December 2024

To All Financial Journey Partners' Clients,

Reflecting back on 2024, it seems we had an exceptionally busy and eventful year with major news stories popping up nearly every day. For the last six months, the United States' presidential election has dominated the news. Now that the election is over, many Americans are looking to next year and wondering what it will bring. This year, both technology and artificial intelligence (AI) have been big stories in the financial media. Meanwhile, the stock market has performed stronger than many analysts expected at the start of the year. We continue to keep a close eye on it all, helping our clients navigate successfully through these rapidly changing and exciting times.

Looking ahead to 2025, we think the rate of change and breaking news stories will likely continue at a rapid pace. Maybe this is the new normal. We remain optimistic with so many positive things happening around us. Living in Silicon Valley, we can see the positive impact of artificial intelligence making our lives better on a daily basis. We have found uses for AI in places we never expected. We are indeed living in very exciting times.

We hope you make plans in 2025 to help you reach your goals. We are here to help you make smart decisions and align your money with your goals so you can **Enjoy the Journey!**

INSIGHTS
Scott Manley
ChFC®
Elaine Manley
CFP® Professional
Linda Tjiputra
CFP® Professional
Partners in Your Financial Journey®

View Newsletter in Your Browser Here

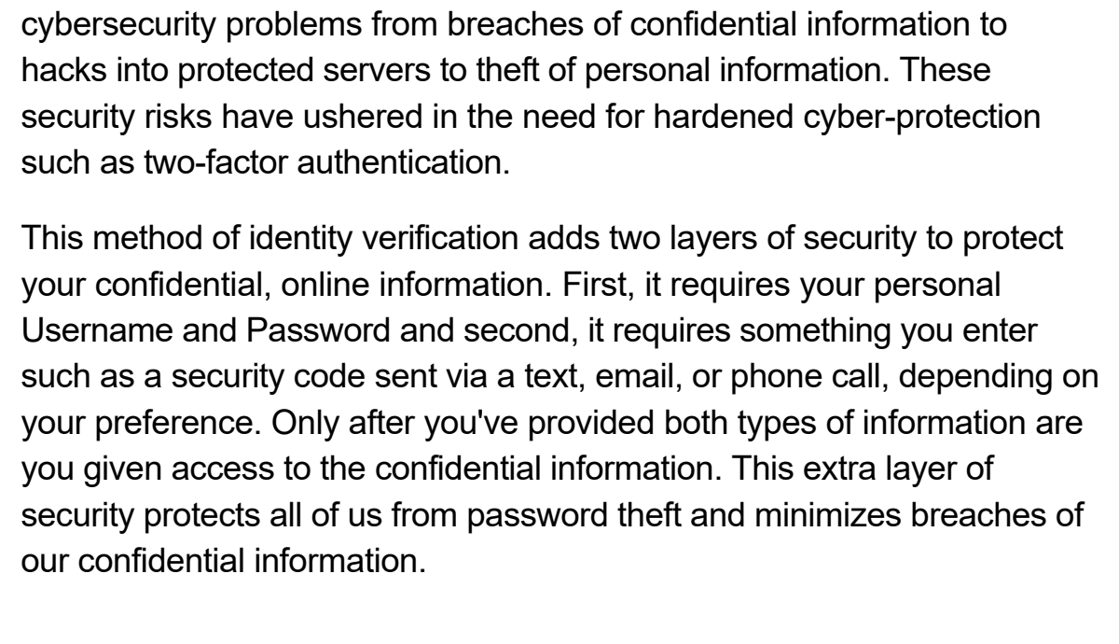
Topics in this edition of *Insights* include:

- Two-Factor Authentication to Access Financial Information
- The Difference Between Tax Preparation and Tax Planning
- Retirement Contribution Limits for 2025
- Five Things to Do Before Year End
- Give the Gift of Wisdom for the Holidays
- Annual Client Survey – Your Feedback is Important to Us!
- Next Event – State of the Economy on January 30, 2025, at Noon Pacific
- FJP Event Schedule for 2025
- Enjoy the Journey – Happy Holidays!

