

Regent Financial Services

December 2023



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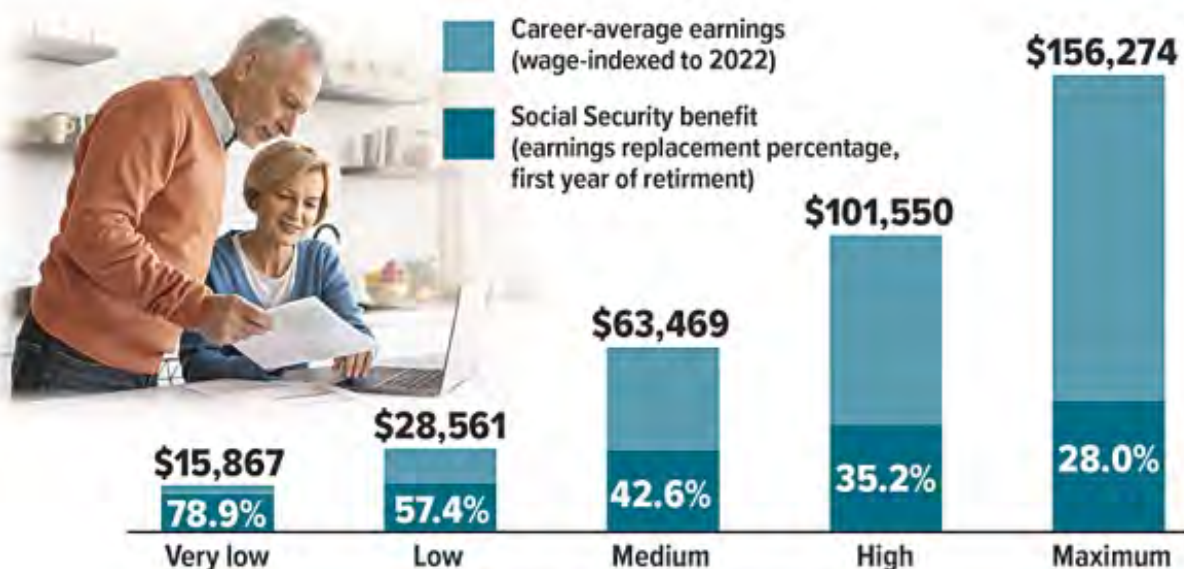


Denise A. Lant, CFP®

How Much Income Does Social Security Replace?

Social Security can play an important role in funding retirement, but it was never intended to be the only source of retirement income. The Social Security benefit formula is based on a worker's 35 highest-earning years (indexed for inflation), and the percentage of pre-retirement income replaced by the benefit is lower for those with higher earnings, reflecting the assumption that higher earners can fund retirement from other sources.

Here are replacement rates — based on five levels of earnings — for someone who claims benefits at full retirement age (FRA) in 2024 (i.e., born in 1958 and claiming at age 66 and 8 months). Rates would be similar for those who claim at FRA in other years.



Source: Social Security Administration, 2023 (Rates are based on scheduled benefits under current law and may be significantly lower in the future if Congress does not address the Social Security shortfall.)

Will You Work Beyond Traditional Retirement Age?

More than seven out of 10 current workers in a recent survey said they expect a paycheck to play a role in their income strategy beyond traditional retirement age. In fact, 33% expect to retire at age 70 or older, or not at all.¹

If you expect to continue working during your 60s, 70s, or beyond, consider the advantages and disadvantages carefully. Although working can enhance your retirement years in many ways, you may also face unexpected consequences, particularly when it comes to Social Security.

Advantages

There are many reasons why you may want to work during retirement. First and perhaps most obvious, a job offers a predictable source of income that can help pay for basic necessities, such as food, housing, and utilities.

Working may also allow you to continue saving on a tax-deferred basis through a work-based retirement savings plan or IRA. Traditional retirement accounts generally require you to take minimum distributions (RMDs) after you reach age 73 or 75, depending on your year of birth; however, if you continue working past RMD age, you can typically delay RMDs from a current employer's plan until after you retire, as long as you don't own more than 5% of the company. (Roth IRAs and, beginning in 2024, work-based Roth accounts do not impose RMDs during the account owner's lifetime.)

