



Guiding you on the road to retirement...



# THE HFG NEWSLETTER

FIRST QUARTER 2020

## WHAT'S GOING ON? / GETTING BETTER ALL THE TIME

I was recently listening to Conan O'Brien's podcast. He discussed the fact that even though he grew up in the '70s, he was always drawn to movies and comedies from previous generations. I totally understood what he was talking about. I grew up in the '70s and '80s, driving around in my family's station wagon, listening to music from the '50s and '60s on the oldies station. I listened to my share of Motown and the Beatles (who I still love and obsess about to this day).

(By the way, as an aside, my friend Rose recently went to New York with her son and daughter-in-law and saw the Broadway show, *Ain't Too Proud-The Life and Times of the Temptations*, and she loved it. Therefore, any Motown fans, you may want to put that on your bucket list).

What is the relevance of all this to you and Harford Financial Group? As I was sitting down to write and thinking of this article's theme, two songs kept playing in my head (don't you find that life is sometimes best described by using a pop culture references? It could be a song, a movie quote, or a sports analogy (my personal favorite)). The two songs that came to me in this particular instance were Marvin Gaye's *What's Going On?* and the Beatles' *Getting Better*. I love both of those songs.

As we have communicated, Harford Financial Group is focused on our six key values:

- Relationships
- Purpose
- Service
- Value
- Teamwork
- Professionalism

Our mission is to continuously serve and provide meaningful value to you, our clients, so you can indeed live your best life. As we strive to do this, we are constantly learning, observing, and researching. As a result, we work with several organizations, both inside and outside our industry, that help us further expand on our expertise in providing value. One such group is referred to as a "mastermind" group. Mastermind is a concept that was introduced by Napoleon Hill in his book *Think and Grow Rich*. Essentially, a mastermind is inspired and learns from a collective group of like-minded individuals. Within our mastermind, one of the leaders recommends providing more transparency on his business operations with his clients. The goal is to create win-win relationships. In understanding the behind the scenes operations of a business, a client can further understand the ins and outs of the products and services being provided to them.

Therefore, we would like to share the following with you:

1. We at Harford Financial Group are extremely proud to have successfully served folks from Harford County and beyond for over forty years. We are licensed to work with people in over thirty different states which has aided us in assisting clients, and their loved ones, who reside outside of Maryland. Using a variety of communication techniques such as mail, computers, the cloud, and advanced methods allows us to provide top-level service. In 2018, I read Ronald Chernow's biography on Ulysses S. Grant and learned

he was the first Union General to utilize strategic thinking to beat the Confederacy. It's then that I realized we needed to make strategic planning a core competency at Harford Financial Group.

2. I also realized that we had to make marketing/communication and human resources core competencies at HFG. I felt that our firm was doing a lot of good things behind the scenes and we had to improve how we communicated these areas to you. That is why we started this newsletter, enhanced our website, and increased utilization of social media. We know the world is changing and people communicate in a variety of different ways.

3. We have made Human Resources a priority after being exposed to great managers such as Danny Meyer of Union Square Café, founder of Shake Shack, and former CEO of Southwest Airlines. In those organizations, leadership focused on making the team members their number one priority. They know that committed team members, who are treated well and believe in top-level customer service, treat customers with that same level of respect as their employer treats them with. We all know institutions where the employees are not treated well and the customers are the ones to suffer.

4. I have learned that top businesses have multiple stakeholders such as shareholders, employees, customers, community, and the environment. According to the rules of finance, there is a traditional emphasis on making the shareholders happy which is driven by profit. The best-run businesses focus on being strong corporate stewards

(GETTING BETTER continued on page 2)



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who also take into account the needs of the employees, customers, community, and the environment. In the investment world, there is a focus on companies that are solely dedicated to ESG investments (Environment, Sustainability, and Governance). We are excited to emphasize these areas as well. One of our largest drivers is to be able to give back to our local community. Non-profits such as Harford Family House, Humane Society, Boys and Girls Club, Harford County Education Association, Welcome One Shelter, are just a few of the many causes that are important to our clients, to us as a firm, and to the community.

5. In September, I attended a national conference where I heard from Mark Zinder. He said that the best financial advisors focus on educating their clients. I felt that this aligned with our values since we predominantly serve teachers, administrators, and other folks in the education system. As you may have noticed, education is a key component in our meetings as well as in our various seminars. We believe you do not need to be an expert in these areas but it helps to have a working knowledge.

6. Our business has moved towards "life-centered financial planning" or "return on life planning". We have learned that money in and of itself is never a single goal for the majority of people. Money is just a tool to do things that are important to us. HFG uses their technical skills to help our clients achieve their long-term goals and align their financial decisions to focus on what is truly important to them

As you can see, we have a lot going on. We are excited by that and are excited to share more with you. You are our true partner and we are so grateful for the long-term relationships we have developed with many of you over the years. We at HFG want to build on these relationships and enhance them. For the folks whom we have just met, we desire the same thing. In life, you have to have meaning, purpose, mission, and vision to optimize life. We want to be great so that you can do all the great things in your life.



*Adam Freeland*

Adam Freeland  
President

## "OH, WHAT A RELIEF IT IS!" THE TAX S.E.C.U.R.E. ACT OF 2019 BY PAUL SMETON

Back in December 2019 Congress passed new legislation dealing with a variety of new tax laws (Setting Every Community Up for Retirement Enhancement) that affect many retirees or soon to be retirees. Below are just a few of the changes that were enacted.

