



VALUES FIRST PLANNING

John.mitchell@valuesfirstplanning.com
www.valuesfirstplanning.com

Please share this newsletter with friends and family. Thank you for allowing me to partner with you in pursuing your financial goals. You can learn more about our approach to investing at my [website](#).

John

More than Money

September 2023

Securing your Future Planning

The **Setting Every Community Up for Retirement Enhancement** (SECURE) Act was enacted on December 20, 2019. Many of you are aware of how this act increased the age at which Required Minimum Distributions (RMDs) from 70 ½ to 72, as well as other important changes. Well, SECURE 2.0 was signed into law by President Biden on December 29, 2022 as part of a larger appropriations bill to fund the government. SECURE 2.0 makes it easier to save for retirement, easier to preserve savings in retirement, and easier for businesses to provide retirement benefits. I thought I might highlight two of the key changes that may affect how we plan for you.

New Distribution Limit on Inherited Money from Retirement Accounts (Non-Spouse Beneficiaries)

The SECURE Act imposes a 10-year distribution limit for most *non-spouse* beneficiaries to spend down inherited IRAs from original owners who have passed away on or after January 1, 2020. Before passage of the act, withdrawals from inherited accounts could be stretched over the life of beneficiaries to lessen taxes. Exceptions to the 10-year rule include assets left to a surviving spouse, a minor child, a disabled or chronically ill beneficiary, and beneficiaries who are less than 10 years younger than the original IRA owner or 401(k) participant.

Potential Action Plan: Let's plan on reviewing your current beneficiary designations for any retirement accounts you currently have to determine if this new provision could potentially affect you and your

~Continued on page 2~



[LPL Weekly Market Commentary](#)

(Click for article)



Friend, follow or connect with us on social media! (Click icon for platform)

Securing Your Future Planning

heirs. If you're a beneficiary of an inherited IRA or 401(k) and the original owner passed away prior to January 1, 2020, you don't need to make any changes.

Required Minimum Distribution (RMD) Changes:

The SECURE Act of 2019 raised the age for RMDs from 70½ to 72. SECURE 2.0 further raises the RMD age from 72 to 73 in 2023, and 75 in 2033.

If the account owner turned 72 in 2022 or earlier, he/she will still need to continue taking RMDs as scheduled. If the owner is turning 72 in 2023 and has already scheduled withdrawals, he/she has the option to update the retirement account withdrawal plan.

Starting in 2024, Roth accounts in employer retirement plans will be exempt from RMD requirements.

And beginning immediately, for in-plan annuity payments that exceed the participant's RMD amount, the excess annuity payment can be applied to the year's RMD.

Additionally, SECURE 2.0 reduces the penalty tax for failures by an individual to take the minimum distribution from 50% to 25%. Further, if the failure is corrected in a timely manner, the excise tax is reduced from 25% to 10%. These changes are effective for 2023.

Potential Action Plan: Evaluate IRA distributions based on long-term needs of you and your heirs, with tax considerations now being more prominent.

These two changes – and a few others in the SECURE Act, may have an impact on how we efficiently plan for your future. Taxes can take a big bite of your assets. If you would like to review how the changes might affect your plan – let us help!

Inflation

Jeff and John discuss the difficult topic of inflation, and more importantly, what does it have to do with my relationship?

Click [here](#) to listen.

More Than a Budget and Values First Planning, a dba of Advisor Resource Council, are separate entities and not affiliated.



John D. Mitchell, CFP®

1300 E. 9th St., Suite 10

Edmond, OK 73034



VALUES FIRST
PLANNING

Office 405.348.3236

www.valuesfirstplanning.com

Investment advice offered through Values First Planning, a DBA of Advisor Resource Council, a registered investment advisor. Additional information, including management fees and expenses, is provided on our [Form ADV Part 2](#), available at the SEC's Investment Advisor Public Disclosure website. As with any investment strategy, there is potential for profit as well as the possibility of loss. We do not guarantee any minimum level of investment performance or the success of any portfolio or investment strategy. All investments involve risk (the amount of which may vary significantly) and investment recommendations will not always be profitable. The underlying holdings of any presented portfolio are not federally or FDIC-insured and are not deposits or obligations of, or guaranteed by, any financial institution. **Past performance is not a guarantee of future results.**