Moreover, employment can benefit your overall well-being through social engagement with colleagues, intellectual stimulation, and, if you're employed in a field that requires exertion and movement, mobility and fitness.

Working may also provide access to valuable health insurance coverage, which can supplement Medicare after the age of 65. Keep in mind that balancing work-sponsored health insurance and Medicare can be complicated, so be sure to seek guidance from a qualified professional.

A paycheck might also allow you to delay receiving Social Security benefits up to age 70. This will not only increase your monthly benefit amount beyond what you'd receive at early or full retirement age, it will add years of earnings to your Social Security record, which could further enhance your future payments.

If one of your financial goals is to leave a legacy, working longer can help you continue to build your net worth and preserve assets for future generations and causes.

Why Retirees Work



Source: Employee Benefit Research Institute, 2023 (multiple responses allowed)

Disadvantages

There are some possible drawbacks to working during retirement, especially regarding Social Security. For instance, if you earn a paycheck *and* receive Social Security retirement benefits before reaching your full retirement age (66–67, depending on your year of birth), part of your Social Security benefit will be withheld if you earn more than the annual Social Security earnings limit. However, the reduction is not permanent; in fact, you'll likely receive a higher monthly benefit later. That's because the Social Security Administration recalculates your benefit when you reach full retirement age and omits the months in which your benefit was reduced.

After reaching full retirement age, your paycheck will no longer affect your benefit amount. But if your combined income (as defined by Social Security) exceeds certain limits, it could result in federal taxation of up to 85% of your Social Security benefits.

Perhaps the biggest disadvantage to working during retirement is ... working during retirement. In other words, you're not completely free to do whatever you want, whenever you want, which is often what people most look forward to at this stage of life.

Finally, a word of caution: Despite your best planning and efforts, you may find that you're unable to work even if you want to. Consider that nearly half of today's retirees left the workforce earlier than planned, with two-thirds saying they did so because of a health problem or other hardship (35%) or changes at their company (31%).²

For these reasons, it may be best to focus on accumulating assets as you plan for retirement, viewing work as a possible option rather than a viable source of income.

1–2) Employee Benefit Research Institute, 2023

'Tis the Season for Gift Card Scams

Gift cards are always at the top of holiday wish lists. In fact, gift cards are the gift consumers want to receive the most during the 2023 holiday season.¹ Unfortunately, gift cards are also popular with scam artists.

A relatively new gift card scam involves scam artists placing a barcode sticker over the real gift card barcode. When the gift card gets scanned at checkout, the funds end up on the scammer's card that is linked to the barcode sticker.

A more common scam involves scam artists copying the gift card number and scratching off the PIN label before the gift card is purchased. They then monitor the gift card account online in order to steal the funds as soon as the gift card is purchased and activated. They may also try to sell the compromised gift card on an unofficial or third-party website.

Scam artists may also use emails, texts, and phone calls to pose as popular brands or retailers claiming you've won a free gift card. Often these giveaways promise large sums and seem "too good to be true." The scammer will then try to convince you to give them your personal and financial information in order to claim your prize.

Finally, scam artists will sometimes pose as a legitimate business or organization and claim that you need to make a payment using a gift card instead of using a conventional form of payment such as a credit

card or check. The scammer will usually tell you which specific gift cards to buy and will instruct you to purchase the gift cards from several different retailers in order to avoid suspicion. They may even threaten you with arrest or legal action in order to obtain the gift card number and PIN.

Whether you are giving a gift card or are a gift card recipient, here are some tips to help you avoid becoming the victim of a scam.

- Inspect gift cards for signs of tampering. Make sure the scratch-off coating is on the card and that the PIN on the back isn't showing. Check the barcode on the back of the gift card to make sure that it matches the one on the packaging.
- Keep a copy of the gift card and its receipt. This will help you if the gift card is ever lost/stolen or if you have to report fraudulent activity to the issuer.
- Only purchase or use gift cards from trusted retailers and reputable websites.
- Be wary of anyone who asks you to pay them with a gift card.

If you ever are the victim of a gift card scam, report it immediately to the gift card issuer and the Federal Trade Commission at [ReportFraud.ftc.gov](https://www.ftc.gov/ReportFraud).