Two-Factor Authentication to Access Financial Information

The internet has brought many conveniences, including the ability to see and interact with our financial information in near real-time. The downside of all of this convenience is exposure to online security risks. As our affairs continue to move online, we have all heard about the increase in cybersecurity problems from breaches of confidential information to hacks into protected servers to theft of personal information. These security risks have ushered in the need for hardened cyber-protection such as two-factor authentication.

This method of identity verification adds two layers of security to protect your confidential, online information. First, it requires your personal Username and Password and second, it requires something you enter such as a security code sent via a text, email, or phone call, depending on your preference. Only after you've provided both types of information are you given access to the confidential information. This extra layer of security protects all of us from password theft and minimizes breaches of our confidential information.


Two-Factor Authentication
VERIFICATION CODE
215075
Password + Verification Code
= More Secure than Just a Password
FINANCIAL JOURNEY PARTNERS

As our clients, there are two different web properties from which you can access your financial information:

FJP Client Portal

The FJP Client Portal is accessible via FinancialJourney.com. We strongly recommend you enable two-factor authentication and update to a "High Security" setting, using these steps:

- Once on the FJP home page, look for the green button on the upper right hand side of the page and select "Client Portal," then select "Client Portal Login Here"
- Enter your Username and Password as usual
- Choose "Settings" on the upper right of your screen
- Choose the "Security" tab on the left of the screen on the Settings page
- Choose the "High Security" option by clicking on the bullet next to it
- Notice the "Two Factor" section, which contains fields for Primary and Recovery Phone numbers. These cannot be the same however the recovery can be left blank. Update the phone numbers if needed and then click on the "Save" button to confirm

Next time you log in you will be prompted to have a verification code sent to your Primary Phone number. You can also use "More Options" to send a text message to your Recovery Phone instead. Changes take effect when you sign-out and log back in.

Remember that your accounts are not accessible via your FJP Client Portal, but your financial profile should be kept secure so your personal financial information is not accessible by others who could take advantage.

Fidelity.com

Alternatively, you can also access your accounts by going to Fidelity.com. If you use this website, we strongly recommend that you enable two-factor authentication for login. This website houses a large amount of your confidential personal and financial information and protecting the information with two-factor authentication minimizes your risk of identity theft, account breach and asset theft, just to mention a few possibilities. If you have not turned on two-factor authentication, you can do so after logging into the Fidelity website with the following steps:

- At the top menu, select "Profile"
- Scroll down to the Security box and select "Security Center"
- Make sure that the toggle for "Multi-factor authentication at login" is on

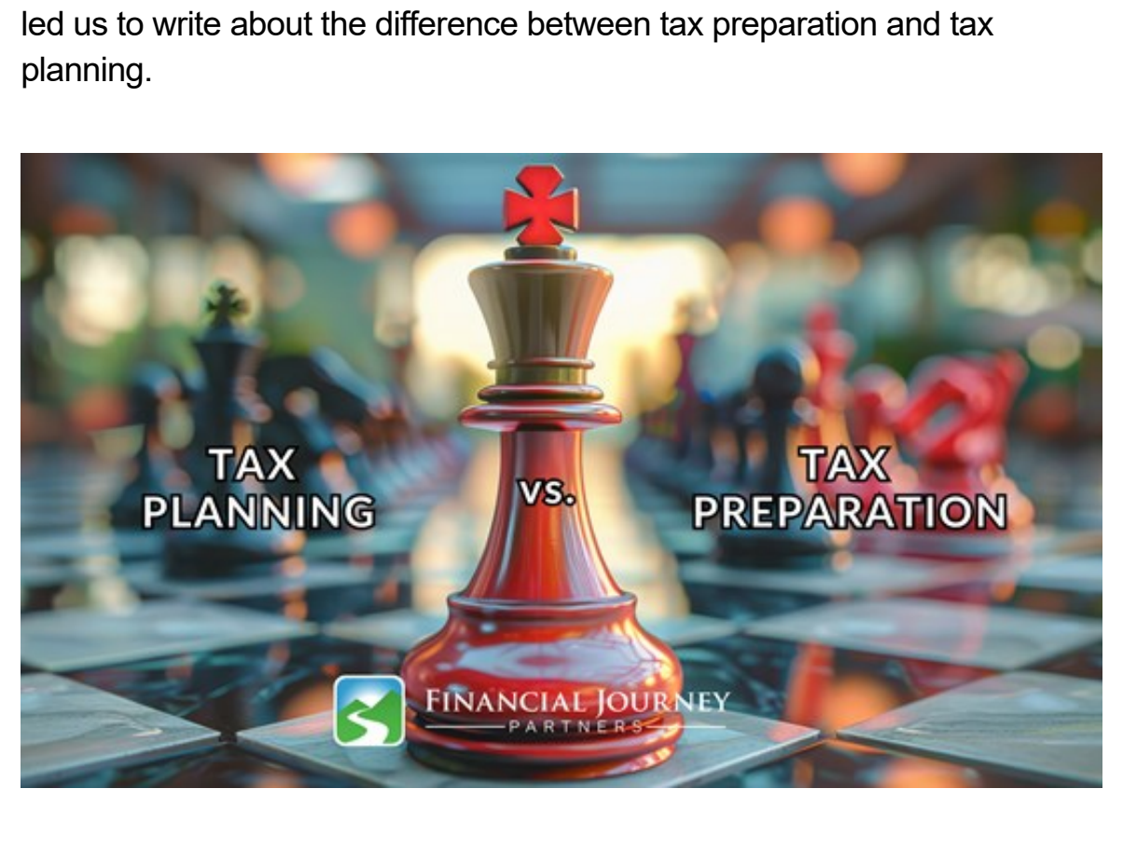
Next time you log into Fidelity.com you will be prompted to have a temporary verification code sent to the number you select based on the phone numbers they have on record for you. Choose the best number and request a text message or you can also opt to be called instead.

