

Loose Change[®]

a penny saved is a penny earned

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

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Take an Active Role in Your Finances

When it comes to women and investing, research has turned up a few paradoxes. Although, on average, women earn better investment returns than men while taking less risk, their retirement account balances lag men's by as much as 44 percent.

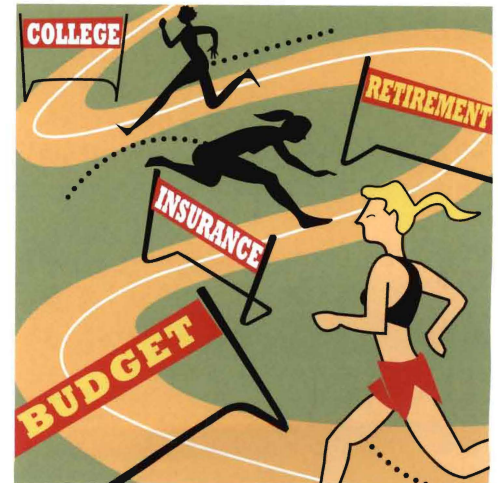
Many Factors

Perhaps the most relevant reason for this is that in 2022, women earned 82 cents for every dollar earned by men, according to the Pew Research Center, making it harder for women to save. And, according to several studies, women also lack confidence in their investing abilities and tend to be less financially literate than men.

But perhaps the most significant factor next to lower pay is that women spend more time out of the workforce due to caring for children and/or elderly parents. Even when women return to work, the time spent away from the job may result in lower pay, interruptions in a career path, fewer promotions, and a decrease in contributions to retirement savings.

Take Control

Whether single or married, it is important for women to be involved with their finances. Becoming a knowledgeable saver and investor should be a priority. Start by defining short-and long-terms goals — things you'll need money for in a few



months, a few years, and many years in the future. Once your goals are defined, use them as a roadmap for making financial decisions.

Plan for Retirement

Contributing to an employer's 401(k) or other tax-qualified retirement plan allows you to accumulate retirement savings while reducing your current tax liability.

If you're married and not working, your employed spouse can make contributions for you to a spousal IRA.

Get Help

Your financial professional can help you create a strategy for achieving all the goals you've identified. If you expect to be away from the workforce in the future, your advisor can help you plan for the absence by investing outside of your retirement plan.

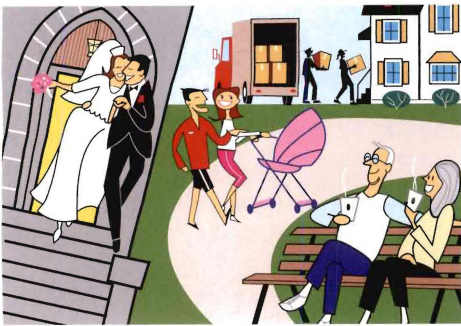
Choosing an accountant to help with tax issues and an attorney for estate planning will round out your team of professionals.

As Your Life Changes, So Do Your Insurance Needs

September has traditionally been designated as life insurance month to remind you to review any changes to your personal circumstances that might affect your life insurance* needs. Here are several events that could trigger a reassessment.

Tying the Knot

Even if you're young and just starting out, you may make financial decisions based on the combined incomes of you and your spouse. If one spouse dies, life insurance can help ensure that the surviving spouse has enough money to maintain his or her current standard of living. Additionally, the cash value that accrues in a permanent life policy could be used in the future to help pay off a mortgage or other debt.



Starting a Family

Life insurance proceeds can pay for clothing, daycare, college expenses, and many other costs of raising a child. Both parents should have coverage. Single parents can also purchase a policy, naming a child as beneficiary and appointing a trustee to oversee the distribution of funds.

Protecting Your Business

If you own a business, you'll want to ensure that the limits of your life insurance policy are sufficient to cover any business debts. Buying adequate coverage will prevent your family from having to liquidate assets to pay your creditors.

Help with Estate Planning

Life insurance proceeds can provide cash to pay medical bills, burial expenses and estate settlement costs.

If you have a large estate, funds can be used to pay any estate taxes that are owed.