1) National Retail Federation and Prosper Insights & Analytics, October 2023

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ANNUAL TAX PLANNING CHECKLIST

As we approach the end of the year, consider this checklist of potential tax planning strategies. While not all of them apply to your situation right now, it's worth discussing with your Financial Advisor which ones might fit within your financial plan now and in the years ahead.

RETIREMENT SAVING STRATEGIES

- ☐ Maximize retirement plan contributions for 2023 (\$22,500 plus another \$7,500 for age 50+).
- ☐ Make Spousal IRA contributions for a non-working spouse (subject to certain rules).
- ☐ Contribute to a Roth savings vehicle for potentially tax-free withdrawals during retirement.
- ☐ Contribute after-tax savings to a non-qualified investment portfolio to receive more favorable tax treatment on growth and earnings.
- ☐ In lower income years, convert traditional pre-tax retirement accounts to Roth accounts. Future tax benefits may outweigh the upfront tax bill.

MORE WAYS TO SAVE

- ☐ Contribute pre-tax dollars to Flexible Spending Accounts (FSAs) or Health Savings Accounts (HSAs) at work. Distributions for qualified medical expenses are not taxable.
- ☐ Review taxable investment accounts for tax losses to realize. Such losses can offset current year gains and up to \$3,000 of ordinary income. Remaining losses can be carried forward to offset future gains.
- ☐ Hold investments longer than one year for preferential long-term capital gains treatment.
- ☐ "Bunch" charitable contributions by contributing multiple years' worth of your donations in one year to surpass the standard deduction threshold. In off-years, you could take the standard deduction.



Consider a Donor Advised Fund (DAF) to make a tax-deductible charitable gift and let the DAF administrator manage the distribution to your favorite charities over several years.

Donate highly appreciated stock. Besides claiming the charitable deduction, you also avoid paying capital gains taxes.

If you are 70½ or older, make Qualified Charitable Distributions (QCDs) from your IRA to a qualified charity to satisfy your RMDs and receive favorable tax treatment (subject to certain rules).

If itemizing, make an extra mortgage payment in December to get more interest deduction. Check to see if you can use the same strategy for other deductions, like big medical expenses.

(continued)

ANNUAL TAX PLANNING CHECKLIST

- ☐ Establish 529 accounts for potential tax benefits if used for qualified education expenses. Your 529 beneficiary can be anyone, both family and non-family members.
- ☐ Hold assets in either taxable or tax-deferred/tax-free accounts to achieve maximum tax efficiency.
- ☐ Depending on your situation, [research the benefits of a residency change to low- or no-income tax states.](#)

This list is not comprehensive and is not meant to be tax advice. Consult your tax professional and financial advisor for advice appropriate to your individual situation.



Traditional IRA account owners have considerations to make before performing a Roth IRA conversion. These primarily include income tax consequences on the converted amount in the year of conversion, withdrawal limitations from a Roth IRA, and income limitations for future contributions to a Roth IRA. In addition, if you are required to take a required minimum distribution (RMD) in the year you convert, you must do so before converting to a Roth IRA.

A Roth IRA offers tax deferral on any earnings in the account. Qualified withdrawals of earnings from the account are tax-free. Withdrawals of earnings prior to age 59½ or prior to the account being opened for 5 years, whichever is later, may result in a 10% IRS penalty tax. Limitations and restrictions may apply.

Prior to investing in a 529 Plan investors should consider whether the investor's or designated beneficiary's home state offers any state tax or other state benefits such as financial aid, scholarship funds, and protection from creditors that are only available for investments in such state's qualified tuition program. Withdrawals used for qualified expenses are federally tax free. Tax treatment at the state level may vary. Please consult with your tax advisor before investing.

Resources: <https://www.letsmakeaplan.org/financial-topics/articles/tax-planning/tax-planning-strategies-to-lower-your-2023-tax-bill>; Internal Revenue Service ([irs.gov](https://www.irs.gov)); [kitchens.com](https://www.kitchens.com); Wall Street Journal Tax Guide 2023; Savingforcollege.com: "[Can You Contribute to a Non-Family Member's 529 Plan?](#)"

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16 Fun Facts About December

Let's decorate the house for the holidays and reminisce about the end of another year with these festively fun facts about December!