If you have questions about how to do this for your accounts, contact Jennifer or your Wealth Manager for assistance.

DOWNLOAD INSTRUCTIONS WITH SCREEN SHOTS

The Difference Between Tax Preparation and Tax Planning

In the United States and most other developed countries, those who earn income are required to pay taxes. At the same time, many want to explore ways to reduce the amount of taxes they are legally required to pay, which led us to write about the difference between tax preparation and tax planning.



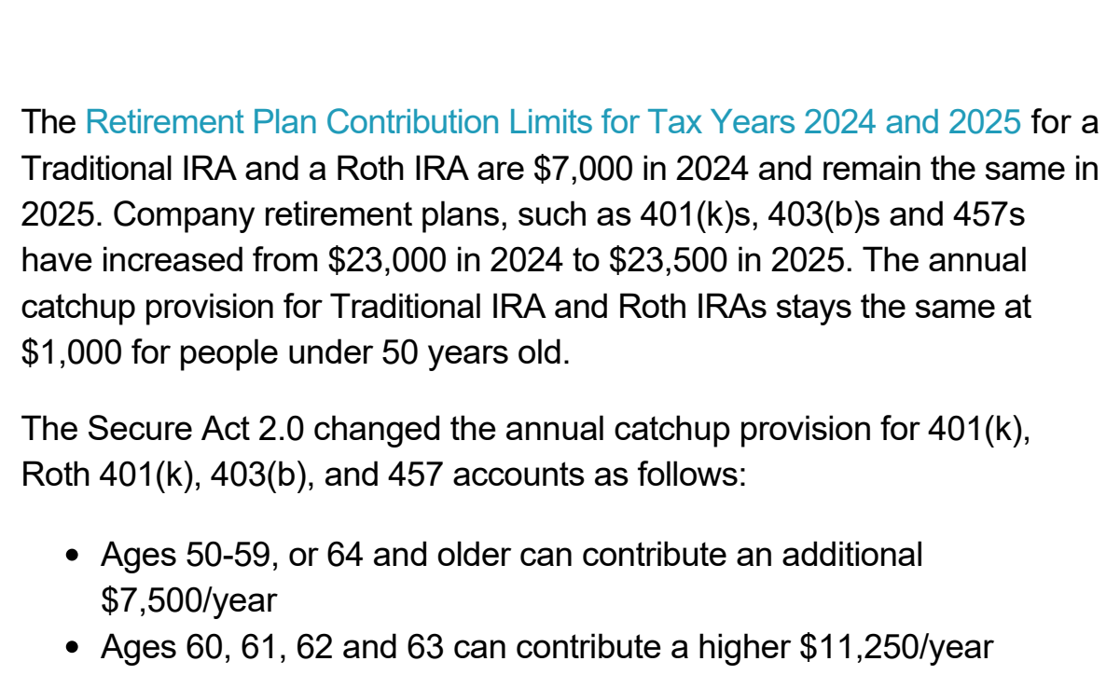
While it might seem that tax preparation and tax planning are similar or even the same, there are some very important differences between the two. A simple way to remember the differences is that tax preparation generally looks backward at events that have already happened, while tax planning looks forward at different scenarios that could reduce future tax liabilities.

