

Regent Financial Services

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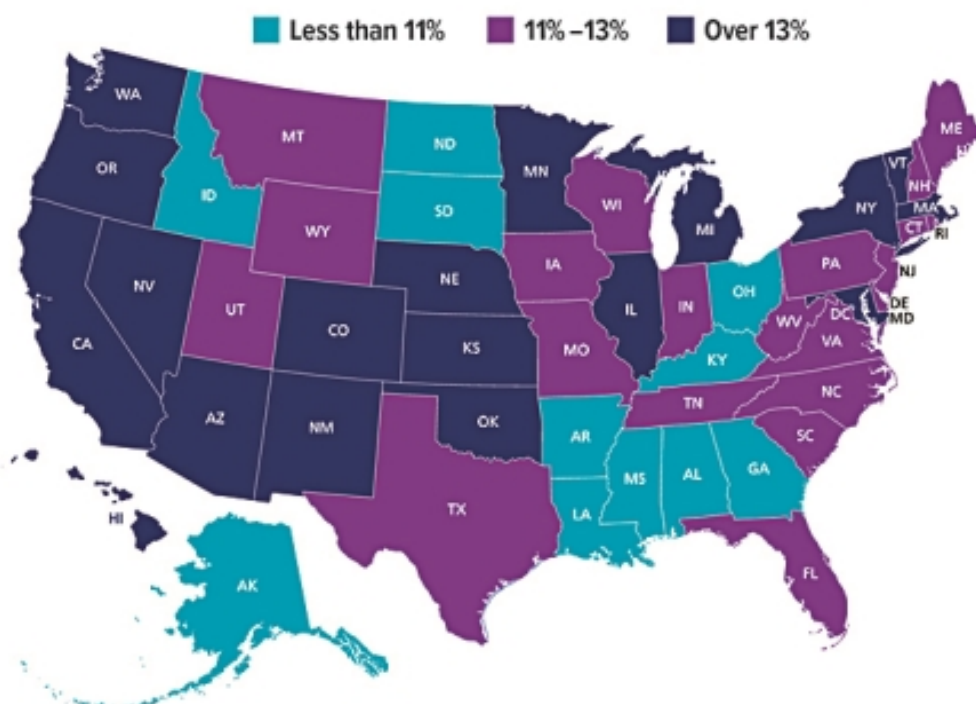


Denise A. Lant, CFP®

Child-Care Affordability Is All Over the Map

The typical fees charged for child care vary widely by state. The U.S. Department of Health and Human Services considers child-care costs to be affordable when they are at or below 7% of annual household income — but many families face costs far above that threshold.

The annual price of center-based care as a percentage of median income, by state



Source: Child Care Aware® of America, 2022 (data for 2021; CO data for 2020)

Time for a Spring Cleanup: Organizing Your Financial Records

The arrival of spring is always a good time to dust off the cobwebs that have built up in your home during the winter. It's also a good time to clean out and organize your financial records so you can quickly locate something if you need it.

Keep Only What You Need

If you keep paperwork because you "might need it someday," your home office and file cabinets are likely overflowing and cluttered with nonessential documents. One key to organizing your financial records is to keep only what you absolutely need for as long as you need it.

Tax records. Keep all personal tax records for three years after filing your return or two years after the taxes were paid, whichever is later. (Different rules apply to business taxes.) If you underreported gross income by more than 25% (not a wise decision), keep the records for six years, and for seven years if you claimed a deduction for worthless securities or bad debt. It might be helpful to keep your actual tax returns, W-2 forms, and other income statements until you begin receiving Social Security benefits.

Financial statements. You generally have 60 days to dispute charges with banks and credit cards, so you could discard statements after two months. If you receive an annual statement, throw out monthly statements once you receive the annual statement. If your statements include tax information (e.g., you use credit-card statements to track deductions), follow the guidelines for tax records.

Retirement account statements. Keep quarterly statements until you receive your annual statement; keep annual statements until you close the account. Keep records of nondeductible IRA contributions indefinitely to prove you paid taxes on the funds.

Real estate and investment records. Keep at least until you sell the asset. If the sale is reported on your tax return, follow the rules for tax records. Utility bills can be discarded once the next bill is received showing the previous paid bill, unless you deduct utilities, such as for a home office.

Loan documents. Keep documents and proof of payment until the loan is paid off. After that, keep proof of final payment.

Insurance policies. Keep policy and payment documents as long as the policy is in force.

Auto records. Keep registration and title information until the car is sold. If you deduct auto expenses, keep mileage logs and receipts with your tax records. You might keep maintenance records for reference and to document services to a new buyer.

Medical records. Keep records indefinitely for surgeries, major illnesses, lab tests, and vaccinations. Keep payment records until you have proof of a zero balance. If you deduct medical expenses, keep receipts with your tax records.

These are general guidelines, and your personal circumstances may warrant keeping these documents for shorter or longer periods of time.

