

Kessler Quarterly

December 31st, 2017
2070 Main St.
Athol, MA 01331

Happy New Year!

As we bid farewell to 2017 and welcome 2018 we at Kessler Investments want to say Thank You! As we strive to excel in our community, we are honored to have friends like you, we sincerely appreciate your business.



Greg Kessler was recently named the new head Baseball Coach at King Philip High School in Norfolk, MA. Greg is a graduate from Athol High School and the University of Massachusetts. He taught at Athol for a year before joining the faculty at Horace Mann Middle School in Franklin, MA. There he was the freshman and varsity baseball squad coach as well as assistant football coach. Greg currently resides in Franklin with his Fiancé, Erin.



Upcoming Events

January 30th - 6pm
Income Savvy Workshop

March 15th - 6pm
Social Security
Workshop

May 22nd - 6pm
College Savings
Workshop

July 17th - 6pm
FCMS- Freedom Capital
Management Strategies

September 18th - 6pm
Social Security/
Medicare Workshop

What is a Roth IRA?

Roth IRAs are tax-favored financial vehicles that enable investors to save money for retirement. They differ from traditional IRAs in that taxpayers cannot deduct contributions made to a Roth. However, qualified Roth IRA distributions in retirement are free of federal income tax and aren't included in a taxpayer's gross income. That can be advantageous, especially if the account owner is in a higher tax bracket in retirement or taxes are higher in the future.

A Roth IRA is subject to the same contribution limits as a traditional IRA. The maximum combined annual contribution an individual can make to traditional and Roth IRAs is \$5,500 in 2017, unchanged from 2016. Special "catch-up" contributions enable those nearing retirement (age 50 and older) to save at an accelerated rate by contributing \$1,000 more than the regular annual limits.

Another way in which Roth IRAs can be advantageous is that investors can contribute to a Roth after age 70½ as long as they have earned income, and they don't have to begin taking mandatory distributions due to age, as they do with traditional IRAs; however, beneficiaries of Roth IRAs must take mandatory distributions.

Roth IRA withdrawals can be made at any time and for any reason. Withdrawals of your own contributions are tax-free and not subject to the 10% federal income tax penalty for early withdrawals. In order to make a qualified income tax-free distribution of earnings, the account must meet the five-year holding requirement and the account owner must be either (a) age 59½ or older, (b) disabled, or (c) purchasing a first home (\$10,000 lifetime limit). Otherwise, these withdrawals of earnings are subject to ordinary income tax and the 10% federal income tax penalty (with certain exceptions including death, disability, unreimbursed medical expenses in excess of 10% of adjusted gross income, higher-education expenses, the purchase of a first home (\$10,000 lifetime cap), substantially equal periodic payments, and qualified reservist distributions).

Article from Broadridge/ Forefield.

Kessler Investments always seeks to understand the matters of importance of those we serve and to apply the same advice and dedicated leadership as we would apply to ourselves.

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