In our recent blog, we discuss the difference between tax preparation and tax planning and how you can approach your taxes if you want to reduce them in either the short or long term.

READ BLOG

Retirement Plan Contribution Limits for 2025

During the working phase of life, it is important to save for retirement using the type of retirement accounts that are best for your situation. Remember there are different rules for qualifying to use retirement accounts through your employer versus individual retirement accounts that you can use outside of work.



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RETIREMENT PLAN CONTRIBUTION CHART — Tax Years 2024 and 2025

Plan Type	Maximum Plan Participant Contribution Percentage and Dollar Limit		Maximum Plan Participant Age 50 or older Catch-up Provision		Maximum EMPLOYER Contribution Deduction Percentage and Dollar Limit without Catch-up		Total Annual Maximum Dollar (Partipant & Employer) Contribution		Total Annual Maximum Contributions (Participant & Employer) for 50 or older Catch-up Provision	
	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025
IRA	100% or $7,000	100% or $7,000	$1,000	$1,000	N/A	N/A	$7,000	$7,000	$8,000	$8,000
Roth IRA	100% or $7,000	100% or $7,000	$1,000	$1,000	N/A	N/A	$7,000	$7,000	$8,000	$8,000
401(k)*	100% or $23,000	100% or $23,500	$7,500	$7,500	25% or $69,000	25% or $70,000	$69,000	$70,000	$76,500	$77,500
403(b)	$23,000	$23,500	$7,500	$7,500	25% or $69,000	25% or $70,000	$69,000	$70,000	$76,500	$77,500
457	$23,000	$23,500	$7,500	$7,500	25% or $69,000	25% or $70,000	$69,000	$70,000	$76,500	$77,500
SEP					25% or $69,000	25% or $70,000	$69,000	$70,000		

* The Secure Act 2.0 changed the annual catchup provision for 401(k), Roth 401(k), 403(b), 457 accounts as follows:
- Ages 50-59 and 64 and older can contribute an additional $7,500.
- Ages 60, 61, 62 and 63 can contribute a higher $11,250.

This information does not constitute tax or legal advice. Contact your tax or legal advisor for more information about your particular situation.

* Deductible IRA Income Limit (Modified Adjusted Gross Income):
Single: Full deductions from $77,000 in 2024 will increase to $79,000 in 2025; then completely phase out when your income goes above $87,000 in 2024 and $89,000 in 2025
Married filing jointly: from $123,000 in 2024 will increase to $126,000 in 2025; then completely phase out when your income goes above $143,000 in 2024 and $146,000 in 2025
If you are not covered in a workplace retirement, but your spouse is, the income limit to take the full deduction for your contribution to a traditional IRA:
Married filing jointly: from $230,000 in 2024 will increase to $236,000 in 2025; then completely phase out when your income goes above $240,000 in 2024 and $246,000 in 2025

** Roth IRA Income Limit:
Single: From $146,000 in 2024 will increase to $150,000 in 2025; then you can't contribute anything directly to a ROTH IRA when your income goes above $161,000 in 2024 and $165,000 in 2025
Married filing jointly: From $230,000 in 2024 will increase to $236,000 in 2025; then you can't contribute anything directly to a ROTH IRA when your income goes above $240,000 in 2024 and $246,000 in 2025

*** HSA Contribution Limit:
Single: From $4,150 in 2024 will increase to $4,300 in 2025
Family: From $8,350 in 2024 will increase to $8,550 in 2025
For 55 and older: Catch-Up Contribution: additional $1,000

Resource: https://www.leadingretirement.com/blog/irs-contribution-maximums-2025

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financialjourney.com | 408.963.2858

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The Retirement Plan Contribution Limits for Tax Years 2024 and 2025 for a Traditional IRA and a Roth IRA are $7,000 in 2024 and remain the same in 2025. Company retirement plans, such as 401(k)s, 403(b)s and 457s have increased from $23,000 in 2024 to $23,500 in 2025. The annual catchup provision for Traditional IRA and Roth IRAs stays the same at $1,000 for people under 50 years old.

