

# Regent Financial Services

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## Foreign Tourists

More than 79 million foreign tourists visited the United States in 2019, adding \$254 billion to the U.S. economy. Residents of Canada and Mexico accounted for almost half of the total, while the countries below were the top 10 sources of overseas visitors. Travel restrictions and lockdowns due to COVID-19 have severely disrupted the flow of foreign tourists in 2020. It's too early to know the full extent of the damage to the tourism sector, but the effects may continue for some time after the virus is controlled.

### International visits to the United States in 2019, in millions



Source: National Travel and Tourism Office, 2020

# Tapping Retirement Savings During a Financial Crisis

As the number of COVID-19 cases began to skyrocket in March 2020, Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The legislation may make it easier for Americans to access money in their retirement plans, temporarily waiving the 10% early-withdrawal penalty and increasing the amount they could borrow. Understanding these new guidelines and the other rules for loans and early withdrawals may help you determine if they are appropriate options during a financial crisis. (Remember that tapping retirement savings now could risk your financial situation in the future.)

## Penalty-Free Withdrawals

The newest exception to the 10% early-withdrawal penalty allows IRA account holders and retirement plan participants to take distributions of up to \$100,000 in 2020 for a "coronavirus-related" reason.\* These situations include a diagnosis of COVID-19 for account owners and certain family members; a financial setback due to a quarantine, furlough, layoff, or reduced work hours, and in the case of business owners, due to closures or reduced hours; or an inability to work due to lack of child care as a result of the virus. This temporary exception augments the other circumstances for which a penalty-free distribution is typically allowed:

- Death or disability of the account owner
- Unreimbursed medical expenses exceeding 7.5% of adjusted gross income (increases to 10% in 2021)
- A series of "substantially equal periodic payments" over your life expectancy or the joint life expectancy of you and your spouse
- Birth or adoption of a child, up to \$5,000 per account owner
- Certain cases when military reservists are called to active duty

In addition, IRAs (but not work-based plans) allow penalty-free withdrawals for a first-time home purchase (\$10,000 lifetime limit), qualified higher-education expenses, and payments of health insurance premiums in the event of a layoff.

Work-based plans allow exceptions for those who separate from service after age 55 (50 in the case of qualified public safety employees) and distributions as part of a qualified domestic relations order.

## Tax Consequences

Penalty-free does not mean tax-free, however. In most cases, when you take a penalty-free distribution, you must report the full amount of the distribution on your income tax return for that year. However, the income associated with a coronavirus-related distribution can be spread over three years for tax purposes, with up to three years to reinvest the money.<sup>1</sup>

## Retirement Plan Loans

If your work-based retirement plan allows loans, you typically can borrow up to the lesser of 50% of your vested balance or \$50,000. Most loans must be repaid within five years, but if the money is used to purchase a primary residence, the repayment period may be longer. The CARES Act permits employers to increase this amount to the lesser of 100% of the vested balance or \$100,000 for loans to coronavirus-affected individuals made between March 27, 2020, and September 22, 2020.\* Affected participants who have outstanding loans on or after March 27, 2020, will be able to delay any payments due in 2020 by one year.<sup>2</sup>

## Hardship Withdrawals

Many work-based retirement plans also permit hardship withdrawals in certain circumstances. Although these distributions are not exempt from the 10% early-withdrawal penalty, they can be a lifeline for people who need money in an emergency.

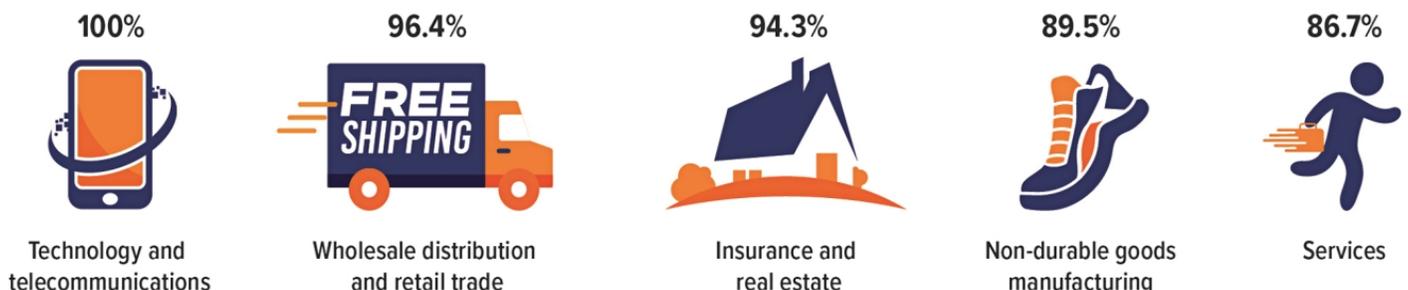
For more information about your options, contact your IRA or retirement plan administrator.

\*Employers do not have to adopt the new withdrawal and loan provisions.