The Secure Act changes the age of initiation for required minimum distributions (RMD's) from age 70 ½ to age 72. This is a huge benefit and simply a result of people living much longer. This also allows individuals to have their IRAs grow for a longer period of time which should enhance the IRA's value. This new legislation applies to those people that are turning age 70 ½ after December 31, 2019 - or basically turning age 70 ½ in calendar year 2020 and beyond. You must begin taking withdrawals from your IRA in the year that you turn age 72. Of course, this new law does not prevent you from taking withdrawals from your IRA before you turn age 72. But 72 is the latest.

For parents dealing with an adoption or a new birth, you can now withdraw up to \$5000 in aggregate from qualified retirement plans (401k, 403b or 457) and IRAs for birth and adoption expenses. Regular income taxes will still apply but a 10% early withdrawal penalty is waived.

When borrowing against an employer's qualified retirement plan (401(k), 403B or 457), loan amounts have been raised from \$50,000 to \$100,000. Repayments may be delayed for up to one year.

For non-spousal beneficiaries (sons, daughters, etc.) of an IRA, the account balance can no longer be "stretched out" or paid-out over the beneficiary's remaining life expectancy. The "beneficiary" IRA must now be fully paid-out within 10 years.

Up to \$10,000 can be withdrawn from a 529 plan to pay student loan debt.

Unrelated small businesses of 100 employees or less can now form "MEP's" or Multiple Employer Plans. Part-time employees that have worked at least 500 hours per year over the last three consecutive years or working at least 1000 hours in a single calendar year are now eligible to participate in qualified employer sponsored plans. Small business owners can now receive up to a \$5000 tax credit per year for 3 years for a "start-up" business retirement plan.

In all of these matters, please seek competent advice from your accountant or tax preparer.

## MEDICARE CORNER

Are you currently on your spouse's Medicare supplement as part of their former employer's retirement package? If so, did you know if your spouse predeceases you, you would be responsible for the majority of the supplement costs? Widows are only allotted sixty days of guaranteed coverage through an alternate supplement company. This transition can be arduous, especially during an already difficult time. We at Harford Financial Group are here to help. Our insurance team is equipped to guide you through your options to ensure you remain covered. For more information, please call Diane Kurek in our insurance department at 410-838-2992.



# STAFF SPOTLIGHT

## JENNIFER EYRE

A member of our registered assistant team, Jennifer Eyre, has always dreamed of becoming a writer. For the past several years, Jen has become heavily involved with the Society of Children's Book Writers and Illustrators (SCBWI) and has recently become the MD/DE/WV region's Event Coordinator. Twice a year, Jen ventures to Los Angeles and New York City to attend national SCBWI conferences where she participates in workshops led by top industry agents, editors, and authors. She has seen keynote speakers such as Angie Thomas, James Patterson, Chelsea Clinton, and Laurie Halse Anderson (one of her idols), all of who have inspired Jen to continue refining her craft. Jen is currently working on revising her young adult novel and hopes to one day share it with the world.

## DIANE KUREK

Diane Kurek, our Operations Manager, has a budding musician in her house! Her youngest son, Levi, has developed an interest in the dulcimer (a musical string instrument) since learning about them in his second-grade class. Diane and her husband have taken Levi to various Maryland venues to hear professional hammered dulcimer musicians perform. Levi has been so enthralled with the instrument that his great-grandmother surprised him with his very own dulcimer at Christmas. To say he was excited is an understatement! Levi instantly began teaching himself how to play and has since mastered "Twinkle Twinkle Little Star" all on his own! His dedication and enthusiasm make it no surprise that Levi would love to be a musician when he grows up. We can't wait to hear him play!



## PARTY PLANNING TIPS by Stephanie Robertson

A specialty drink is always a big hit even if you are not serving alcohol. A "mocktail" will have the same appeal. Serve something green for St. Patrick's Day or flavored margaritas for Cinco de Mayo.

Pick a theme! Once you pick a theme for your party the décor, food, and drinks will be that much easier to coordinate. Use the closest holiday or just a region (i.e., Italian, Mexican or Asian night) to get your creative juices flowing.

Pinterest is a great resource to search for new and creative ideas.

Consider one stop shopping whenever possible. Places like Wegmans and Giant have great catering menus but also sell other odds and ends you might need. This will help cut your time in half instead of running to multiple places on the day of the party.

The Dollar Tree is a secret treasure chest full of inexpensive options for décor, party favors, plastic and tableware.





## THINGS TO WATCH FOR @ HFG

Harford Financial Group is currently researching tools that would allow us to stream our seminars online. In addition to expanding our viewing audience, this streaming capability would make it possible for our clients to view the seminars from the comfort of their own homes. More updates on this exciting feature are in the works so stay tuned!

## UPCOMING EVENTS

**APRIL 14** 6:00 PM - 8:00 PM  
Four Ways to Cut College Costs

**APRIL 21** 6:00 PM - 8:00 PM  
Women & Investing

**MAY 5** 6:00 PM - 8:00 PM  
Four Keys to Making a Difference  
in a Family Caregiving Challenge

**MAY 19** 6:00 PM - 8:00 PM  
Six Steps to Legacy Planning for the Generations:  
Start Leaving Your Mark Today!

Please visit [www.harfordfinancialgroup.com](http://www.harfordfinancialgroup.com)  
for details on each of the above events.

Seating is limited so please RSVP to Stephanie  
at 410.838.2992 or [stephanie@harfordfinancialgroup.com](mailto:stephanie@harfordfinancialgroup.com)

*We welcome you to bring friends or family that might benefit  
from this information. Light fare and beverages will be served.*

### Disclosures:

- Diversification and asset allocation strategies do not assure profit or protect against loss.
- Indices mentioned are unmanaged and cannot be invested into directly. Past performance is no guarantee of future results. Investing involves risk. Depending on the types of investments, there may be varying degrees of risk. Investors should be prepared to bear loss, including total loss of principal.



**Harford Financial Group**  
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