The Secure Act 2.0 changed the annual catchup provision for 401(k), Roth 401(k), 403(b), and 457 accounts as follows:

- Ages 50-59, or 64 and older can contribute an additional $7,500/year
- Ages 60, 61, 62 and 63 can contribute a higher $11,250/year

Contribution Limits for 2025

- Traditional and Roth IRA Contribution Limit - $7,000/year (people under 50 years old)
- Traditional and Roth IRA Contribution Limit - $8,000/year (people 50 and older)
- 401(k) Contribution Limit - $23,500/year (people under 50 years old)
- 401(k) Contribution Limit - $31,000/year (people 50-59 and 64 and older) with the catch-up limit of $7,500
- 401(k) Contribution Limit - $34,750/year (people ages 60, 61, 62 and 63) have their own catch-up limit of $11,250
- Annual income limits to be eligible to contribute pretax to a Traditional IRA and to a Roth IRA have also increased

Many 401(k) plans have the option to make contributions pretax or post-tax. If you have questions on which is best for you, contact your Wealth Manager to discuss this further.

GET RETIREMENT LIMITATIONS CHART

Five Things to Do Before Year End

It's the holiday season and not many of us are thinking about taxes or other financial housekeeping topics. Because it's also the end of the year, there are some things to consider doing now that can help when tax season comes around.

Five Things to Do Before Year End
2024
2025
FINANCIAL JOURNEY PARTNERS

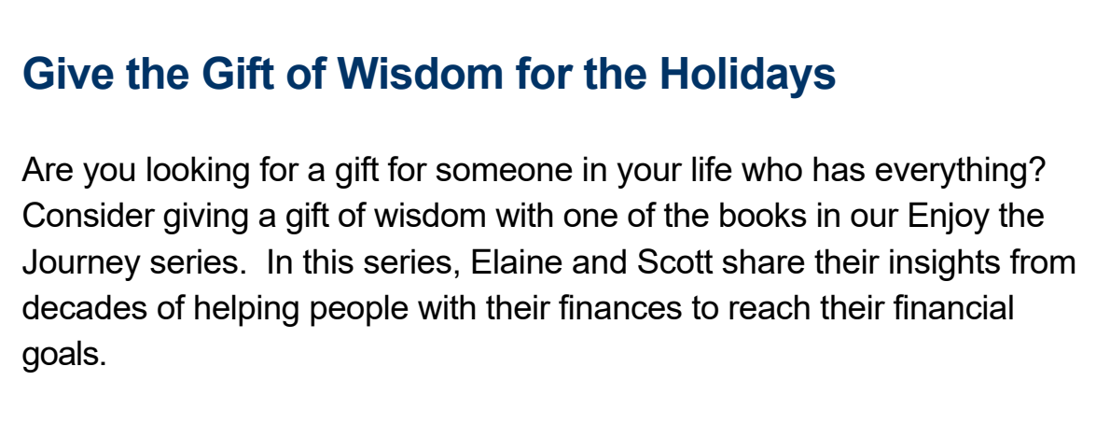
Below is a short list of ideas:

- If you have unrealized investment losses in taxable accounts, you may want to realize losses to offset any gains and/or write off up to $3,000 against ordinary income
- Do you expect to receive any significant windfalls that could impact your tax liability (i.e. inheritance, RSUs vesting, stock options, bonus, etc.? If so, review your tax withholdings to determine if estimated payments may be required
- Do you expect your income to increase in the future? If so, consider Roth IRA and Roth 401(k) contributions and Roth conversions
- Did you meet your health insurance plan's annual deductible? If so, consider incurring any additional medical expenses before the end of the year, after which point your annual deductible will reset
- Are there still gifts to be given this year? If so, give up to $18,000 per year, per person without paying any gift tax

These are a few steps that can be taken now to limit your tax liabilities. If you would like to learn more, or to take action, please contact your Wealth Manager.

