BOWMAN FINANCIAL GROUP

Get Your Retirement Plan On Target

ON TARGET

SPRING 2021 NEWSLETTER

In this Newsletter:

- Retiree Celebration
- New Outlook on Life
- Legacy Planning
- Referrals & More!

Better Together

Businesses are beginning to reopen to a closer to "normal" capacity. Leisure travel is picking up. According to the Center for Disease Control (CDC) reports 62% of Americans have been vaccinated.

The team at Bowman Financial Group is comfortable meeting in person in our office or virtually through Zoom. We have been blessed with a phenomenal amount of referrals over the last year. We continue to welcome new clients for retirement planning needs and Medicare coverage.

We look forward to hosting a small event for new clients and the people who referred them! More details to come at a later date. We are dedicated to offering the same high level of service from our seasoned clients to those who are new to the Bowman Family.

As we approach the fall, we are hoping to host some more small events and seminars. We have missed being able to gather and are closely following local guidelines to present the safest way to gather. If you have any friends, family, or children who are nearing retirement age, we'd be grateful to meet with them to help discuss their options.

Updated Summer Hours

We will be open 9am to 3pm, with appointment-only availability after 3pm. We are also closing at 2pm on Fridays.

We will be closed May 31st for Memorial Day, and July 5th for Independence Day Weekend

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LEGACY PLANNING: Looking Ahead

We are diligent in our research, and keeping up with new legislation from the White House. The American Families Plan has been proposed by the Biden Administration, but not yet passed by Congress. This plan could greatly impact your legacy planning through a change to capital gains taxes. A large part of legacy planning is inheritance, and passing on your wealth to your family members or chosen charities.

We'll make sure to set time aside in your annual meeting to discuss if any new policies affect your current situation. We even work with your tax and estate planning specialists to make sure your legacy passes on in the most efficient way to your heirs.

Did You Know?

Our team specializes in multiple areas! As you approach retirement, we can talk about insurance and how it can aid in your retirement planning.

- Retirement Planning
- Expertise on Legacy Planning
- Life Insurance
- Long-Term Care Insurance
- Individual Medical Insurance
- Medicare

We'll even look over your existing plan if you have additional questions or need clarification.

Retirement Celebration!

At the end of April, we celebrated Jan Means' last day as our Client Services Specialist. Jan joined our team at the end of the summer in 2019. She attended our Client Appreciation Event, where she was able to meet most of our financial clients before the pandemic.

She embraced her role through all the unexpected changes. She's excited for retirement and spending more time with her family and dachshund, Rudy, on Mason Lake. Congrats and enjoy, Jan! -The Bowman Financial Team

Watch Out!

We are sponsoring wellness at the Safeway in Shelton! Since Flat Mike has not been traveling for the last year, we wanted to encourage you to take a photo of yourself with our sign in Safeway. Post the photo on Facebook and tag Bowman Financial Group! The first 10 participants will win a Starbucks gift card.

Mike and Kris stopped by to show you what to look for!

The American Rescue Plan Act & YOU!

Because of the American Rescue Plan Act of 2021, you may be able to get more savings and lower costs on your health coverage. More Washingtonians may qualify for tax credits paying for health coverage, even those who weren't eligible for help in the past.

Do you have or need individual healthcare coverage? Kristine is a licensed broker and can help you navigate the wahealthplanfinder website and make sure you get the health plan that is right for you.

A New Look on Life: The Benefits of Life Insurance

With the ever-changing economic landscape, the limitations of many traditional investments like IRAs and 401(k)s, and the potential impact of current and future income taxes on your overall retirement strategy, you may be left wondering what options you have to create a more tax-efficient strategy. Life insurance is first and foremost an insurance product that offers a death benefit for your beneficiaries. But many types of life insurance can also be used as a supplemental solution to help address these potential financial concerns with tax-deferred accumulation and its distribution and transfer capabilities. What makes life insurance so unique that it could be considered its own asset class?

The IRS Tax Code

The IRS tax code has allowed for life insurance cash values and death benefit proceeds to receive tax advantages that are truly unique. What other financial asset can offer all of these tax advantages:

Tax Advantage #1 Tax-Free Death Benefit

Generally, the beneficiaries of an individually owned life insurance policy do not have to pay income tax on the death benefit thanks to IRC Section 101(a)[1]. This is true whether they take the death benefit as a lump sum or over a period of time. However, if the death benefit is taken over a period of time, any interest earned would be taxable as income to the beneficiary. Life insurance proceeds may be subject to estate taxes.

Tax Advantage #2 Tax-Deferred Accumulation

Potential Any cash value growth in a life insurance policy is tax-deferred. The owner of the policy is not required to pay any income tax on the cash accumulation while inside the policy.

Tax Advantage #3 Tax-Free Distributions

Loans taken against a life insurance policy's cash value are not subject to income taxes provided the policy is not a Modified Endowment Contract (MEC).[2]

Tax Advantage #4 Tax-Free Accelerated Death Benefits

If the insured becomes terminally or chronically ill, a portion of the death benefit may be paid out while the insured is still living. These tax-free "living benefits" are paid on a per diem or other period basis and are excluded from income tax up to a limit determined by the IRS, per IRS Section 7702B(b)[3].

[1] If properly structured, proceeds from life insurance are generally income tax-free.

[2] Policy loans and withdrawals will reduce available cash values and death benefits and may cause the policy to lapse. Additional premium payments may be required to keep the policy in force. In the event of a lapse, outstanding policy loans in excess of unrecovered cost basis will be subject to ordinary income tax. Tax laws are subject to change; consult a tax professional about your personal situation.

[3] An acceleration of the policy death benefit is generally income tax-free as defined in IRS Section 7702B(b). Some accelerated benefit riders may require an additional fee; rider and/or life insurance product availability may vary by state. Actual rider benefit amount will vary according to the rules and restrictions of the specific life insurance product selected and will reduce the ultimate death benefit and cash value. Accelerated benefits are not a replacement for long-term care insurance and are subject to eligibility requirement.

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RETURN SERVICE REQUESTED

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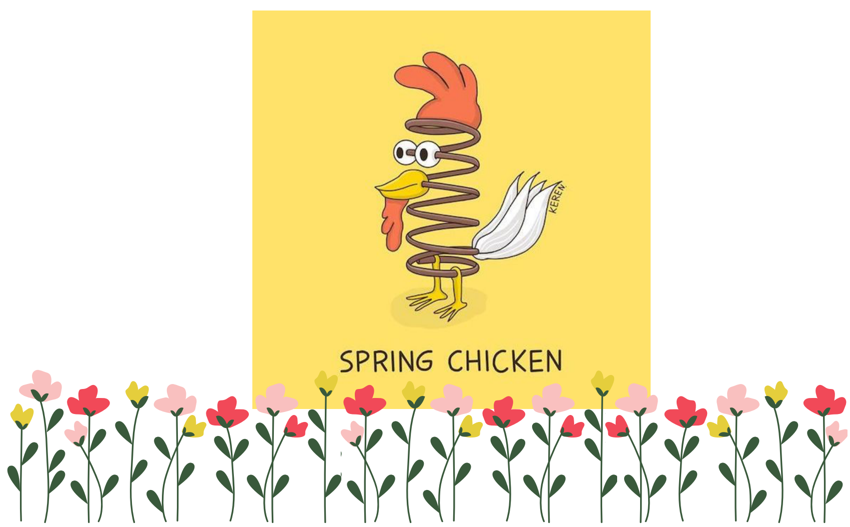

Important Disclosures:

@BowmanFinancialGroup