



# THE DOLLAR CHASE

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## PLANNING YOUR RETIREMENT!!

What does a great retirement look like to you? Maybe it's traveling, cooking, spending time with grandchildren or revisiting an old hobby. No matter how you envision your retirement it's important to begin the planning for it ASAP!

The more time you have before you walk out your work door for the last time, and wave good bye to your peers, the more likely you'll have the retirement you're wishing for!

Not all of the planning for retirement is financial..... (crazy, right? – coming from your FINANCIAL planner!) There are things you need to think about in addition to your income, expenses, portfolio and taxes!

- How will your days look in retirement?
- How will you stay connected to the people you enjoy from work?
- Do you want to spend time with family?
- Do you see yourself volunteering or starting a new hobby?
- Or maybe world travel is your dream..

Whatever your vision or bucket list, it's important to have a PLAN for how you will spend your time. For most retirees, adjusting to the lack of time structure and social connections are some of the hardest adjustments of retirement, besides not getting a regular paycheck!!! The best way to address those issues is to dedicate time to exploring those questions, before you turn in your keys! Then retirement won't be so stressful. Most all lists of top 10 most stressful life events INCLUDE retirement! So, start PLANNING!

## TAX CHANGES 2022

It's tax time again – how exciting! Below are some general changes for 2022. Stay tuned for an April Friday phone call for more details on the changes below.

Happy Filing!!!

- Increases in the income for each marginal tax rate (brackets range between 10% and 37%)
- Standard deduction increases to \$12,950 for single filers, \$25,900 for joint filers (Additional deduction if you are over 65 and/or blind)
- Basic exclusion for estates of decedents increases to \$12.06M
- Annual gift exclusion increases to \$16k (so you can front-load a 529 plan for \$80k)
- Non spousal inherited IRA's follow 10-year rule
- Qualified Adoption Expenses- credit of \$14,890
- TSP and 401(k) contribution limits
  - \$20,500
  - Catch up (for 50+ years of age) \$6,500
  - Total \$27,000
- Simple IRA contribution limit of \$14,000 (and \$3,000 catch up)
- Roth and Traditional IRA Contribution limit of \$6k, and \$1k catch up (subject to income and other limitations.)
- Roth IRA contribution phaseout starts at modified adjusted gross income (MAGI) of \$129k for a single filer and \$204k for married filing joint

## DO I REALLY NEED...TO CONSIDER ISSUES OF LONG TERM CARE?

Many of our clients think they won't need to think about long term care (LTC) events. Statistics don't agree. Of course, we know how some of you feel about statistics, but we're going to share some anyway. These come from an article in the Journal of Financial Planning, July 2021, written by Dr. Robert Pokorski.

- People age sixty-five, 64% of men and 75% of women will need long-term care (LTC) for 90 days or more sometime later in life.
- 91% of 65-year-old couples, one or both will need LTC for 90 days or more.
- 75% of LTC adults still lived in their homes receiving home care. 15% were in assisted living, only 10% were in nursing homes.
- Only 5% of women and 6% of men needed care by age sixty-five. By age eighty however, 24% of women and 20% of men needed care. By age ninety, 60% of women and 40% of men needed care.
- **Seven** times as many adult children were caring for parents as spouses caring for each other.
- Medicaid is responsible for 57% of costs for LTC. Next is out-of-pocket at 23%.

Conclusions are most people will need LTC at older ages, most care is at home and provided by adult children; helping you dress, bathe, get up from the toilet, etc. Hopefully you have thought about your own situation and those facts will help determine your course of action. If you wish, we can help think through possible plans for LTC.

## A NEW RMD CALCULATION TABLE AND OTHER UPDATES AND REMINDERS

Starting in 2020, if you haven't begun your required minimum distribution (RMD) yet, you don't have to start until you turn 72. Prior to that it was 70 ½.

New to 2022, the IRS table used to calculate your distribution amount has changed. If you're like us and love to run the numbers, you can find the new table at

[www.ira-help.com/printable/2022-uniform-lifetime-table](http://www.ira-help.com/printable/2022-uniform-lifetime-table)

Also note that if you have more than one traditional IRA you can take all your required amount out of a single account. If you have a 401(K) or other retirement accounts you must take the RMD from each account type.




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### THE PERSONAL BENEFIT FINANCIAL AND ROUNTREE & ASSOCIATES FAMILY

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

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