Give the Gift of Wisdom for the Holidays

Are you looking for a gift for someone in your life who has everything? Consider giving a gift of wisdom with one of the books in our Enjoy the Journey series. In this series, Elaine and Scott share their insights from decades of helping people with their finances to reach their financial goals.


Enjoy the Journey
Successful Retirement Strategies and Stories
Enjoy the Journey
A Woman's Guide to Retirement
The Perfect Holiday Gifts
Identify your goals & priorities
Take care of your family and loved ones
Support your favorite charities
Learn from actual investors' experiences
Gain confidence in your retirement plan
Live your best life and Enjoy the Journey along the way!
FINANCIAL JOURNEY PARTNERS

Enjoy the Journey – Successful Retirement Strategies and Stories acts as a personal guide to financial freedom. Packed with easy-to-follow advice, the book will help you:

- Prioritize what really matters to you
- Map out a financial plan that fits your goals and lifestyle
- Strike a balance between enjoying life today and planning for tomorrow

Enjoy the Journey – A Woman's Guide to Retirement is written with women in mind. It offers relatable advice and real stories from women who've successfully built and secured their wealth. Inside, you'll find practical tips to:

- Overcome the unique financial challenges women face
- Navigate major life transitions with confidence
- Align your financial plan with what matters most to you

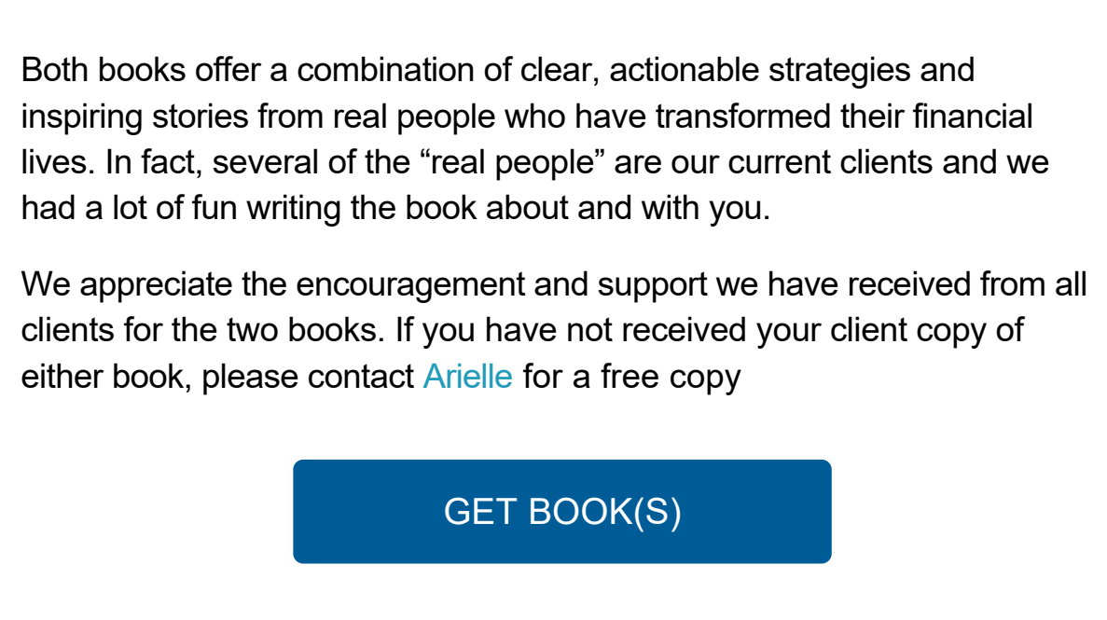
Both books offer a combination of clear, actionable strategies and inspiring stories from real people who have transformed their financial lives. In fact, several of the "real people" are our current clients and we had a lot of fun writing the book about and with you.

We appreciate the encouragement and support we have received from all clients for the two books. If you have not received your client copy of either book, please contact Arielle for a free copy.

GET BOOK(S)

Annual Client Survey - Your Feedback is Important to Us!

We recently emailed our annual client survey to all our clients. We use your feedback and suggestions from the survey to make plans to best serve all our clients in 2025 and to schedule events for the topics that matter most to you.


FINANCIAL JOURNEY PARTNERS
ANNUAL CLIENT SURVEY!
We want to hear what you think!

