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Winter 2023 Newsletter

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SECOND OPINION SERVICE

This complimentary service is a no obligation opportunity for potential clients to familiarize themselves with our wealth management process. This is a wonderful opportunity for your friends and family to get a diagnostic of their current financial situation.



**ullmann
wealth partners**

OUR DISCIPLINE. YOUR FREEDOM.™

Partner's Letter

Dear Clients and Colleagues,

I specifically remember doing my first “financial plan”. It was 1986, just after completing pilot training. I took out a sheet of paper (Excel had only been invented by Microsoft the year before) and wrote down my current liquid net worth in one column, how much I intended to save/invest each year in the next column, and then added a rate of return to get an ending assets column. If memory serves, I had about 30 lines which might have taken me to age 50.

I would come across this sheet many times over the first few years of my marriage, changes of career, and the arrival of my three children. Curious thing is that I never got anywhere close to the committed annual savings column or the calculated end of year goal.

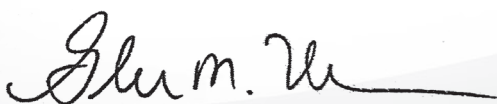
As our practice has grown, we have been able to attract so many talented, smart, empathetic, and yes, younger wealth management professionals. For several years, they have emphasized the need to work with younger professional couples—clients who with a little help, would be able to create spectacular wealth by disciplined investing, having a team around them to help guide financial decisions (houses, kids’ education, taking care of mom and dad, tax mitigation, changing careers...), and the confidence to stay on plan. They might not be perfect clients financially now—but they would be more than ideal a couple of decades down the road.

My first financial plan from so many years ago came to mind the other day as I was celebrating my sixtieth birthday. We often emphasize the need for patience and time—to allow compounding to build wealth. But over many decades when I was a young professional, life impeded a systematic approach. We decided to upgrade to a bigger house, sent the kids to private school, took amazing vacations (we are only young once....). We delayed defining and sticking to a process and we lacked a professional to sometimes say, “NO!”. As a result, we gave up many years of interest, dividends, and compounding growth.

As winter moves to spring, remember that we welcome the opportunity to work with your young professional children, younger business colleagues or anyone who, although young and with limited assets now, with good income (or businesses) would benefit from our process and discipline.



Sincerely,



Glenn Ullmann

Wealth Advisors' Corner

SECURE Act 2.0: An Overview

At the end of 2022, Congress passed SECURE 2.0, a new set of retirement rules designed to strengthen the retirement system. Here are a few of the major provisions from the new law.

New Distribution Rules

Required minimum distribution (RMD) age will rise to 73 years in 2023. One of the most critical changes was increasing the age at which owners of retirement accounts must begin taking RMDs. Starting in 2023, RMDs may begin at age 73. If you have already turned 72, you must continue taking distributions. However, if you are turning 72 this year and have already scheduled your withdrawal, we may want to revisit your approach.¹

Access to funds. Plan participants can use retirement funds in an emergency without penalty or fees. For example, 2024 onward, an employee can take up to \$1,000 from a retirement account for personal or family emergencies. Other emergency provisions exist for terminal illnesses and survivors of domestic abuse.²

Reduced penalty. Starting in 2023, if you miss an RMD for some reason, the penalty tax drops to 25 percent from 50 percent. If you promptly fix the mistake, the penalty may drop to 10 percent.³

New Accumulation Rules

Catch-up contributions. From January 1, 2025, investors aged 60 through 63 years can make annual catch-up contributions of up to \$10,000 to workplace retirement plans. The catch-up amount for people aged 50 and older in 2023 is \$7,500. However, the law applies certain stipulations to individuals with annual earnings more than \$145,000.⁴

Automatic enrollment. In 2025, the Act requires employers to automatically enroll employees into workplace plans. However, employees can choose to opt-out.⁵

Student loan matching. In 2024, companies can match employee student loan payments with retirement contributions. The rule change offers workers an extra incentive to save for retirement while paying off student loans.⁶

Revised Roth Rules

529 to a Roth. Starting in 2024, pending certain conditions, individuals can roll a 529 education savings plan into a Roth IRA. However, rollovers are subject to the annual Roth IRA contribution limit. Roth IRA distributions must meet a five-year holding requirement and occur after age 59½ to qualify for the tax-free and penalty-free withdrawal of earnings.

SIMPLE and SEP. Starting in 2023, employers can make Roth contributions to savings incentive match plans for employees (SIMPLE) or simplified employee pension (SEP).⁷

Roth 401(k)s and Roth 403(b)s. The new legislation aligns the rules for Roth 401(k)s and Roth 403(b)s with Roth IRA rules. From 2024, the legislation no longer requires minimum distributions from Roth accounts in employer retirement plans.⁸

If you have any questions with regards to how SECURE 2.0 impacts your wealth management plan, please contact us.

