



SECURE Act 2.0: What you need to know about new retirement savings & distribution rules



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On December 29, 2022, President Biden signed into law the Consolidated Appropriation Act of 2023. Included in this Act is SECURE Act 2.0 that is primarily aimed at helping boost retirement savings. Those saving for retirement and retirees can potentially benefit from this new legislation, as well as small business owners.

We have summarized some of the key points below:

- **One-time elections for IRA QCD's** – Beginning 2023, a one-time \$50,000 QCD paid directly from your IRA to certain split-interest entities, including charitable remainder annuity trusts, charitable remainder unitrusts, and charitable gift annuity. The \$50,000 is part of the \$100,000 QCD annual limit. Beginning 2024, the \$100,000 QCD annual limit will be indexed for inflation.

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Congratulations to
Our Team

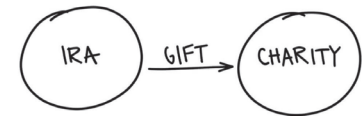
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- Not Insured by the FDIC or Any Federal Government Agency
- Not a Deposit or Other Obligation of, or Guaranteed by, the Bank or Any Bank Affiliate
- Subject to Investment Risks, Including Possible Loss of the Principal Amount Invested

SECURE Act 2.0 continued

- **Start-Up Incentives** – Increases the 3-year small business startup credit from 50% to 100% of administrative costs up to an annual cap of \$5,000. • Defined contribution plans receive an additional credit for employer, generally a percentage of the contribution from the employer on behalf of employees earning less than \$100,000 up to a per-employee cap of \$1,000. • A full credit for employer contributions is limited to employers with 50 or fewer employees and phased out for employers with between 51 and 100 employees.
- **RMD rule update for 401(k), 403(b) and 457(b)** – The RMD age increases to age 73 in 2023 and to age 75 in 2033. If you turn age 72 in 2023, your RMD is not due until 2024.
- **Catch-Up Contributions** – Starting in 2025, if you are aged between 60-63, you can contribute the greater of either \$10,000 or 50% more than the regular catch-up contributions to 401(k), 403(b), and governmental 457(b) plans. For SIMPLE plans the catch-up contribution for the same age group will be the greater of \$5,000 or 50% of the catch-up contribution limit.
- **Reduction in Excise Tax for IRAs 401(k), 403(b), and 457(b)** – Beginning in 2023, the excise tax for every dollar of your RMD under-distributed is reduced from 50% to 25%. May be reduced to 10%, if you correct the shortfall during a two-year correction window
- **529 to Roth Conversions** – Beginning in 2024, 529 designated beneficiaries can make a rollover contribution from their 529 to their Roth IRA if certain conditions are met: • 529 must have been maintained for 15 years • May not exceed the aggregate of contributions and earnings in the account more than five years before the rollover • May not exceed \$35,000 lifetime limit • Are subject to annual Roth IRA contribution limits • The Roth IRA owner must have earned income at least equal to the amount of the rollover
- **Emergencies** - Additional distribution exceptions include: • Certain emergency expenses up to \$1,000, can repay within three years (optional provision in employer's plan) • Pension-linked emergency savings account (optional provision in employers plan and as described in the Act) • Domestic abuse survivor • Terminal Illness • Qualified disaster recovery, up to \$22,000, can be repaid within three years • Qualified long-term care

QUALIFIED CHARITABLE DISTRIBUTIONS



Qualified Charitable Distributions (QCDs)

Most people know that one of the key milestones of retirement is when you are required to start withdrawing from retirement accounts. It used to happen at age 70 ½, but now it happens at age 72. What they may not know, is that rather than take this distribution yourself, you can gift directly from an IRA [not a 401(k)], which means you don't have to recognize the income at all.

Interestingly, while SECURE Act 2.0 changed the required minimum distribution (RMD) age to 72, you are still able to make QCDs once you have reached age 70 ½. These charitable distributions can help to lower your income (and taxes) and replace or supplement charitable gifting that you were already doing. Because the QCD works by reducing income, you do not need to itemize your taxes in order to get the benefit the way you would with "traditional" charitable giving.

There are some rules involved – gifts to donor-advised funds, charitable gift annuities, and grant-making foundations cannot come from a QCD. Consider talking to your tax advisor about this tax-friendly way of giving.

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Under the SECURE 2.0 Act

Your employer can make a matching contribution to your retirement plan account based on your student loan payment amount.



Ryan Richards AAMS®
Associate Vice President
Investment Officer

Ashtabula Area College Committee

Ryan has been involved with Kent State Ashtabula for almost 30 years as a student, alumnus, and advocate.



August of 1995 seems like only yesterday. That was the beginning of my college career at Kent State Ashtabula. My first day of class was unforgettable because I locked my keys in my car and almost missed a class because of it. Fast forward to 2023, and I have just finished my time as President of the Ashtabula Area College Committee. That is almost 30 years of being involved with Kent Ashtabula as a student, alumni, or advocate. It has been time that I have cherished and has been meaningful to me and, hopefully, to the campus as well.

