THE DOLLAR CHASE

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OFTEN OVERLOOKED...

Many employers provide retirement plans, such as 401(k), Thrift Plans, and others for their employees. If those employees are eligible to participate in those plans, and also want to contribute to an IRA or Roth IRA, income restrictions are in place. For a traditional IRA, the income restriction is phased out starting at $66,000, adjusted gross income, and totally eliminated at $76,000 for single filers in 2021. For joint filers, the phase out starts at $105,000 and is totally eliminated at $125,000

But that is for traditional IRAs. For Roth IRAs you can have higher income. Single filers, the adjusted gross income phase out starts at $125,000 and is totally eliminated at $140,000; joint filers phase out starts at $198,000 and ends at $208,000.

Bottom line – many folks may be eligible for Roth IRAs even though they are participating in an employer plan. They probably should think about doing Roth IRAs. No tax benefits going in, but all the growth and future distributions are tax free!.

Another point, If only one spouse is eligible for an employer plan, the other spouse who is not in a retirement plan may be eligible for a deductible traditional IRA if the adjusted gross income is lower than $198,000, phase out to $208,000.

Bottom line again – many spouses may be eligible for a deductible traditional IRA to lower federal and state income taxes. The numbers above are 2021 income levels.

IRS Letters?

Got a letter from IRS saying you owe taxes? Check if there's a barcode on it. The Service is adding a QR bar code to its CP14 balance due notices. Taxpayers who receive the letter can use their smartphones to scan the QR code to go directly to IRS's website for information on resolving the balance due online.

Exciting news

Regina Burks, who's been with Personal Benefit Financial since 2009, is transitioning to the role of financial advisor and studying for her Certified Financial Planner designation! Jill Ruckle, who's been with Rountree & Associates since 2007, is here to help where Regina would have previously.

Other Ways to Lower Health Care Costs

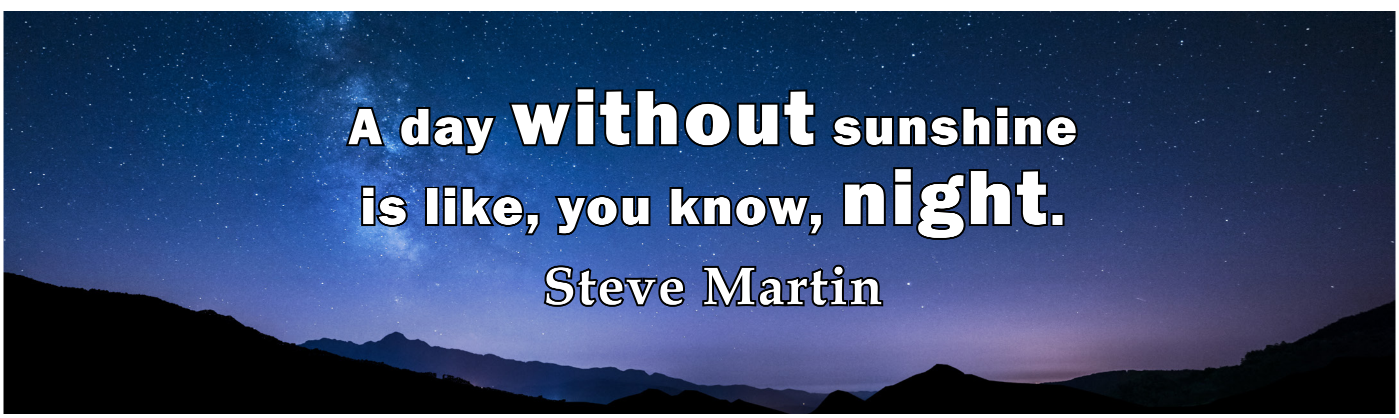
Use telemedicine and nursing hotlines. Health insurance plans may offer remote telemedicine visits and 24/7 nursing hotlines for free or at a reduced cost than an in-person visit.

Shop around. If you can research an upcoming medical procedure or test, contact local providers to compare what they charge and confirm that they're in the provider network if your plan has one. Your insurer may also offer an online pricing tool for finding the lowest cost facility in your area.

Check for deals on prescriptions. If you take prescription medications, ask your doctor whether lower-cost generics are available. Retailers like Walmart and Target have discount programs for generics, and a money-saving app like GoodRx provides coupons and helps find the lowest prices at local pharmacies for all your prescriptions.

Tap into a health savings account. The tax-deductible contributions you make to an HSA can be used to cover deductibles, prescriptions and medical supplies (even nonmedical expenses once you turn 65), but you must be enrolled in a high-deductible health plan to contribute to the savings account. No earned income is needed. With some Affordable Care Act insurers, you set up the account when you enroll in a qualifying health plan, or you can continue using an HSA from a previous job.

Source: Kiplinger's Retirement Report



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~ SHARLA, ERIC, RON, MELISSA, ED, REGINA, JILL, LYNAE, KAREN, DARLINE, BRYAN AND CHARITY ~