



Taylor Financial Group, LLC

Weekly Update



January 30, 2023

**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

Investment and Planning Ideas Taylor Financial Group Does for Their Clients (Beginner)

Dear Friends,

Now that we are able to close the books on 2022, January is a great time to review major processes and to create a plan for the new year. No question that 2022 was a challenging one for all of us. So here are the "Five must-dos" we are tackling for early 2023 for all our clients.



To start off with, Taylor Financial Group has created an annual service calendar for

the year, which includes all planning areas such as insurance, estate planning, cash flow planning, debt management, retirement planning, and so forth.



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Secondly, we are constantly reviewing our investment thesis. This is important because the market environment and economic conditions are constantly changing. Towards the end of the tax year, we typically look for the upcoming opportunities, but in 2022, we reviewed this on a weekly basis. Our current thesis is that although the market will be turbulent, we believe the risk of missing out on a market rebound is higher than the risk of further substantial losses. We are also bullish on commodities and "reasonable growth" companies.

The third "must-do" is to prepare for tax season in advance. Every January, we send our clients Tax Preparation Letters that summarize transactions from the prior tax year. This includes (but is not limited to) Roth conversions, IRA contributions and taxable gains and losses. A good amount of time goes into each letter. See an example below.

TAX LETTER

INHERITED IRA DISTRIBUTIONS

IRA Distribution

Description	Amount
XXXX: RMD from Beneficiary IRA	\$3,719.00

CONTRIBUTIONS TO TRADITIONAL/ROTH IRAS

You made contributions to Traditional IRAs and/or Roth IRAs. IRA deductibility is dependent on income and eligibility for qualified retirement plans through an employer. Roth IRA contribution eligibility is dependent on income.

We are aware of the following contributions:

We recommend supplying details of all contributions to your tax professional. Form 5498 may be of help.

Description	Amount
XXXX: Traditional IRA Contribution	\$7,000.00
XXXX: Traditional IRA Contribution	\$7,000.00

ROTH CONVERSIONS

You completed a Roth conversion during the year. These transactions are reported on Form 8606 of the tax return. This is especially critical in cases where there is any after-tax basis in the source account. Note that the end of year balance for all IRAs is needed to determine the percentage of a Roth conversion that is considered after-tax basis vs. taxable.

We are aware of the following Roth conversions:

We recommend supplying details of all Roth conversions and end of year balances to your tax professional.

Description	Amount
12/20/2021: Roth Conversion of Securities	\$20,332.84
Backdoor Roth Conversion of Traditional IRA Contribution (Account xxxx)	\$7,000.00
Backdoor Roth Conversion of Traditional IRA Contribution plus additional \$568.54 of excess cash from rollover (Account xxxx)	\$7,568.54

LONG TERM CARE INSURANCE PREMIUMS

You paid premiums on long term care insurance. This expense may be deductible as a medical expense on Schedule A.

We recommend providing information on long term care insurance premiums to your tax professional.

Fourth, although we typically wait until Q4 to perform Roth conversion analyses, we have a unique opportunity to perform Roth conversions at a discount when the market is down. We want to take advantage of these opportunities as soon as possible in the New Year so that you can get tax-free growth on the converted assets—assuming the market rebounds, which we believe it will.

The final "must-do," is to create a distribution strategy. Every year, a new distribution amount is set for each client based on their required minimum distribution (RMD). For most, the distribution amount will be lower in 2023 than in 2022 because of the market decline. This could open up other opportunities, such as partial Roth conversions or tax-gain harvesting based on your tax bracket.

Although this may seem like an ambitious list, I consider every single item a "must-

do" for January and early February.

As always, please reach out with any questions.

Debbie

Market Commentary: As Goes January, So Goes the Year (Intermediate)

Weekly Market Commentary 1.30.2023

Published by The Carson Group, LLC

Last week the stock market rally continued, with various sectors showing renewed strength. This time a year ago, defensive areas, such as utilities, consumer staples, and health care, were leading. That was a warning sign, and it sure turned out something was wrong. Today small-caps, cyclicals, industrials, and technology are leading.