1) Amounts reinvested may reduce your tax obligation on the distributions; however, due to the timing of distributions and required tax filings, you may have to file an amended return to seek a refund on any taxes previously paid on withdrawn amounts. 2) The original five-year repayment period will be extended for the delay, but interest will continue to accrue. 3) Source: Plan Sponsor Council of America, 2019 (2018 data)

## Five Industries Most Likely to Offer Retirement Plan Loans

Percentage of plans that offer loans, by type of industry<sup>3</sup>



# FACTS YOU DIDN'T KNOW ABOUT THE 4TH OF JULY



## 1. THE DECLARATION OF INDEPENDENCE WASN'T SIGNED ON JULY 4<sup>th</sup> (OR IN JULY AT ALL).

It might make for an iconic painting, but that famous image of all the Founding Fathers and Continental Congress huddled together, presenting the first draft of the Declaration of Independence for July 4, 1776 signing, isn't quite how things really went down. As famed historian David McCullough wrote, "No such scene, with all the delegates present, ever occurred at Philadelphia."

It's now generally accepted that the Declaration of Independence wasn't signed on the Fourth of July—that's just the day the document was formally dated, finalized, and adopted by the Continental Congress, which had officially voted for independence on July 2 (the day John Adams thought we should celebrate). Early printed copies of the Declaration were signed by John Hancock and secretary Charles Thomson to be given to military officers and various political committees, but the bulk of the other 54 men signed an official engrossed (finalized and in larger print) copy on August 2, with others to follow at a later date. Hancock (boldly) signed his name again on the updated version.

## 2. EATING SALMON ON THE FOURTH OF JULY IS A TRADITION IN NEW ENGLAND.

The tradition of eating salmon on the Fourth of July began in New England as kind of a coincidence. It just so happened that during the middle of the summer, salmon was in abundance in rivers throughout the region, so it was a common sight on tables at the time. It eventually got lumped in to the Fourth and has stayed that way ever since, even with the decline of Atlantic salmon.

To serve salmon the traditional New England way, you'll have to pair it with some green peas. And if you're really striving for 18th-century authenticity, enjoy the whole meal with some turtle soup, like John and Abigail Adams supposedly did on the first Fourth of July. (You can still be a patriot without the soup, though.)

## 3. MASSACHUSETTS WAS THE FIRST STATE TO RECOGNIZE THE HOLIDAY.

Massachusetts recognized the Fourth of July as an official holiday on July 3, 1781, making it the first state to do so. It wasn't until June 28, 1870 that Congress decided to start designating federal holidays, with the first four being New Year's Day, Independence Day, Thanksgiving, and Christmas. This decreed that those days were holidays for federal employees. However, there was a distinction. The Fourth was a holiday "within the District of Columbia" only. It would take years of new legislation to expand the holiday to all federal employees.

## 4. WE'LL EAT AN OBSCENE AMOUNT OF HOT DOGS.

Around 150 million, to be more specific—that's how many hot dogs will be consumed by Americans on the Fourth of July. According to the National Hot Dog and Sausage Council, that amount of dogs can stretch from Washington D.C. to Los Angeles more than five times.

In 2018, 74 of those dogs were scarfed down by Joey Chestnut, who won the annual Nathan's Hot Dog Eating Competition for the eleventh time.

*For the rest of the article, please go to:*

*<https://www.mentalfloss.com/article/502369/10-things-you-didnt-know-about-fourth-july>*

# FLAG FRUIT PIZZA RECIPE!

Prep Time:  
**30**  
Minutes

Cook Time:  
**12**  
Minutes

Total Time:  
**42**  
Minutes



By: [www.italwaysautumn.com/easy-delicious-american-flag-fruit-pizza.html](http://www.italwaysautumn.com/easy-delicious-american-flag-fruit-pizza.html)

This sweet  
and  
refreshing  
dessert is  
easy to make  
and will  
satisfy  
everyone!

## Ingredients

- 1 tube Refrigerated Sugar Cookie Dough 16.5 oz
- 8 oz Cream Cheese softened
- 2/3 cup Sugar
- 1 teaspoon Vanilla
- 8 oz Whipped Topping thawed
- 12 oz Fresh Raspberries 3 to 4 cups
- 1 dry pint Fresh Blueberries about 2 cups

## Instructions

- Preheat oven to 375 degrees.
- Open tube of cookie dough and slice into 1/4 inch pieces.
- Place remaining cookie dough slices on a lightly greased 12 inch pizza pan and press into an even layer.
- Bake cookie crust 11-12 minutes until lightly browned. Cool.
- Beat cream cheese, sugar, and vanilla together until smooth. Beat in half the whipped topping. Fold in the remaining whipped topping.
- Scoop a little less than half of the cream cheese mixture onto the cookie crust and spread it all the way to the edges of the crust.
- Use blueberries to outline the pizza and create the blue portion of the flag, and top with the star cookie.
- Use raspberries to create seven red stripes.
- Use the rest of the cream cheese mixture to pipe the white stripes.
- Keep in fridge until ready to serve.

The opinions voiced in this material are for general information only and are not intended to provide specific advice or recommendations for any individual. To determine which investment(s) may be appropriate for you, consult your financial advisor prior to investing. All performance referenced is historical and is no guarantee of future results. All indices are unmanaged and cannot be invested into directly.

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