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**It was a great time on the bus trip to watch the Detroit Tigers at Comerica Park this past summer. We even got to watch them win the game!**

**By request, another bus trip is being planned for Fall 2025 to Frankenmuth and Bronner's CHRISTmas Wonderland. Check out our website: [www.ridgetowninvestments.com/events](http://www.ridgetowninvestments.com/events) for more information when it becomes available or contact our office if you are interested.**



Winter 2024

## BEST TIME OF THE YEAR

While I have to admit I'm more of a summer person, this time of the year is still the best. The reasons are that there is a perspective change. This is the time of the year where we are reminded to focus on the most important things in our lives. Thanksgiving is the time where we take a little time off and spend it with our loved ones. This time of the year is also nice in that our minds are taken away from many of the things that cause us stress such as health, work, money, etc. Instead we are reminded of the blessings in our life. We get reminded that we have a roof over our head, we have loving families (even though we will be debating something or other) and we have food on the table (most likely way too much). Things we take for granted also come into view. We live in the most prosperous nation in the world at its most prosperous time. We live in a time where it is safe to walk down the street. The grocery stores have shelves full of food. While we may not like the cost, we are not starving. We get to debate sports, politics, religion without fear of our government intervention. When some of the poorest people in our nation have cell phones with data plans and dogs to play with, it tells us just how lucky we are. All we have to do is travel outside of our borders to realize this life is not the norm. In December we will once again gather with family. We will bundle up (we do live in Michigan after all) and celebrate Christmas (unlike Thanksgiving, no Lions Football). We will focus our minds on all of our gifts (not the ones under the Christmas tree). I'm referring to the gifts of friends, family, and the blessings in our lives. Understanding that we won't be on this earth forever, we will get to



celebrate the greatest gift of all. The true meaning of Christmas is not only to be generous now and enjoy the wonderful life that we have been given. It is to celebrate the future. What comes next is going to be even more amazing than what we get to enjoy now. While I don't have anymore insights into this than those of you that will read this, I am optimistic of this final chapter. In the meantime life is going to be what we make of it. We live in a great country with an amazing history. The current great opportunities for people are much better than they have been in the past. The outlook for the future looks even better. I know that seems surprising given all the negativity in the news. Think of the house and car that your parents first had and the one that you have. Think of the advancements in medicine and science and how they have changed our lives. The pace of change is gaining speed and the improvements in our lives will be unparalleled. In this fast paced world, our lives get so busy that we don't always appreciate the blessings we have. I encourage you all to sit down, turn the media off and take a deep breath. Just see how far you have come. I want to wish you all a Merry Christmas and a new year where you are able to enjoy all that you have been blessed with.

# KATHY'S KORNER

**Hello!** For those of you that don't know me, my name is Kathy and I have worked for Randy since 2012. You'll find me at the front desk welcoming you to our office or answering phone calls. I'm also responsible for marketing, planning campaigns, workshops, seminars and client events in addition to scheduling reviews. I am also a Notary Public and happy to assist if needed.

We have a family grain farm in the area that keeps me extra busy after work hours in the spring and fall especially. My favorite hobby is spoiling my four grandkids! I do enjoy thrift-stores and garage sales even though I am a minimalist (doesn't make sense, I know). I'm easily entertained scrolling thru Pinterest looking for new ideas. A cruise to the Mediterranean is on my bucket list and I hope to check that off in the next few years!



## SAUSAGE DIP APPETIZER

- 1# pork sausage, cooked & drained
- 2 8oz pkgs cream cheese
- 2 10oz cans Rotel tomatoes with green chillies, drain well
- 1/2tsp garlic powder

Add all to crock pot and heat until bubbly. Stir occasionally. Serve with tortilla chips.

Thanks to our Administrative Assistant (and new bride!) Tori, for sharing her recipe.