By: www.funfactsabout.com

Break out the bubbly! It's December and now is the time to celebrate the holidays! Let's all get nice and cozy by a warm fire and raise our glasses to these fun facts about December.

As the year comes to a close, we find ourselves in the company of the people we love the most. We enjoy all our old holiday traditions, spend quality time with our families (whether we like it or not), and reflect on another year lived.

Being the last month of the year, December has a winding down feeling where we can celebrate with one last hurrah and then recharge and refocus for the new year ahead.

In December we set goals, we give gifts to others, we bake cookies. Heck, we may even have a sing-along or two.

We're about to take a trip through the 12th month. From the darkest nights of the year, into the holiday season, to New Year's Eve - we even talk about a rather random Mexican radish carving contest! It's all happening in the month of December, so hurry up and read on before the calendar switches over!

- 1. The Last Month of the Year** - The name December is derived from the latin word *decem*, meaning 10. But wait? Isn't December the 12th month of the year? It is now. But the early Roman calendar consisted of only 10 months before January and February were added later by Roman ruler Numa Pompilius, so it used to be the 10th and final month of the year. We just don't think *Duodecimember* (the latin word for twelve) has the same ring to it.
- 2. Hannukah, Christmas, Kwanzaa, oh my!** - December is a month for celebration! While many Christians and non-Christians alike celebrate Christmas, other cultures mark this time of year with their own holiday traditions. Kwanzaa, celebrated by African Americans, is a way to connect with African culture and historical heritage. Hanukkah, celebrated by the Jewish population, is known as The Festival of Lights.
- 3. World's Wackiest Festivals** - The strangest and most intriguing festivals happen in December. Are you ready to get weird? We sure are! First, there's Krampusnacht in Austria. This is where Santa's evil twin Krampus, a half-goat/half-man demon, chases naughty children through the streets. How about the Burning Clocks Festival in Brighton, England? This is where paper lanterns are burned in an enormous bonfire on December 21st to mark the shortest day of the year. Last, but not least, the Night of the Radishes. The radish-carving festival is celebrated every December 23rd in Mexico. This one is probably the weirdest of the lot!
- 4. Baa and Arrow** - If you were lucky enough to be born in the month of December you will belong to the zodiac sign of

Sagittarius (December 1st to 21st) or Capricorn (December 22nd to 31st). Sagittarians are represented by the archer and are independent and compassionate. Capricorns are represented by the goat and are practical and stubborn.

5. Where Did the Sunshine Go? - Here's a couple December facts that will descend you into darkness. December contains the shortest days of the year making it the darkest month on the calendar. In places like Alaska, Siberia and the Canadian territories, December is the month when the sun never rises, pitching thousands of people into complete darkness for several days. If you want to spend December up north, we suggest you bring a light therapy lamp!

6. Can Someone Turn on the Lights? - Lights are very symbolic to the month of December. Millions of people decorate their houses with twinkling lights at Christmas. Other light candles and place them on the windowsills. There's the Fete des Lumieres in Lyon, France, a celebration of the Virgin Mary with a spectacular Basilica light show. This is one of the biggest light shows in the world. There's also the lighting of the tree in Rockefeller Center in New York City which is always pretty special. And let's not forget the nine candles that are lit during Hanukkah. Basically, lots of lights!

7. It's Oscar Season Baby! - Every December some of the biggest movies are released to a limited audience in order to qualify for the Academy Awards the following year. Some of the biggest December releases of all time include, *Titanic* (1997), *Avatar* (2009) and all three *Lord of the Rings* (2001, 2002, 2003) films. No wonder December is the biggest money making month at the box office!

8. The Winter Constellations - Are you ready to get a little cosmic with some astronomy fun facts about December? The constellation Orion dominates the sky in December. Look southeast to find three stars lined up in a row. This is Orion's Belt. Rigel, a bright white star, forms Orion's knee. And to the upper left of the belt, is Beetlejuice. Congratulations! You've identified Orion. Just don't say Beetlejuice three times. Also, look out for Sirius, the brightest star in the winter night sky.