I have seen the revitalization of the campus. I have witnessed the addition of the Morrison Health and Science Building, as well as transformation of the Main Hall and many other positives that have happened to our campus. Our wealth management team name adorns office and classroom spaces. Our whole team has been fully invested in the success of our local college campus.

Just before Christmas 2022, I attended my final commencement as a member of the Ashtabula Area College Committee. It has always been a re-energizing experience for me to see the graduates achieve their college diplomas and then embark on the next chapter of their lives. Kent Ashtabula provides such a quality education at such

a tremendous value. The graduates are well positioned because of what they have learned in the classroom, but also how financially wise their choice has been to attend Kent Ashtabula. Although my time on the College Committee is now ending, my love and advocacy for our campus will continue for many years to come. Thank you, Kent Ashtabula, for giving me an education, a financially stable beginning to my career, and a perspective on life that will forever be a part of me.



Shred-It & Forget It Saturday!

**Saturday, May 6, 2023
9 AM to Noon**

**3705 State Road - Suite 100
Ashtabula Ohio, 44004**

Clear out your papers and help protect your identity with complimentary shredding, coffee, and doughnuts. Kristen Kitchen, Executive Director at United Way, will be on site to collect voluntary donations. United Way seeks to improve lives by mobilizing the caring power of communities around Ashtabula County to advance the common good, and we are truly proud to support them.



**United Way
of Ashtabula County**



Daniel M. Huffman CFP®
Managing Director - Investment Officer

Family First

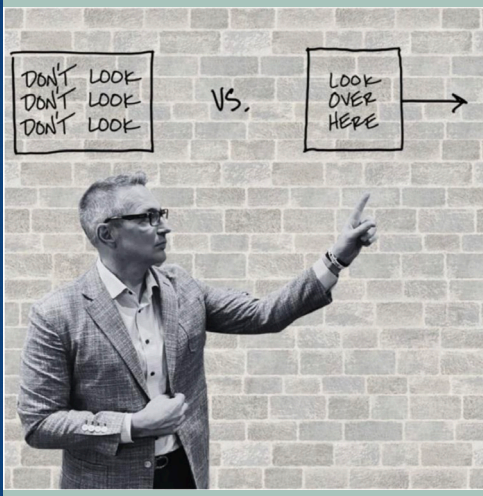
*Family means no one gets left behind or forgotten.
- David Ogden Stiers*

When disasters strike, we naturally think of family first!

As news unfolded of the recent earthquake in Turkey, Dan naturally was concerned for his son and his family who reside there. "Some anxious moments persisted as we continued to try to reach them, but we were ultimately relieved to learn of their safety. We can all certainly be praying for this beautiful country and the struggles they face as they recover from this horrible tragedy," says Dan.

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DON'T LOOK

Clear your mind.

Go ahead, clear it.

Good?

Now, as soon as you finish reading this sentence, try not to picture a...

White Bear.

I bet you can't.

Go ahead, try it again. Ready?

WHITE BEAR.

The reason you can't do it is because, as Carl Jung pointed out, "What you resist persists." You know, like eating a pint of ice cream when you're on a diet or splurging on a new iPhone when you're on a budget.

Some people call this the Ironic Process Theory.

Others call it the White Bear Theory.

It doesn't really matter what you call it, just so long as you know how to deal with it.

One trick is to pull a little bait and switch on your own brain.

When the urge comes up to do something you don't want to do, don't resist.

Instead, do something else.

For example, take a drink of water. That's right: Don't just sit there agonizing over how much you want (and also don't want) to buy that shiny new toy... just take a drink of water instead.

It's the redirection that makes this Jedi mind trick work.

Getting a drink is just one idea.

Peel an orange, go outside, do a push-up, sing a song.

Whatever works for you.

It doesn't matter what you do, just so long as it's not the unwanted behavior.

Redirect your mind to break bad habits.

Because fixating on them doesn't work.



Thomas Gilliland

Client Associate



Margie Gilliland

Senior Registered Client Associate
Vice President



Family First... Birthday!

January 29th, Margie and Thomas got to visit their family in TN. It was Akley's first birthday. She got to indulge in her first smash cake. We had so many great memories watching her grow up so fast over the past year, and we are excited to make many more.



A Long-Awaited Cruise

Margie Gilliland
Senior Registered Client Associate
Vice President

My husband and I started planning a cruise in October 2019 and were planning on heading out to the Western Caribbean in February 2021.

As everyone knows, COVID entered the picture, and the cruise was canceled. So fast forward to February 2023 and we finally were able to take our cruise. We had a great time, and it was definitely worth the 2-year wait.



Unlimited Food and No Property Taxes... Sounds Great!!!

Is this a real option?
I have no idea, I saw it on the internet, so who knows?

The idea that clients can build a unique retirement plan, just for them is exciting. We love to build creative plans for Retirement!

We then hold our clients to a review process that gives them the best chance for success.

Build a Plan for Retirement.
Review it Often.

Make Changes when Necessary.
If you want to be on a Cruise ship for the rest of your retirement, we might be able to help!



We are thrilled to announce that we have opened a second location to better serve you! Our new location is located at:

**7466 Auburn Rd.
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This location is available by appointment only.
To make an appointment contact our main office at:
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CONGRATULATIONS TO OUR TEAM!

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