

Meet Our Team

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Summer 2020

GROW TRUST

partners

Our name says it all.

The Cares Act Key Components

INDIVIDUAL ASSISTANCE

Recovery Rebates

- Provides all U.S. residents with an adjusted gross income of \$75,000 or less \$1,200 for singles and heads of households (\$2,400 for married couples filing joint returns and an adjusted gross income of \$150,000 or less).
- The rebate is phased out by \$5 for every \$100 over \$75,000 that an individual receives, and phased-out completely for incomes exceeding \$99,000 (single), \$146,000 (head of household with one child) or \$198,000 (joint with no children).
- Those with children are eligible to receive an additional \$500 per child.
- Those with no income, or income that comes from non-taxable benefits such as SSI, are still eligible for the rebate.
- Checks will be sent to the address or bank account used on 2018 or 2019 tax returns. No action will be required for most eligible recipients.

Unemployment Compensation

- Expands eligibility to include self-employed individuals and independent contractors.
- Expands eligibility to 39 weeks (through the end of 2020).
- Increases the maximum amount available by \$600 per week.
- Allows for individuals who quit their jobs due to coronavirus related concerns to be eligible for unemployment assistance.

RETIREMENT ASSISTANCE

Required Minimum Distributions

- RMDs for 2020 are waived completely for IRAs and DC plans. They do not need to be made up next year.
- We are waiting for IRS guidance related to putting distributions already taken back. It was allowed in 2009.

Plan Withdrawals

- Waives the 10% penalty tax on early withdrawals up to \$100,000 for coronavirus related hardship distributions.
- Exempts coronavirus related distributions from the 402(f) notice requirements and mandatory 20% withholding applicable to eligible rollover distributions.

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- Permits the individual to recontribute the coronavirus related distribution within three years.
- Coronavirus related distributions are distributions made during 2020 to an individual who is diagnosed with COVID-19, who has a spouse or dependent diagnosed with COVID-19 or who experiences financial consequences as a result of COVID-19.

SMALL BUSINESS ASSISTANCE

Paycheck Protection Program

- A new lending program administered by the SBA for small businesses, nonprofits, independent contractors, sole proprietors and self-employed individuals.
- Loans are fully guaranteed and 250% of an average monthly payroll from Feb. 15 – June 30, 2020. There is a \$10 million cap on loans.
- Eligible uses include employee compensation, compensation of an independent contractor or sole proprietor no greater than \$100,000 in one year, rent or utility payments or mortgage interest payments.

Employee Retention Credit

- A refundable payroll tax credit equal to 50% of employee wages paid by certain employers during the coronavirus crisis, up to \$10,000 in wages.
- Employers are eligible for the tax credit if their operations were affected by government order limiting commerce, travel or group meetings due to coronavirus or whose quarterly receipts are less than 50% for the same quarter in the prior year.
- Wages paid to employees during which they are furloughed or have reduced hours are eligible.
- *Businesses receiving a loan through PPP are not eligible for this deferral.*

Delay of Payment of Employment Payroll Taxes

- Employers and self-employed individuals can defer the payment of their portion of social security tax.
- The taxes must be paid over the following two years, with half due before December 31, 2021 and the other half by December 31, 2022.
- *Businesses receiving a loan through PPP are not eligible for this deferral.*

Excess Business Losses

- Pass through corporations and sole proprietors are able to deduct more business losses on their taxes, freeing up cash for immediate expenses.
- The cap, first imposed in the Tax Cuts & Jobs Act, will be effective after December 31, 2020.

Required Attribution

This information is not intended to be a substitute for specific individualized tax or legal advice. We suggest that you discuss your specific situation with a qualified tax or legal advisor.

This material was prepared by LPL Financial.

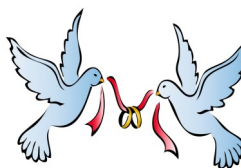
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Growtrust Happenings

Wedding Bells are Ringing at the GT office:

Congratulations to our Client Services Associate, Destinee (Thiele) Veenstra, who recently married Emerson Veenstra in a private ceremony in March.



Congratulations also goes out to our Client Services Manager, Teresa (Morstad) Datema, who married Steve Datema in a private ceremony in May.

Financial Advisor, Ryan Smith and his wife Dawn surprised their kids with a new puppy named Piper. She's been a great addition to their family, especially during the quarantine. Piper's occasional visits to the office are definitely welcomed by the Growtrust Team. She's an absolute delight!



Valuable Verbiage

Compound Annual Growth Rate (CAGR)

Compound annual growth rate is the rate of return that would be required for an investment to grow from its beginning balance to its ending balance, assuming the profits were reinvested at the end of each year of the investment's lifespan.



- CAGR is one of the most accurate ways to calculate and determine returns for anything that can rise or fall in value over time.
- Investors can compare the CAGR of two alternatives in order to evaluate how well one stock performed against other stocks in a peer group or against a market index.
- CAGR does not reflect investment risk.

* The opinions voiced in this material are for general information only and are not intended to provide specific advice or recommendations for any individual.

Social Security Tip

Protect yourself from scams:

Unfortunately, there are scammers who will take advantage of the current pandemic situation and try to trick you out of your money and personal information. Don't be fooled!

If you receive calls, emails, or other communications claiming to be from the U.S. Treasury Department, the Internal Revenue Service, the Social Security Administration, or another government agency offering COVID-19 related grants or economic impact payments in exchange for personal financial information, or an advance fee, or charge of any kind, including the purchase of gift cards, please do not respond. These are scams. Visit U.S. Department of the Treasury's website if you suspect economic impact payment fraud. Report Social Security scams about Covid-19 on the Office of the Inspector General website. (oig.ssa.gov)

Below are some of the scams we know about, but there can be many variations:

The Inspector General of Social Security, Gail S. Ennis, is warning the public about fraudulent letters threatening suspension of Social Security benefits due to COVID-19-related office closures. They will not suspend or discontinue benefits because their offices are closed to the public for in-person service.

The U.S. Department of Health and Human Services (HHS) Office of Inspector General is alerting the public about fraud schemes related to COVID-19. For example, scammers are offering COVID-19 tests to Medicare beneficiaries in exchange for personal details, including Medicare information. However, the services are unapproved and illegitimate.



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Growtrust Partners Newsletter –Summer 2020

Our name says it all.

**Securities offered
through LPL Financial,
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Yummy Guacamole

Ingredients:

- 8 ripe avocados– pitted, peeled, and diced
- 1/2 cup chopped fresh cilantro
- 4 green onions, chopped
- 3 tomatoes chopped
- 4 jalapeno peppers, seeded and minced
- 4 cloves garlic, finely minced
- 3 limes, juiced
- Salt and ground black pepper to taste

Directions:

- Mash avocados with a fork in a large bowl. Mix tomatoes, cilantro, green onions, jalapeno peppers, garlic, and lime juice into mashed avocados; season with salt and black pepper.
- Place avocado seeds in guacamole. Cover bowl tightly with plastic wrap; refrigerate for 30 minutes.
- Serve with chips and enjoy!