## HERE'S SOME HELP TO GET ORGANIZED IN THE NEW YEAR

One popular New Year resolution is to get organized. We hosted a "Downsizing and Declutter" class in 2024 and here are a few of the declutter 'rules' to use:

1. Create a "Legacy List" of a few of your favorite items that are most special to you. Maybe it's a flag, cookbook or ornament? Keep in mind that if 'everything' is special; then nothing really is. Share your story with family and friends. Keep the legacy alive!
2. Remember the "Container Concept". Limit your items based on if they fit inside the container (drawer/bin/box). This helps with pairing down items.
3. Keep flat surfaces like a table or counter clear.
4. Hesitant on getting rid of items? Keep the mindset that there is "someone out there that is just waiting to find this item and they will be so excited!".
5. If you still aren't sure; have a "Time Will Tell" box and only keep if for a short time up to 1 year. If you don't access it then donate and move on.

A great resource is **"Keep the Memories, Lose the Stuff: Declutter, Downsize, and Move Forward with Your Life"** by Matt Paxton.

## 2025 TAX BRACKETS RELEASED BY THE IRS

The Internal Revenue Service released the updated income tax brackets, standard deduction, and retirement contribution limits for the 2025 tax year. While these changes won't impact you for some time, it may benefit you to start thinking ahead.

The top rate remains 37%, but remember that 2017's Tax Cuts and Jobs Act expires at the end of 2025. Overall, more than 60 provisions have changed at the federal level. Here are a few of the most critical changes in the federal tax bracket and retirement contribution limit. While the IRS has highlighted its changes, keep an eye out for any changes to individual and business taxes that may be pending in your state.<sup>1</sup>

### Tax Bracket Inflation Adjustment

Overall, tax brackets have been adjusted upwards for 2025. This adjustment is based on the Consumer Price Index and primarily accounts for inflation.

## CATCH-UP CONTRIBUTIONS

A recent survey found that 18% of workers are very confident about having enough money to live comfortably through their retirement years. At the same time, 36% are not confident.<sup>1</sup>

In 2001 congress passed a law that can help older workers make up for lost time. But few may understand how this generous offer can add up over time.<sup>2</sup>

The "catch-up" provision allows workers who are over age 50 to make contributions to their qualified retirement plans in excess of the limits imposed on younger workers.

Contributions to a traditional 401(k) plan are limited to \$23,000 in 2024. Those who are over age 50 – or who reach age 50 before the end of the year – may be eligible to set aside up to \$30,500 in 2024.<sup>3</sup>

Setting aside an extra \$7,500 each year into a tax-deferred retirement account has the potential to make a big difference in the eventual balance of the account, and by extension, in the eventual income the account may generate.

1. EBRI.org, 2023

2. Economic Growth and Tax Relief Act of 2001

3. IRS.gov, 2024. Catch-up contributions also are allowed for 403(b) and 457 plans. Distributions from 401(k) plans and most other employer-sponsored retirement plans are taxed as ordinary income and, if taken before age 59½, may be subject to a 10% federal income tax penalty. In most circumstances, you must begin taking required minimum distributions from your 401(k) or other defined contribution plan in the year you turn 73.

### Standard Deduction

The standard deduction has increased to \$30,000 for married couples filing jointly, up \$800 from the previous year. For single filers, this number increased by \$400 to \$15,000.

### Marginal Rates

Marginal tax rate brackets are also increasing.

### Gift Tax

The annual gift tax exclusion for 2025 is \$19,000, an increase of \$1,000 from the previous year.

### Estate Tax Credit

Individuals receiving an inheritance in 2025 will be able to exclude \$13,990,000 from federal taxation, up from \$13,610,000 in the previous year.

All information sourced from IRS.gov. Remember that we provide updates for informational purposes only, so consult with your tax professional before making any changes in anticipation of the new 2025 levels. You can also contact our offices, and we can provide information about the pending changes. Alaska, Florida, Nevada, New Hampshire, South Dakota, Tennessee, Texas, Washington, and Wyoming don't levy a state income tax.

1. IRS.gov

