



THE DOLLAR CHASE

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529s -IN CASE YOU MISSED IT-

Our recent Friday email was about college savings plan 529s. Below are the hot points. As always, give us a call if you'd like to talk about anything to do with these accounts.

- 529s can be used for college tuition and fees, books, supplies, computers, internet access, room and board costs if the student is enrolled at least half- time, as well as \$10,000 per year in K-12 education, or a lifetime limit of \$10,000 for student loan repayment
 - The beneficiary can be changed to a different family member
 - If a student gets a scholarship, the amount of the scholarship can be withdrawn penalty free and taxes only have to be paid on the gains
 - College Invest has a Colorado resident scholarship of currently \$2,000 a year for 4 years. Full rules can be found at www.collegeinvest.org
 - Any Coloradoan gets a Colorado tax deduction for contributions
 - Up to \$75,000 can be contributed lump sum by any one person every 5 years
 - Colorado incentives to open a plan: \$100 for children born in 2020 or later, if older \$25
 - Scholars Choice changed their investment manager from Legg Mason to Nuveen/TIAA Investments starting mid-July
- Replay at www.pbfrountree.com/updates

AT RETIREMENT, HOW DO I GET MONEY OUT OF MY RETIREMENT ACCOUNTS?

There are many ways to facilitate a smooth transition of your portfolio to income in retirement. A few key items to consider as you begin income distribution planning:

- Timing: When will you start needing money from your portfolio and how often? Monthly, quarterly, semiannual, annual, periodic?
- Your risk tolerance in retirement
- Withdrawal Strategies: Too many down years in the early years of your withdrawals can have a devastating impact on your future portfolio and income, so a need to manage this with a portion of your portfolio dedicated to income.
- Tax planning: Be aware of bracket creep if all that is taken out is taxable and moves you from one tax bracket to another.

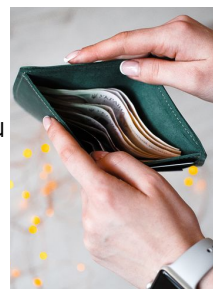
If you have questions or concerns about this process, please call us to discuss.

CRYPTOCURRENCIES: Easy Money? Or Fast Way to Blow Up Your Portfolio?Maybe neither.

Bitcoin—one of the more well-known cryptocurrencies, has been a hot topic at social gatherings in the recent years. Seems “everyone” has invested or traded it with success. That is until last year—where it saw more than a 50% decline.

If you are going to invest in a virtual currency, be aware of the following risks that make them an asset you should only hold if you can stomach the large price swings, reduced liquidity—so you may not be able to sell on the day you wish, and higher than average theft via “hacked wallet” that they have experienced. They are treated as a property asset so you are responsible for tracking the cost basis for taxes. Lastly, if they are issued by a foreign country, the losses may not be deductible on your taxes.

Cryptocurrencies sound fun but come with a lot of risk. Do your homework before you invest, so you know what you are getting into—and don't invest the “farm.” Consider it alternative in your portfolio and only allocate a smaller percentage to it. Happy investing!



ARE THE BENEFICIARIES...

...on your IRA's, employer retirement plans, life insurance and annuities so clearly stated no one would misunderstand your intent?

First, some general thoughts about beneficiary designations. We'd suggest naming individuals as beneficiaries versus naming the estate. (Of course, always follow the advice of your attorney.) Naming the estate as beneficiary means whatever proceeds will go through probate in your local state. Probate could cause delays and maybe additional costs. Another important point is making certain a secondary or contingent beneficiary is listed. Frequently, when we are reviewing beneficiary paperwork, no secondary beneficiary is listed; therefore, probate would be involved if the primary beneficiary predeceases.

Second, we often see two or more individuals as beneficiaries; but no instruction as where proceeds would go if one of those beneficiaries predeceases. Should proceeds go to survivor or survivors in that beneficiary class or should proceeds go to the child of the deceased? Many financial institutions have a default but is that what you'd want?

Important to check your beneficiaries to avoid problems later.

A REMINDER ABOUT CALCULATING GAIN OR LOSS FROM THE SALE OF YOUR PRIMARY HOME

Start with the amount of gross proceeds reported in box 2 of Form 1099-S and subtract selling expenses such as commissions to arrive at amount realized. Then reduce that figure by your tax basis in the home to come up with gain or loss. Taxpayers who have owned and used the property as their principal residence for at least two out of five years before the sale can exclude up to \$250,000 of the gain...

\$500,000 for joint filers. Any gain in excess of the \$250,000 or \$500,000 exclusion is taxed at capital gains rates. Losses from sales of primary homes aren't deductible. IRS Publication 523 has details, including whether you need to report the sale at all.

-Source: Kiplinger Tax Letter-July 9, 2021

MASKS AND VAC'S

All advisors and support staff at our office are fully vaccinated against Covid-19. We continue to monitor state and county public health guidelines regarding wearing of face masks.

If you schedule an in-office appointment, currently it is your choice to wear a face mask, and at your request, those you will be meeting will gladly wear a mask as well.

Your health and well-being is very important to us!



Never put an age limit on your dreams.

- Dara Torres, American swimmer and 12-time Olympic medalist

THE PERSONAL BENEFIT FINANCIAL AND ROUNTREE & ASSOCIATES FAMILY

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

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