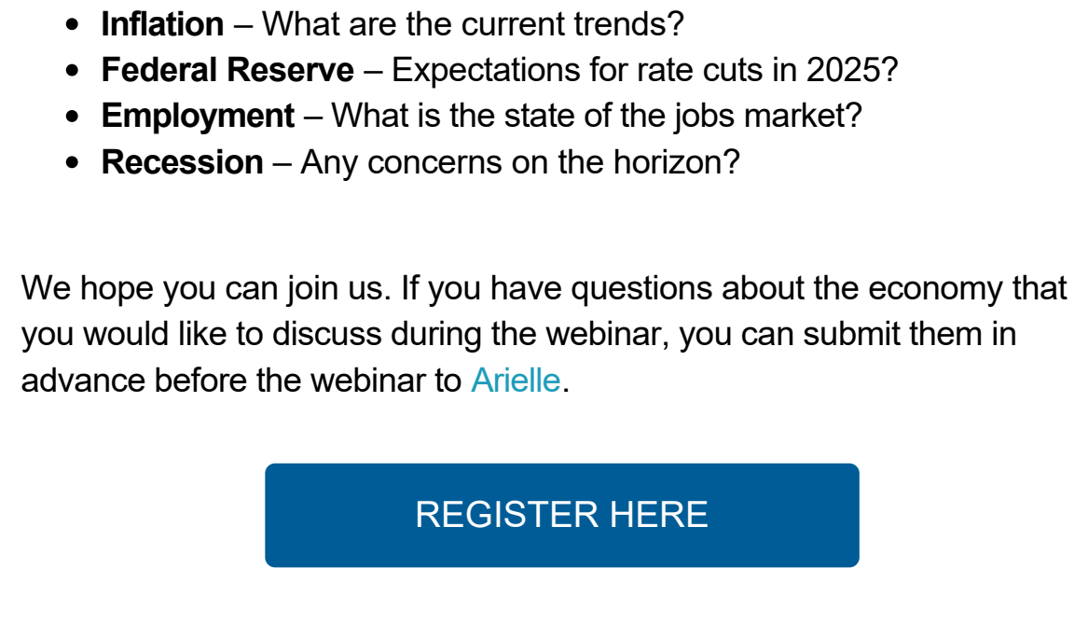
If you have already completed the survey, thank you very much. If you have not, we would really appreciate it if you could look for it in your email inbox and complete it when you have a moment. You can also find it at: www.financialjourney.com/annual-survey

Thank you for your feedback so we can continually improve and deliver the services that are important to you.

TAKE THE SURVEY

Next Event - State of the Economy on January 30, 2025 at Noon Pacific

As a new administration takes over the reins of government in 2025, we believe there could be significant changes with potentially wide-reaching impacts. Start 2025 with a webinar to get an update on the economy, from the largest asset manager on the planet, BlackRock.


FINANCIAL JOURNEY PARTNERS
STATE OF THE ECONOMY WEBINAR
THURSDAY, JANUARY 30, 2025 • NOON – PACIFIC

Our special guest from BlackRock is Mark Peterson, Director of Market & Portfolio Insights. Join Elaine, Scott and Linda as they discuss with Mark important topics about the economy that will include:

- **New Administration** – Possible impact?
- **Inflation** – What are the current trends?
- **Federal Reserve** – Expectations for rate cuts in 2025?
- **Employment** – What is the state of the jobs market?
- **Recession** – Any concerns on the horizon?

We hope you can join us. If you have questions about the economy that you would like to discuss during the webinar, you can submit them in advance before the webinar to Arielle.

REGISTER HERE

EVENTS
from FINANCIAL JOURNEY PARTNERS
Partners in Your Financial Journey
Scott Manley
Elaine Manley
Linda Tjiputra

FJP Event Schedule for 2025

We are very excited for our schedule of fantastic events for 2025! We have a wide range of events planned, so we hope you can join us!

FJP Events for 2025 – Save the dates and RSVP today!