9. You May Be Destined For Pop Stardom - Is there something about being born in the last month of the year that leads to great success in the world of pop music? Some of today's biggest female pop stars were all born in December. Britney Spears on December 2nd, Nicki Minaj on December 8th, Taylor Swift on December 13th and Billie Eilish on December 18th.

10. The Attack on Pearl Harbor - It was on December 7th, 1941, that the Imperial Japanese Navy Air Service descended on the Pearl Harbor naval base on the Hawaiian island of Oahu. The surprise attack left over 2,300 Americans dead and led to the USA formally entering World War II on the side of the Allies.

11. A Time to Treat Yourself and Others - The month of December sees people spending a lot of their hard earned cash! Even the stock market rises during December on what investors and stockbrokers call the 'Santa Rally'. In 2019, the average American spent \$900 exclusively on holiday spending, including decorations, gifts, groceries and other holiday-specific purchases.

12. Humans Take Flight for the First Time - It was on December 17, 1903, at Kill Devil Hills in Kitty Hawk, North Carolina, when Orville Wright completed the first powered flight of a heavier-than-air aircraft. Kill Devil Hills!? You wouldn't catch us flying off a hill with a name like that! It couldn't have bothered Orville's brother Wilbur, who went up in the same aircraft right after his brother had safely landed.

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16 Fun Facts About December

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13. Start Saving if You Want to Travel - These December facts may help the next time you book a vacation. More people travel in December than any other month of the year.

With people returning home for the holidays and others escaping south to the warmth and sunshine of tropical destination, the prices for everything from plane tickets, accommodation, and even gasoline goes up in December. Here's an age old travel tip: plan well ahead to get a better price!

14. The Unluckiest Day of the Year - Forget Friday the 13th, according to folklore, the unluckiest day of the year is December 28th, also known as The Feast of the Holy Innocents or Childermass.

It was important to start a new job or relationship on December 28th, and up until the 17th century it was also believed that beating children with sticks on this day could repel some of the bad luck coming your way.

This is definitely one of the most creepy December facts!

15. Pick Your Own Birthstone - While most months, like April (diamond) and July (ruby), have a specific birthstone to represent them, December has three different birthstones fighting for the top spot.

Tanzanite, turquoise and zircon all represent December and each offer a different shade of brilliant blue. If you were born in December take your pick of the three! It's always good to have options, right?

16. Looking Ahead and Setting Important Goals - As the year comes to a close, most people have a chance to reflect on the past year and what they may want to achieve, change or continue as the calendar switches over.

New Year's Eve celebrations take place around the world on December 31st with raucous crowds, live music, drinks, fireworks and a countdown to midnight.

December is the only month that ends with a kiss and a hug and a cheer of Happy New Year!



Melt-in-Your-Mouth Pot Roast

Ingredients:

11

Total Time:

6 hours

Servings:

8



Recipe by: Tasteofhome.com

...
"Slow-simmered and seasoned, this tender and tasty crock pot roast and potatoes recipe is so easy to make and always a hit!"
...

Ingredients:

- 1 pound medium red potatoes, quartered
- 1 cup fresh baby carrots
- 1 boneless beef chuck roast (3 to 4 pounds)
- 1/4 cup Dijon mustard
- 2 teaspoons dried rosemary, crushed
- 1 teaspoon garlic salt
- 1/2 teaspoon dried thyme
- 1/2 teaspoon pepper
- 1/3 cup chopped onion
- 1 1/2 cups beef broth
- Minced fresh thyme, optional

Instructions:

1. Place potatoes and carrots in a 5-qt. slow cooker. Cut roast in half. Combine the mustard, rosemary, garlic salt, thyme and pepper; rub over roast.
2. Place in slow cooker; top with onion and broth. Cover and cook on low until meat and vegetables are tender, 6-8 hours. If desired, top with minced thyme.

Can you freeze the Pot Roast?

place sliced pot roast and vegetables in freezer containers; top with cooking juices. Cool and freeze. To use, partially thaw in refrigerator overnight. Heat through in a covered saucepan gently stirring and adding a little water if necessary.