begin RMDs in 2023 and use that income to cover expenses, please let us know if you will need to start withdrawing monies from your TFG accounts now that you will not have the mandatory distributions this year (we can set up monthly distributions for you).

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!

With the new Secure 2.0 Act, there have been some updates on the Required Minimum Distributions and Qualified Charitable Distributions that you should be aware of!

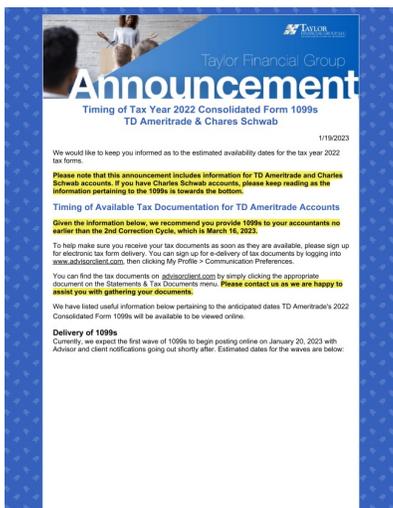
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Timing of Tax Year 2022 Consolidated Form 1099s

January Monthly Update 01.20.2023

01.19.2023



With a new year, come deadline changes. Find out the new timings on your 1099 forms! If you have Charles Schwab accounts, you will also want to take a quick read on what to expect!

Our January Monthly Update contained a lot of information regarding the Secure Act 2.0, along with other items that will help you kick the year off right!

[Click Here](#)

[Click Here](#)

Keeping Up With TFG!



Brotherly Love 🐾

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Converting from a traditional IRA to a Roth IRA is a taxable event.

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A diversified portfolio does not assure a profit or protect against loss in a declining market.

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Investors cannot invest directly in indexes. The performance of any index is not indicative of the performance of any investment and does not take into account the effects of inflation and the fees and expenses associated with investing.

Distributions from traditional IRAs and employer sponsored retirement plans are taxed as ordinary income and, if taken prior to reaching age 59½, may be subject to an additional 10% IRS tax penalty. A Roth IRA offers tax free withdrawals on taxable contributions. To qualify for the tax-free and penalty-free withdrawal of earnings, a Roth IRA must be in place for at least five tax years, and the distribution must take place after age 59½ or due to death, disability, or a first time home purchase (up to a \$10,000 lifetime maximum). Depending on state law, Roth IRA distributions may be subject to state taxes.

Re-balancing may be a taxable event. Before you take any specific action be sure to consult with your tax professional.

Asset allocation, which is driven by complex mathematical models, cannot eliminate the risk of fluctuating prices and uncertain returns.

The S&P 500 is a capitalizationweighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

Bloomberg U.S. Aggregate Bond - The Bloomberg US Agg Total Return Value Unhedged, also known as "Bloomberg U.S. Aggregate Bond Index" formerly known as the "Barclays Capital U.S. Aggregate Bond Index", and prior to that, "Lehman Aggregate Bond Index," is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate pass-throughs), ABS and CMBS (agency and non-

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