Your financial and life insurance professionals can help you select appropriate coverage for your needs and lifestyle.

Remember to keep life insurance beneficiaries current, as this overrides anything mentioned in your will.

**Applications for life insurance are subject to underwriting. No insurance coverage exists unless a policy is issued and the required premium to put it in force is paid. Accessing cash values may result in surrender fees and charges and may require additional premium payments to maintain coverage and will reduce the death benefit and policy values and may have tax consequences. Guarantees are based on the claims-paying ability of the issuer.*

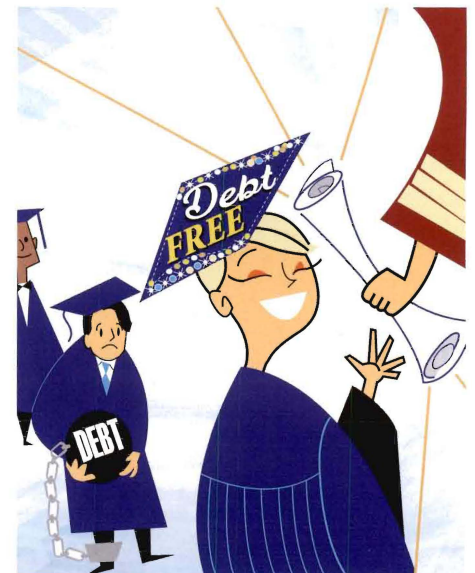
FAFSA Makeover

The FAFSA (Free Application for Federal Student Aid) that students and parents complete to apply for financial aid is becoming shorter and easier to navigate, thanks to the FAFSA Simplification Act. Scheduled to begin with the 2024-25 award year, the revisions to the form are designed to streamline the application process. Here are some highlights.

The Act:

- ❖ Changes the methodology for determining aid. The Expected Family Contribution (EFC) is replaced by the Student Aid Index (SAI);
- ❖ Expands access to Federal Pell Grants and Federal Direct Loans, so more students will qualify;
- ❖ Includes a new interface to directly receive tax information from the IRS;
- ❖ Eliminates the reporting of financial contributions from others (grandparents, etc.);
- ❖ Increases the amount of income excluded from the financial aid eligibility formula;
- ❖ Eliminates the discount for having multiple children in college, effectively reducing financial eligibility for those families.

Additional information is available at studentaid.gov



New Rules for Third-Party Payments

If you work from home or have a side business, you are responsible for paying your fair share of income taxes, so be aware of the new rules.

What It Does

Prior to 2023, if you received payments from payment card transactions (including credit cards, debit cards or stored-value/gift cards) and/or in settlement of third-party payment network transactions (e.g., PayPal, Venmo, Zelle), the threshold for receiving a 1099-K was gross payments exceeding \$20,000 and more than 200 transactions.

What's Changed?

Starting in 2023, the dollar threshold for reporting transactions from third-party payment networks dropped to \$600, with no transaction threshold. Each payment settlement entity from which you received income will send you a 1099-K for any transaction in which a payment card — or an account number associated with a payment card — is accepted as payment, or for any transaction settled through a third-party payment network, once the total exceeds the \$600 threshold.

Help with Your Tax Return

A 1099-K can help you calculate the amount of business income you received during the year. It's important to keep accurate records of all payments received, including cash and checks, so that you don't underreport income or overpay taxes.

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Planning for Retirement? Keep Taxes in Mind

As you contemplate life after work, think about how the money you've invested for retirement will be taxed. Your tax advisor and financial professional can help.

401(k), 403(b) Plan/Traditional IRA

Contributions and earnings are tax deferred until withdrawal. Starting in 2023, required minimum distributions (RMDs) start at age 73. For 401(k) and 403(b) plans, RMDs can be delayed if you're still working and don't own more than five percent of the company. For traditional IRAs, RMDs must start at age 73, even if you're still working. Withdrawals are taxed at your regular income tax rate. Withdrawals before age 59½ generally incur a 10% penalty.

Roth IRA and Roth 401(k)

Contributions are made with after-tax dollars, but withdrawals of earnings are tax free. Account owners can make penalty free withdrawals of earnings after age 59½ once the account has been open for at least five years.