[Click Here To Read More!](#)

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
Jamie Hopkins is not registered with CWM, LLC as an investment advisor representative and does not provide product recommendations or investment advice.



[SECURE 2.0 Act Guide](#)

Secure 2.0 Act Aims to Increase

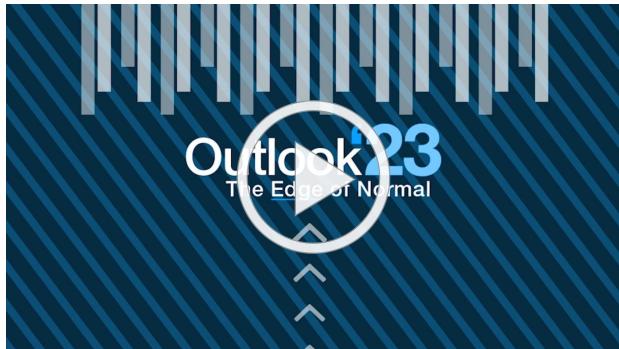
Retirement Savings for Americans

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](#)

Will The Secure 2.0 Deprive Older Savers? (Beginner)



Congress Made a Big Mistake in Secure 2.0 That Could Deprive Older Savers of Catch-up Contributions Next Year

Article Published by Barron's Advisor

The latest retirement-focused law called Secure 2.0 includes numerous provisions to bolster Americans' future financial security, but a technical error could actually prevent workers from saving more for the long-term. The error states retirement account participants would not be able to make catch-up contributions to their traditional or Roth accounts beginning in 2024.

[Read More!](#)

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

What Issues Should I Consider Regarding Changes Made By The SECURE Act 2.0?

**What Issues Should I Consider
Regarding Changes Made By The**

Checklist Provided by FpPathfinder

PLANNING ISSUES - EFFECTIVE 2023		YES	NO	PLANNING ISSUES - EFFECTIVE 2023 (CONTINUED)		YES	NO
<p>Were you born in 1951 or later? If so, consider the following:</p> <ul style="list-style-type: none"> If you were born between 1951 and 1959, your RMD begins when you turn 73. If you were born in 1960 or later, your RMD begins when you turn 72. Implementing additional tax planning strategies (e.g., Roth conversion, harvesting capital gains, accelerating taxable distributions, etc.) before turning 72 may help mitigate your RMD requirements (as well as tax liability). 		<input type="checkbox"/>	<input type="checkbox"/>	<p>Do you need to take a hardship withdrawal from your retirement plan, and is the timing urgent? If so, consider requesting the withdrawal from your employer via the newly allowed hardship withdrawal process. Evidence may be required to expedite the process (if adopted by your employer). Be mindful to document your evidence in the event you are audited.</p>		<input type="checkbox"/>	<input type="checkbox"/>
<p>Are you looking for additional ways to delay your RMD and/or reduce the chances of outfitting your money? If so, consider putting a portion of your IRA into a qualified longevity annuity contract (QLAC) if it makes sense for you. You can defer on that portion until the age of 85. Be mindful of the new \$200,000 limit (adjusted for inflation).</p>		<input type="checkbox"/>	<input type="checkbox"/>	<p>Is giving to charity part of your financial planning goals? If so, consider whether making qualified charitable contributions (QCDs) to a charitable remainder trust (CRT) or charitable gift annuity makes sense for your situation, but be mindful of the associated limitations and costs.</p>		<input type="checkbox"/>	<input type="checkbox"/>
				<p>PLANNING ISSUES - EFFECTIVE 2024</p>		YES	NO
				<p>Do you (or will you) have extra funds in a 529 plan? If so, consider transferring it to a beneficiary's Roth IRA (if they have earned income). Be mindful of the \$6,500 annual transfer limit (reduced by any regular contributions) and \$35,000 lifetime limit per person.</p>		<input type="checkbox"/>	<input type="checkbox"/>
				<p>As an employee, do you plan to make catch-up contributions to your employer's retirement plan, and are your wages over \$145,000? If so, consider the impact of now only being eligible to make catch-up contributions to a Roth account (i.e., no tax deduction).</p>		<input type="checkbox"/>	<input type="checkbox"/>
				<p>Do you have a younger spouse that you anticipate may predecease you (e.g., terminal illness, family longevity issues, etc.), and also has a retirement plan you may inherit? If so, consider the potential tax implications of your spouse's "survivor" or "deceased spouse" (i.e., start taking RMDs based on when they would've needed to take them) would be more appropriate for your plan.</p>		<input type="checkbox"/>	<input type="checkbox"/>
				<p>Do you have a Roth retirement plan (e.g., 401(k), 403(b), etc.)? If so, consider how the elimination of RMDs for this account affects your plan. (continue on next page)</p>		<input type="checkbox"/>	<input type="checkbox"/>