Personal Document Locator

A personal document locator is a detailed list of your personal and financial information that can assist others in the event of your death or disability. Typically, a personal document locator will include the following:



Personal information
(e.g., date of birth,
Social Security number)



Names and phone
numbers of
personal contacts



Online accounts,
with usernames
and passwords



Names and phone numbers of professional service
providers (e.g., banker, physician, attorney,
tax preparer, financial professional)



Location of important
legal and financial
documents

Securely Store Your Records

You can choose to keep hard copies of your financial records or store them digitally. You usually do not need to keep hard copies of documents and records that can be found online or duplicated elsewhere. Important documents such as birth certificates and other proof of identity should be stored in a safe place, such as a fire-resistant file cabinet or safe-deposit box. You can save or scan other documents on your computer, or store them on a portable drive, or use a cloud storage service that encrypts your uploaded information and stores it remotely.

An easy way to prevent documents from piling up is to remember the phrase "out with the old, in with the new." For example, if you still receive paper copies of financial records, discard your old records as soon as you receive the new ones (using the aforementioned guidelines). Make sure to dispose of them properly by shredding documents that contain sensitive personal information, Social Security numbers, or financial account numbers. Finally, review your records regularly to make sure that your filing system remains organized.

50 and Older? Here's Your Chance to Catch Up on Retirement Saving

If you are age 50 or older and still working, you have a valuable opportunity to super-charge your retirement savings while managing your income tax liability. Catch-up contributions offer the chance to invest amounts over and above the standard annual limits in IRAs and workplace retirement plans.

2023 Limits

In 2023, the IRA catch-up limit is an additional \$1,000 over the standard annual amount of \$6,500. Participants in 401(k), 403(b), and government 457(b) plans can contribute an extra \$7,500 over the standard limit of \$22,500. For SIMPLE plans, the catch-up amount is \$3,500 over the standard limit of \$15,500.¹

Tax Benefits

Contributions to traditional workplace plans are made on a pre-tax basis, which reduces the amount of income subject to current taxes. Contributions to traditional IRAs may be deductible, depending on certain circumstances.

If you are not covered by a retirement plan at work, your traditional IRA contributions are fully tax deductible. If you are covered by a workplace plan, you may deduct the full amount if your adjusted gross income is \$73,000 or less as a single taxpayer or \$116,000 or less if you're married and file jointly. If you are not covered by a workplace plan but your spouse is, you are eligible for a full deduction if you file jointly and your income is \$218,000 or less.²

Contributions to Roth accounts do not offer immediate tax benefits, but qualified distributions are tax-free at the federal, and possibly state, level. A qualified distribution is one made after the account has been held for five years and the account owner reaches age 59½, dies, or becomes disabled.

Distributions from traditional accounts prior to age 59½ and nonqualified distributions from Roth accounts are subject to ordinary income taxes and a 10% penalty, unless an exception applies.

Still Time for 2022 Contribution

If you qualify, you can make a deductible IRA contribution for 2022 up until the tax filing deadline on April 18, 2023. The total contribution limit for someone age 50 or older in 2022 is \$7,000. You can open a new IRA or invest in a current one, but be sure to specify the contribution is for the 2022 tax year. The income limits for a full deduction in 2022 are \$68,000 for single taxpayers, \$109,000 for married taxpayers filing jointly, and \$204,000 for taxpayers who aren't covered by a workplace plan but their spouse is.²

1) Participants in 403(b) and 457(b) plans may benefit from other catch-up contributions specific to each plan type. Participants in government 457(b) plans cannot combine age 50 catch-up contributions with other catch-up contributions. When calculating allowable annual amounts, contributions to all plans except 457(b)s must be aggregated.

2) Phaseout limits apply. Married couples filing separately cannot take a full deduction. You must have earned income at least equal to your IRA contribution. Talk to a tax professional.



How to Save Money at the Gas Pump

By: Benjamin Preston
consumerreports.com

At \$3.27 for a gallon, the national average price for regular gasoline is 3 cents cheaper than it was a year ago, according to AAA. Prices at the pump vary by region, trending higher in the West and Northeast, and lower in the Midwest and Southeast. (The price peaked at \$5.02 on June 14, 2022.)

The price you'll pay depends, of course, on the gas station where you fill up. The highest average price is in Hawaii, at \$5.01 per gallon, and the lowest is in Texas, at \$2.85 per gallon.

But there can also be significant price disparities among prices at filling stations in the same town. For example, according to GasBuddy's gas price map, the Speedway Express station at 4069 State Street in Santa Barbara, Calif., is charging \$4.18 per gallon for regular right now, while only a few miles away, the Chevron station at 1085 Coast Village Road is charging \$4.69 per gallon.

That means that choosing where you buy gasoline can make a big difference in how much you're spending to fuel your vehicle. Putting 15 gallons of regular gasoline into a small SUV would cost \$7.65 more at the Chevron than at the Speedway Express. That difference can really pile up—to the tune of \$398 a year with a weekly fill-up.