Pensions

Withdrawals are taxable at ordinary income tax rates, assuming no after-tax contributions were made.

Social Security

Benefits aren't taxed if provisional income is less than \$25,000 for single filers and \$32,000 for married joint filers.

With income between \$25,000 - \$34,000 single and \$32,000 - \$44,000 joint, up to 50% of benefits may be taxed. If provisional income exceeds \$34,000 single and \$44,000 joint, up to 85% of benefits may be taxed. Provisional income equals your income and any tax-exempt interest, plus 50% of your Social Security benefit.

Annuities

If annuities are purchased with pretax dollars, such as in a qualified retirement account, payments are taxable as ordinary income.

Stocks, Bonds, Mutual Funds

Proceeds from the sale of investments held longer than one year are taxed at long-term capital gains. Gains on investments held less than one year are taxed at ordinary income tax rates.

Municipal Bonds

Interest is exempt from federal, and sometimes state, tax. Capital gains rates apply to the sale of municipal and corporate bonds.

Dividends

Qualified dividends are taxed at capital gains rates. Nonqualified dividends are taxed at ordinary income tax rates.



Claiming the Lifetime Learning Credit

Higher education costs have skyrocketed over the years, so who wouldn't appreciate a little help paying for them? The Lifetime Learning Credit is a nonrefundable tax credit that can offset the cost of tuition and related expenses at eligible institutions.

Who Can Claim the Credit?

The credit can be claimed for you, your spouse or any other eligible dependent listed on your tax return. The person must have qualified education expenses at an eligible institution and be taking undergraduate, graduate or professional degree courses or courses to obtain or improve job skills. You or your dependent must be enrolled for at least one academic period that begins in the tax year for which you're claiming the credit.

You don't have to be pursuing a degree. The credit is also available for postsecondary continuing education and professional development certificate programs.

Eligible Institutions and Expenses

Eligible institutions include public and private colleges and universities, vocational schools, and other postsecondary institutions. The credit can be claimed for tuition and fees and required expenses, such as equipment and supplies. The credit cannot be used for living expenses, including room and board,

insurance, medical costs, transportation, or special services. Generally, it also cannot be used to purchase books from a school bookstore.

What Is It Worth?

The Lifetime Learning Credit is worth 20% of the first \$10,000 of qualified expenses, for a maximum of \$2,000. The credit is per tax return, not per person. Income limits apply. You must file a federal tax return and attach *Form 8863 Education Credits*. Keep in mind that if you use 529 funds or are reimbursed for educational expenses by an employer, you can't claim the credit for the same expenses. Consult your tax advisor regarding your situation.



A Checklist for Loved Ones

The death of someone close to you brings with it many important tasks that must be completed, despite your grief and confusion. The following checklist can help you prioritize.

- Locate the will and other estate planning documents.
- Request several copies of the death certificate from the funeral home director. They'll be required as proof of death in a variety of situations.
- Notify financial institutions, creditors, Social Security Administration, and the three credit bureaus.
- If appropriate, contact pension plans or annuity providers to find out if a spouse is entitled to benefits. If the deceased was a veteran, also contact the Department of Veterans Affairs.
- Re-title assets, such as property and joint accounts.
- File claim(s) for life insurance proceeds. The National Association of Insurance Companies maintains a database to help with locating a policy.
- Remove social media accounts if you have access.
- If you're the spouse, update your own estate planning documents, including beneficiaries on retirement accounts and life insurance policies.
- Set up a meeting with your financial professional, attorney and tax advisor.

The Cost of College

Institutional financial aid offices have constructed an average student budget for full-time undergraduate students for the 2022-23 school year. The budget items include tuition/fees, room and board, books/supplies, transportation, and miscellaneous expenses. Amounts are before any financial aid is awarded.

Public 2-year in-district commuter	\$19,230
Public 4-year in-state on campus	\$27,940
Public 4-year out-of-state on campus	\$45,240
Private nonprofit 4-year on campus	\$57,570

Source: College Board 2023, Trends in College Pricing 2022