



THE DOLLAR CHASE

APRIL 2020 | WWW.PBFADVISORS.COM | PBF@PBFADVISORS.COM | (303) 238-5123



A GLITCH IN THE SYSTEM

As many folks know, Congress passed legislation known as the SECURE Act. It allows individuals to continue contributions to traditional IRAs post age 70½ as long as there is earned income.

As, again, most people know, if you are 70+, a withdrawal from a traditional IRA can be transferred directly to a charitable institution without tax and without reporting on a tax return. That was true until the SECURE Act was passed, late last year.

Now, you can still do the transfer, but it might be taxable. Example: assume one makes a \$7,000 IRA contribution in 2020 and then decides to do a charitable transfer of \$20,000 in the same year. Under the new Act, the \$7,000 IRA contribution must be subtracted from the \$20,000 charitable transfer, to net a \$13,000 non-reported withdrawal not \$20,000. Goal is to prevent double dipping according to the IRS—deduction for IRA and no tax on charitable transfer.

Need to be careful with IRA transfers, we think you would agree!



WHERE IS YOUR STUFF?

Now more than ever, in these uncertain times it is prudent to prepare...where is your **important stuff**?

Most of us are stuck at home. This is a fantastic opportunity to take care of those items on our "TO DO" list that we usually put off because we are too busy.

We recommend gathering all your "stuff" together in one place – maybe a folder or fireproof box. You need to tell someone where it is in case of an emergency (death or incapacitation) so it can be easily accessed.

If something happened to you does someone know where to find or how to access the following:

Updated will or trust documents

- Medical and financial powers of attorney

Accounts

Is there a list or copy of your account statements (are these accounts titled correctly, and do they have **updated beneficiaries**?)

- Bank/Credit Union accounts
- Investments, including retirement, annuities, and pensions
- Life/health/long term care policies
- Car/home and umbrella information
- Credit card companies

Contacts

- Attorney
- Financial Advisor
- Accountant
- Insurance person
- Doctors names and ID number for medical insurance

Paperwork

- Mortgage lender or deed to house
- Car titles
- Funeral arrangements
- Birth and marriage certificates/divorce records
- If retired, retirement paperwork
- If working, employer contact
- Military or veteran papers

Passwords

Does someone know how to access your online world? For example, to cut off Facebook, or acquire phone access?

Medical

- Medical powers of attorney – who can act on your behalf for medical decisions
- HIPAA Release – allows Doctors and hospitals to release your medical information
- Advance health directive, e.g., your wishes for Do Not Resuscitate (DNR)
- List of current medications and dosage

Peace of mind is important in times of stress and strain; so have your "stuff" in order. It will make it easier for someone else to act on your behalf when necessary.

PROTECT YOURSELF

In addition to helping you navigate the volatility and uncertainty in the markets, we also wanted to take a moment and share some information on how to protect yourself from hacker and cybercriminals. Unfortunately, they have been leveraging the fear connected with the growing COVID-19 pandemic as a tool to steal passwords and data. Cybercriminals are widely distributing mass emails posing as legitimate medical and or health organizations, as well as financial institutions, trying to take advantage of social engineering tactics.

Here are some helpful reminders that can help you combat cybercriminals.

- **Beware of online requests for personal information.**
- **Check the email address or link.** But do not click on the email or any links. Delete the email.
- **Watch for spelling and grammatical mistakes within the email.**
- **Look for generic greetings.**
- **Avoid emails that insist you act now.**
- **Social engineering will be on the rise.** Respectfully asking to verify the identity of people you are speaking with is especially important during a time like this.

It is best to go directly to reliable sources for information. That includes government offices and health care agencies.

- Centers for Disease Control and Prevention: <https://www.cdc.gov/coronavirus/2019-ncov/index.html>

- World Health Organization: https://www.who.int/health-topics/coronavirus#tab=tab_1

In these unprecedented times, it is important that everyone is looking out for all aspects of their own lives—financial, digital, and personal. As always, if you wish to discuss your plan, your investments, or merely want to talk, please do not hesitate to call or email.

TURN OFF THE FORCED WITHDRAWALS WHEN MY ACCOUNT IS DOWN!!!!

New changes to Required Minimum Distribution (RMD) rules came about again in the new Cares Act. It states that 401(k) Traditional and Roth, 457, 403(b), and IRA type accounts, are exempt from the RMD for 2020. Since many accounts are down in the current epidemic, it may be a good year to either suspend your monthly payments, if you are not using them in your budget. Call us to turn off your automatic annual payment that may not have yet occurred this year if you are not needing the funds.

Please call us if you have any questions, and consider Roth conversions, again as an opportunity in a down market, and a way to lock in currently historically low tax rates.

**“EVERYBODY IS A GENIUS.
BUT IF YOU JUDGE A FISH BY ITS ABILITY
TO CLIMB A TREE, IT WILL LIVE ITS WHOLE LIFE
BELIEVING THAT IT IS STUPID”**

~ Albert Einstein



THE PERSONAL BENEFIT FINANCIAL AND ROUNTREE & ASSOCIATES FAMILY

~ SHARLA, ERIC, RON, MELISSA, ED, REGINA, JILL, LYNNAE, KAREN, AND DARLINE ~

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