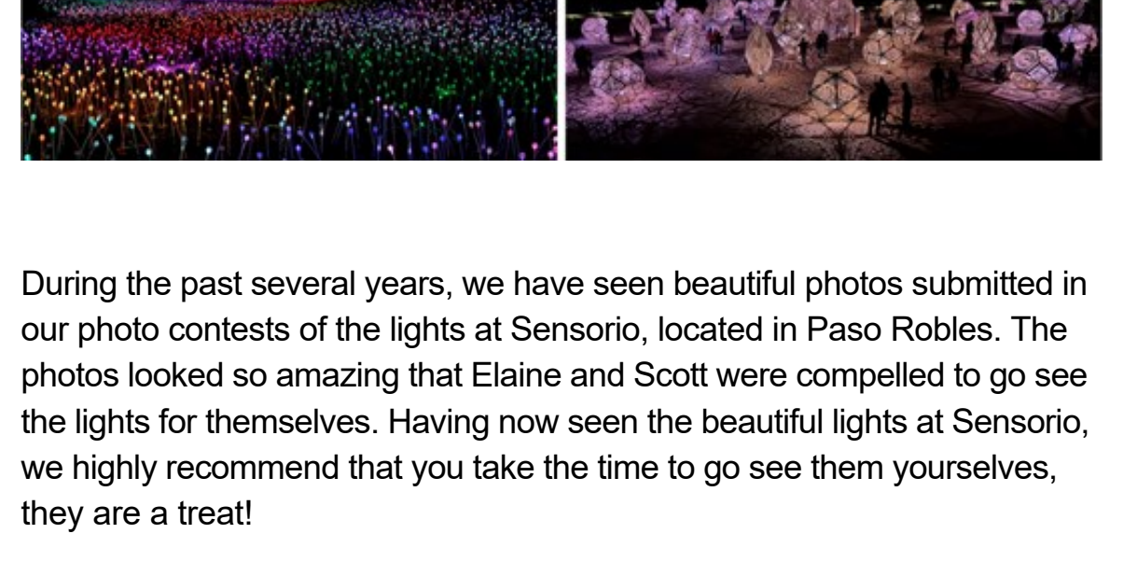
- **January 30, Noon - 1 pm** – State of the Economy Webinar, guest speaker Mark Peterson, Director of the Market & Portfolio Insights Team at BlackRock REGISTER HERE
- **February 11, 11:30 am – 2:30 pm** – 2nd Annual FJP Women's Event, at the Metro Plaza Conference Center. Contact Arielle to RSVP
- **March 20, Noon – 1 pm** – Estate Strategies – Beyond the Basics, guest speaker attorney E.J. Hong
- **May 7, 5-6 pm** – Age Proof Your Brain: Adding Decades, guest speaker Dr Mark Milstein, back with an updated presentation
- **Memorial Day to Labor Day** – FJP Photo Contest (we hope everyone submits photos this year!)
- **June 30 to July 12** – The Ultimate Alaska Adventure Group Cruise for clients and their families
- **August 6, 5-6pm** – Mid-Year Economic Update Webinar, speaker Scott Manley
- **September to December** – 49er Football Games & Tailgates
- **October 9, 3-6 pm** – Client Appreciation Party (in person party) at the San Pedro Social Club in San Jose

**** NOTE: All times are in Pacific Time***

Please download the 2025 Events Schedule here. We look forward to seeing you at our events next year!

Enjoying the Journey – Happy Holidays!

We here at FJP love this time of year. All the beautiful holiday decorations and lights make the world seem magical and full of possibilities. Elaine and Scott got in the holiday spirit with a quick trip to Disneyland to see all their beautiful decorations and look forward to watching holiday movies because they all have a happy ending.


Enjoying the Journey - The Field of Light at Sensorio, Paso Robles, CA

During the past several years, we have seen beautiful photos submitted in our photo contests of the lights at Sensorio, located in Paso Robles. The photos looked so amazing that Elaine and Scott were compelled to go see the lights for themselves. Having now seen the beautiful lights at Sensorio, we highly recommend that you take the time to go see them yourselves, they are a treat!

2025 promises to be eventful! We hope you enjoy your FJP Calendar! Each month when we look at the picture on the calendar, it makes us smile knowing that one of our clients took this picture! Most of all, we hope you can spend special time with family and friends over the holidays and as always, we encourage you to Enjoy the Journey!

Thank you for enjoying the journey with us! If there is anything we can do to help you, please give us a call.

Elaine, Scott and Linda

We want to help you make smart decisions and align your money with your goals so you can enjoy the journey.

Partners in Your Financial Journey®

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