1. Fidelity.com, December 23, 2022

2. CNBC.com, December 22, 2022

3. Fidelity.com, December 22, 2022

4. Fidelity.com, December 22, 2022

5. Paychex.com, December 30, 2022

6. PlanSponsor.com, December 27, 2022

7. Forbes.com, January 5, 2023

8. Forbes.com, January 5, 2023

The More You Know

9 Facts About Retirement

Retirement can have many meanings. For some, it will be a time to travel and spend time with family members. For others, it will be a time to start a new business or begin a charitable endeavor. Regardless of what approach you intend to take, here are nine things about retirement that might surprise you.



1. Many consider the standard retirement age to be 65. One of the key influencers in arriving at that age was Germany, which initially set its retirement age at 70 and then lowered it to age 65.¹
2. Every day between now and the end of the next decade, another 10,000 baby boomers are expected to turn 65. That's roughly one person every eight seconds.²
3. The 65-and-older population is one of the fastest growing demographics in the United States. In 2019, there were 54.1 million Americans aged 65 and older. That number is expected to increase to 80.8 million by 2040.³
4. Ernest Ackerman was the first person to receive a Social Security benefit. In March 1937, the Cleveland streetcar motorman received a one-time, lump-sum payment of 17¢. Ackerman worked one day under Social Security. He earned \$5 for the day and paid a nickel in payroll taxes. His lump-sum payout was equal to 3.5% of his wages.⁴
5. Seventy-seven percent of retirees say they are confident about having enough money to live comfortably throughout their retirement years.⁵
6. The monthly median cost of an assisted living facility is \$4,500, and seven out of ten people will require extended care in their lifetime.²
7. Sixty-four percent of retirees depend on Social Security as a major source of their income. The average monthly Social Security retirement benefit at the beginning of 2022 was \$1,614.5.⁶
8. Centenarians – in 2020 there were 92,000 of them. By 2060, this number is expected to increase to 589,000.⁷
9. Seniors age 65 and over spend over four hours a day, on average, watching TV.⁸

1. SSA.gov, 2022

2. Genworth.com, 2022

3. ACL.gov, May 4, 2022

4. Social Security Administration, 2022

5. Employee Benefit Research Institute, 2022

6. SSA.gov, 2022

7. Statista.com, August 3, 2022

8. BLS.gov, 2022

Ask a Wealth Manager



Carrie King, Partner, Chief Compliance Officer and Director of Trading was recently interviewed by *Perspectives*. Here is what we learned about her.

How did you get your start in the wealth management/financial advising industry?

I worked with Brian James at a previous company. He piqued my interest when we talked about the work he was doing at UWP. After that, a meeting with founder Glenn Ullmann led to where I am today.

What interested and/or inspired you to go into the industry and this role?

When I worked as a hedge fund trader, my energy was directed at making institutions wealthier. There was no satisfaction in knowing that a family, or a widow, was going to be better off because of my work. UWP allows me to act on the best interests of people, not faceless entities.

What do you love most about your career?

The sense of purpose, problem solving and working with a great team. Holding clients' needs at the center of our work gives me energy every day.

What career advice would you give your younger self?

I'm tough on myself. I think it makes me stronger, but I also think we should never be harder on ourselves than our best boss would be. Show up, Speak up, and Stick up for yourself!

As a Jacksonville native, what can you tell us about the city that transplants might not know?

Jacksonville is a large city with diverse neighborhoods, parks, and gardens. I would suggest that a new transplant try to experience as many areas of town as possible. Riverside/Avondale has Riverside Arts Markets on Saturday, the Shoppes of Avondale and tons of good restaurants. In Arlington, they have the Arboretum and Botanical Gardens, and in Mandarin, they have some beautiful tree lined streets and the Walter Jones Historical Park with an abundance of history.

What is on your bucket list?

I would love to travel on the Orient Express train and visit Australia, New Zealand, and Singapore.

What is the one thing that instantly makes your day better?

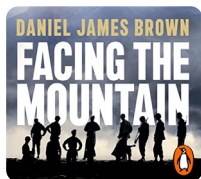
Our second dog, who is two now, is so excited and playful in the morning. No matter how you are feeling when you wake up, you can't help but smile and laugh at her.

Ullmann Wealth Updates



New Employee – Barbara Thayer

Please help us welcome Barbara Thayer to our team. Barbara is our new Administrative Associate who started with us at the end of December. Barbara has lived in Jacksonville Beach for more than 50 years! In her spare time, she enjoys spending time with her two daughters and three grandchildren. We hope you get a chance to meet Barbara next time you are in the office!



Book Recommendation

Facing the Mountain by Daniel James Brown

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