



401(k) Plan Participant Monthly Newsletter

March 2022

MONTHLY WEBINAR: MEDICARE & INSURANCE

When our complete focus is on you and your family, we can fulfill our directive to be objective and independent of any carrier relationships.

This way, we are never trying to sell you something - we are simply helping you to mitigate risk through carefully selected products which are uniquely crafted for your particular needs. Life can and will be unpredictable. Are you effectively positioned from a defensive planning perspective to handle all of life's twists and turns? Have you reviewed your current insurance portfolio recently to ensure it matches the changing dynamics of your life? Just as you need to adjust your investment portfolio to account for your ever changing retirement timeline, it is also prudent to do the same with your insurance portfolio.

In addition to the numerous types of insurance available, this webinar will also focus strongly on Medicare and the different types of supplements available and how to choose the best plan to meet your needs. This seminar is hosted by Rodney Smith, one of the wealth management advisors at Onward Financial Network.

CHARITABLE GIVING

Tax deductible donations are monetary contributions or goods to a tax-exempt organization such as a charity. These donations can reduce one's taxable income.

In general you can deduct up to 60% of your adjusted gross income (AGI) via charitable donations (100% if they are cash donations), but you may be limited based on the type of contribution and organization plus you have to itemize. For the 2021 tax year you can deduct up to \$300 in donations per person (meaning a married couple can deduct \$600 if filing jointly) without having to itemize. Itemizing can take more time and may require more expensive tax software or cost more to have your taxes prepared so weigh the costs and benefits ahead of time. Some tips for charitable giving:

- Make sure to donate to a qualifying 501(c)(3) organization
- Research how much of your contribution goes directly to programs and services provided
- Thoroughly document your contributions

Upcoming Seminars

Medicare & Insurance

March 2022

Learn about the different types of insurance available and the advantages to each.

Estate Planning

April 2022

Estate planning is often overlooked by most people when planning for retirement because most people don't know where to begin. Designating who will receive your assets and handle your responsibilities once you are no longer able to is an important decision that should be well-planned and thought out. Join us to take the first step and learn how to get started with planning your estate.

Roth IRA Planning

May 2022

Roth IRAs are a smart savings tool for younger people just starting out because they're likely to face higher income tax rates as they move along in their careers. A Roth IRA can also offer a convenient way to manage taxes as well as tax-free income in retirement to someone further along on their career path. Join us to learn about Roth IRAs and how to start one!

Understanding Risk & Market Volatility

June 2022

Understanding risk can help you invest smarter and panic less during times of higher volatility in the market. Most people have no idea how this volatility can affect their ability to retire. Join us to learn how an understanding of investment risk and asset diversification can help you make smarter and more confident financial decisions.

Roth Versus Pre-tax Contributions

July 2022

Your retirement plan offers Roth, or after-tax, contributions in addition to traditional pre-tax contribution options. But which one should you use? This webinar focuses on the similarities and differences between each option and goes through some of decision-making process that should be used to decide.

SOCIAL SECURITY

Social Security was never intended to be the sole source of retirement income for workers, and that is especially clear in the average retirement benefit paid. So it's definitely worth putting in the time now to make sure you will have enough income saved up to get you through your retirement years. Don't wait until you plan to retire to figure out your retirement plan!

Not all employers offer the benefit of a retirement savings plan to their employees, but yours does, so take advantage of it!

Financial planning is a process, not an event and we are here every step of the way to help you not only achieve your financial goals in preparing for retirement but also to help empower you to make strong and confident financial decisions. All of our services are free of charge and we are available whenever you need us.

Give us a call today to see how social security fits into your financial plan!

2022 TAX FAST FACTS

Federal Income Tax Rates for 2022

| Married Filing Jointly TAXABLE INCOME | TAX RATE |
|--|----------|
| \$0.00+ | 10% |
| \$20,550.00+ | 12% |
| \$83,550.00+ | 22% |
| \$178,150.00+ | 24% |
| \$340,100.00+ | 32% |
| \$431,900.00+ | 35% |
| \$647,850.00+ | 37% |

| Single TAXABLE INCOME | TAX RATE |
|--------------------------|----------|
| \$0.00+ | 10% |
| \$10,275.00+ | 12% |
| \$41,775.00+ | 22% |
| \$89,075.00+ | 24% |
| \$170,050.00+ | 32% |
| \$215,950.00+ | 35% |
| \$539,900.00+ | 37% |

Standard Deduction:

Single - \$12,950

Married Filing Jointly - \$25,900

Estate and Gift Tax Exemptions for 2022

Estate Tax Exempt Amount - \$12.06 million*

Gift Tax Exempt Amount - \$12.06 million

Gift Tax Annual Exclusion Amount - \$16,000*

*Could increase due to inflation adjustment. Source: Internal Revenue Service

This information is for informational purposes only and is not intended as tax advice. Please consult your tax advisor for more detailed information or for advice regarding your personal situation.

MEDICAL EXPENSE TAX DEDUCTIONS

For tax returns filed in 2021, taxpayers can deduct qualified, un-reimbursed medical expenses that are more than 7.5% of their 2020 adjusted gross income (AGI). For example, if your adjusted gross income is \$40,000, anything beyond the first \$3,000 of medical expenses could be deductible meaning if you have \$10,000 in medical bills, you could deduct \$7,000 of them. Note: You can only include medical expenses paid during that year and you cannot include expenses you were reimbursed for (so if insurance paid the bill, it's not deductible).

Filing separately if you're married could get you a bigger medical expense deduction, but you may sacrifice other tax breaks. Review your situation with your tax advisor because sometimes, when all is said and done, it is worth it.

For example, let's say your spouse had \$6,000 in medical bills last year. If you file jointly and your combined AGI is \$100,000 then only an amount over \$7,500 would be deductible. In this scenario, you would not be able to deduct any of the medical bills. But let's say you file separately instead. Your AGI is \$75,000 and your spouse's is \$25,000. Because the medical bills are your spouses he or she could deduct anything over 7.5% of that \$25,000 AGI or \$1,875 which would mean a \$4,125 tax deduction for filing separately.

It is always prudent to talk to your tax advisor to see which tax deductions would benefit you most.

MEET OUR TEAM



Securities offered through Securities America, Inc., member FINRA/SIPC.
Advisory services offered through Securities America Advisors, Inc.
Onward Financial Network and Securities America are separate entities.