There are also drivers who buy higher-cost premium gasoline unnecessarily for cars designed for regular fuel, according to a study by AAA. Based on current national average gasoline prices, midgrade gasoline (\$3.69) costs 42 cents per gallon more than what you'd pay for regular, and premium gas (\$4.01) costs 74 cents more than regular on average, according to AAA. For a 15-gallon fill-up, that's \$6.30 more for midgrade and \$11.10 more for premium. (All prices as of Jan. 13, 2023.)

How to Spend Less on Gas

"If you're just looking at the price from the street, you're leaving money on the table," says Patrick De Haan, senior petroleum analyst at GasBuddy, a website and smartphone app that helps drivers find the best deals. There are things you can do to keep your gas expenses down. Among them:

Use a gas station app or website. Smartphone apps, such as those from GasBuddy, AAA, and Gas Guru, are particularly convenient when you're traveling and away from your computer. They're available for Apple and Android devices. Many are free. You can filter results by fuel grade and sort by distance and price, as well as get GPS-guided directions to the station you choose.

GasBuddy and Fuel Finder also let you check stations for amenities such as ATMs, restaurants, and car washes. GasBuddy has station reviews, which might tell you, for instance, which restrooms to avoid. And Gas Guru lets you save your favorite stations, so you can remember where to stop on your way back.

The Google Maps and Waze apps, which many people use for real-time traffic alerts and driving directions, also offer gas-price info.

You're likely to find that you may be able to get a better deal at stations that are not located on major highways, says Michael Calkins, a manager at AAA. Of course, making a big detour to pay less might not make sense.

Calkins also says to make sure that when you compare prices you consider buying only Top-Tier detergent gasoline, which is better for your car.

Think about how best to pay. Some stations offer a lower price if you pay with cash instead of a credit card. The difference between the cash and credit price usually ranges from around 10 to 15 cents per gallon, De Haan says, though he adds that it can be as much as a dollar.

Another option is to pay with a cash-back credit card. While the credit card price may be higher than the cash price, the reward you receive could make using the credit card a better deal.

It's worth noting that a rewards credit card could even provide greater savings than a gas credit card from a big oil company (such as Texaco or Chevron), De Haan says. Some cards offer introductory cash or points bonuses for signing up, and others offer discounts at the pump. The Bank of America Customized Cash Rewards credit card, for example, offers a \$200 bonus to people who spend \$1,000 on purchases during the first nine days of card ownership. The ExxonMobile Smart Card, by contrast, gives a 6-cent discount per gallon of fuel purchased.

If you plan to pay by debit card, don't assume that you are getting the cash price. Some stations could charge you the credit card rate instead. Check the posted prices at the pump. Selecting the debit option and entering a pin when you pump your gas is often a good indication that your transaction will be handled as cash, says Lyle Beckwith, senior vice president of the National Association of Convenience Stores, based in Alexandria, Va.

Slow down. De Haan says it may sound silly, but with prices being as high as they are, it's a good idea to keep your foot out of the accelerator pedal. Around town, that means reducing your rate of acceleration, and on the highway, keeping your speed below 75 mph, above which he says wind resistance eats into your fuel economy. "Reducing your speed to 65 on the highway can increase fuel economy by as much as 15 to 20 percent," he says.

Check your tire pressure. Making sure your car's tires are properly inflated to the pressure indicated on the sticker inside the driver's door will make it run more efficiently.

Reduce the number of car trips. If you can avoid traveling by car, either by walking, taking public transportation, or staying home, you'll save money at the pump. If you do have to drive somewhere, try to bundle errands and appointments so you don't have to make multiple trips and use more fuel.

Slow-Cooker Irish Stew

Prep Time:

20 min

Total Time:

6 hr 20 min

Servings:

6



Recipe by: Girl Who Ate Everything
www.tablespoon.com/recipes/slow-cooker-irish-stew/

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"I love that this meal only takes twenty minutes in the morning to prepare -- and at the end of the day, you have a warm comforting meal your whole family can cozy up to. Enjoy with some warm crusty bread!"

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Directions:

1. In a large pot, heat the olive oil over medium heat. Toss the meat with the flour and brown it in the oil. Set aside.
2. In the bottom of the slow cooker place the potatoes, carrots, and onions. Place the meat on top of the onions.
3. Combine the tomato paste, beef broth, Italian seasonings and garlic and pour over the beef and vegetables.
4. Cook on low for 6-8 hours or until potatoes are done. For the last half hour of cooking combine the cornstarch with the water until a paste is formed, then stir it into the stew. Cook on high for a half hour or until stew has thickened. Add salt and pepper to taste and serve.

Ingredients:

- 2 tablespoons olive oil
- 1 1/2 lean beef stew meat or lamb, cut into 1 1/2 inch cubes
- 2 tablespoons flour
- 3 medium potatoes, peeled & diced into 1 1/2 cubes
- 1 package (10 oz) frozen honey-glazed carrots
- 1/2 white onion, sliced into large chunks
- 3 tablespoons tomato paste
- 3 cups Progresso beef flavored broth
- 2 teaspoons Italian seasonings
- 1 clove garlic, minced
- 3 tablespoons cornstarch
- 3 tablespoons water

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