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Using this checklist, you will be able to effectively highlight the important changes, identify some proactive planning points to consider, and be able to chronologically prioritize which next steps should be taken.

This checklist includes:

- Understanding and prioritizing the chronological order of new changes.

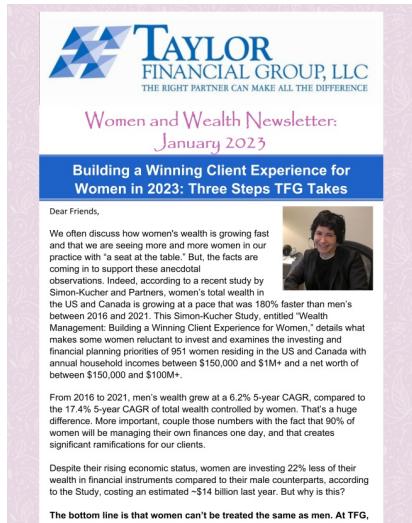
- Explaining changes made to retirement planning, including RMDs, employer contributions, catch-up contributions, and much more.
- Highlighting several new ways of accessing retirement funds without incurring a penalty.
- Introducing entirely new planning points to consider, such as the 529-to-Roth transfer, the new Emergency Savings Account, and the retroactive establishment of solo 401(k) plans.

[View Checklist Here!](#)

In Case You Missed It!

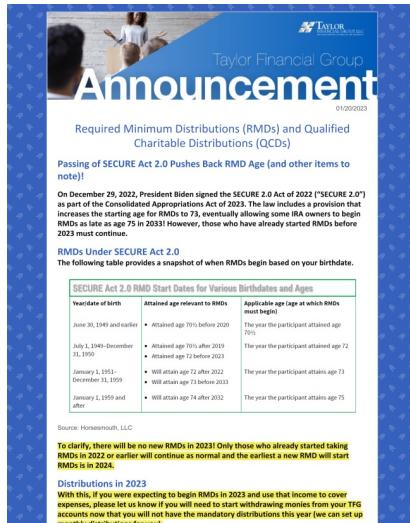
Women and Wealth Newsletter

01.27.2023



Required Minimum Distributions and Qualified Charitable Distributions

01.18.2023



Women's wealth is continuing to grow fast, which is why we created an informative newsletter that is geared specifically toward women. Not only will

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

you find a ton of great information but check out our Women's Event Calendar for upcoming women-only events!

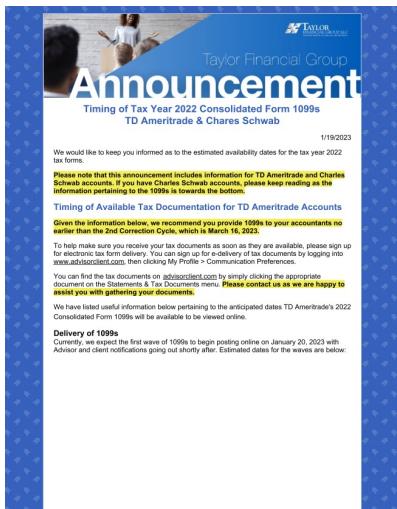
[Click Here](#)

be aware of!

[Click Here](#)

Timing of Tax Year 2022 Consolidated Form 1099s TD Ameritrade & Charles Schwab

01.19.2023



January Monthly Update 01.20.2023



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!

[Click Here](#)

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](#)

Keeping Up With TFG!



Debbie crushing it on the Main Stage at Thrivent Conference in Minneapolis. Talking about taxes and portfolios. Exciting stuff!

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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-agency).

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