

Regent Financial Services

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Sandwich Generation Caregivers Face Many Challenges

Individuals in the "sandwich generation" have the dual responsibility of providing care for an adult - often a parent - while also raising children. Caring for others can be very rewarding, but the day-to-day demands of supporting multiple generations can take a financial, emotional, and physical toll on sandwiched caregivers.

Profile of Sandwiched Caregivers



Source: National Alliance for Caregiving, 2019

Is It Time to Think About Tax-Free Income?

Federal and state governments have spent extraordinary sums in response to the economic toll inflicted by the COVID-19 pandemic. At some point it is likely that governments will look for ways to increase revenue to compensate for this spending and increase income taxes as a result. That's why it might be a good time to think about ways to help reduce your taxable income. Here are three potential sources of tax-free income to consider.

Roth IRA

Contributions to a Roth IRA are made with after-tax dollars - you don't receive a tax deduction for money you put into a Roth IRA. Not only does the Roth IRA offer tax-deferred growth, but qualified Roth distributions including earnings are not subject to income taxation. And the tax-free treatment of distributions applies to beneficiaries who may inherit your Roth IRA.

Municipal Bonds

Municipal, or tax-exempt, bonds are issued by state and local governments to supplement tax revenues and to finance projects. Interest from municipal bonds is usually exempt from federal income tax. Also, municipal bond interest from a given state generally isn't taxed by governmental bodies within that state, though state and local governments typically do tax interest on bonds issued by other states.

Health Savings Accounts

A health savings account (HSA) lets you set aside tax-deductible or pre-tax dollars to cover health-care and medical costs that your insurance doesn't pay. HSA funds accumulate tax-deferred, and qualified withdrawals are tax-free. While an HSA is intended to pay for current medical and related expenses, you don't necessarily have to seek reimbursement now. You can hold your HSA until retirement then reimburse yourself for all the medical expenses you paid over the years with tax-free HSA distributions - money you can use any way you'd like. Be sure to keep receipts for medical expenses you incurred.

The Congressional Budget Office estimates that the federal budget deficit will be roughly \$3.7 trillion in fiscal year 2020 and \$2.1 trillion the following fiscal year. By comparison, the federal budget deficit for fiscal year 2019 was \$984.4 billion.

Sources: Congressional Budget Office, April 28, 2020; U.S. Department of the Treasury, May 2020

Municipal bonds are subject to the uncertainties associated with any fixed income security, including interest rate risk, credit risk, and reinvestment risk. Bonds redeemed prior to maturity may be worth more or less than their original cost. Investments seeking to achieve higher yields also involve a higher degree of risk. Some municipal bond interest could be subject to the federal and state alternative minimum tax. Tax-exempt interest is included in determining if a portion of any Social Security benefit you receive is taxable. Because municipal bonds tend to have lower yields than other bonds, the tax benefits tend to accrue to individuals with the highest tax burdens.

HSA funds can be withdrawn free of federal income tax and penalties provided the money is spent on qualified health-care expenses. Depending upon the state, HSA contributions and earnings may or may not be subject to state taxes. You cannot establish or contribute to an HSA unless you are enrolled in a high deductible health plan (HDHP).

To qualify for the tax-free and penalty-free withdrawal of earnings, a Roth IRA must meet the five-year holding requirement and the distribution must take place after age 59½ or due to the owner's death, disability, or a first-time home purchase (up to a \$10,000 lifetime maximum).

All investing involves risk, including the possible loss of principal, and there is no guarantee that any investment strategy will be successful.



Fall Foliage

In the time of the Coronavirus, socially distanced travel options are more attractive than ever, making leaf peeping season in New England an ideal option for road trippers this year.

The weather this time of year is great, making it the perfect time to get outside in New England. It's this beautiful sendoff to the summer before our long, hard winter.

And the photos that capture the evolution of leaves in the autumn prove the sendoff is breathtaking – it's no surprise that New Englanders and visitors look forward to the season change indicator. Some Instagram users even started to post in anticipation of the transition.

But those who might hope to partake in Northeastern nostalgia activities to watch the leaves turn – such as apple or pumpkin picking, corn mazes, visiting breweries or cider mills, or hiking – might have to plan their adventure a bit earlier this year.

Typically, the colors peak in New England around the second weekend of October, but the foliage forecast varies by year. And in 2020, there are two possible outcomes. The first is a short season distinguished by bold colors, and the second possibility is a longer season with duller shades – and the result may vary by location within New England because of climate variances.

The foliage forecast depends on the weather. Part of the reason the coloring of the leaves could vary so much is because New England is in a drought, Salge said. Colors may come in earlier because the leaves are drying out more quickly than in a typical year, he said. So, instead of mid-October, leaves may peak toward the end of September. With the weather cooling down, the colorful leaves that characterize a New England fall will come early and bright but will be short-lived.

For northern New England, the first scenario is likely; it had a frost on Saturday morning, Salge said. The peak right now, he added, is about a week and a half away for that part of the region. On the other hand, if temperatures stay warmer, particularly for the southern part of the region, the leaves will dry out in a slow burn.

Right now, it's hard to tell which way the leaves will fall (pun intended). But there are ways to plan around it.

While people often schedule the second weekend of October to take in the leaves' color change in the northern part of New England, that window may not be an option this year. If it's not, travelers can opt to visit the more southern part of the region. And, as in every cycle, if you miss the peak colors in one area, it is possible to catch it in another. It's about being flexible, and it's all in the spirit of adventure and exploration.



We hope you will join us for this educational series:

Retirement Readiness: Three Easy Steps

Please join Gary Stanislawski, CFP® and Denise Lant, CFP®, for this helpful three part series discussing Social Security, Medicare, and Retirement Planning.



Gary Stanislawski, CFP®
Financial Planner

Location: Online via ZOOM

Instructors will email students with on-line meeting information the day before class begins.

Dates: Tuesdays: 10/27, 11/3 & 11/10

Times: 6:30pm - 8:00pm



Denise Lant, CFP®
Financial Planner

This three-part series will cover ways to maximize your Social Security income including the best time to apply for your benefits and tax issues. You will also learn about Medicare, with tips on how to integrate it with your existing health coverage and how to manage health care in retirement. The final class will integrate what you have already learned and help you develop a coordinated retirement plan.

To register for this series:

www.JenksCommunityEd.com or

Call the Jenks Community Education office: 918-298-0340



Call Us For more details:

918-493-4190 www.RegentFS.com

Prep Time:

10
Minutes

Cook Time:

20
Minutes

Total Time:

30
Minutes



Easy Potato Soup

This Easy Potato Soup Recipe is loaded with so much flavor! Creamy soup base with chunks of potato, bacon and cheese. The perfect 30-minute dinner for busy evenings.

Ingredients

- 4 large potatoes peeled and cubed
- ½ tsp salt
- 8 oz bacon bite-sized pieces
- 5 tbsp unsalted butter
- 1/2 med onion finely chopped
- 2 garlic cloves minced
- 1/4 cup all-purpose flour
- 2½ cups whole milk
- 2½ cups chicken broth
- 1 cup cheddar cheese shredded
- 3/4 cup sour cream
- 1 tsp salt or to taste
- ¼ tsp ground black pepper or to taste

Instructions

- Peel and cube the potatoes into small pieces. Add the potatoes into a pot and cover with water. Season with salt and cook for about 10 minutes or until potatoes can be pierced through easily. Drain and set aside.
- Cube the bacon and sauté in a Dutch oven until crispy. Once cooked remove from Dutch oven and save 1 Tbsp bacon grease.
- Add butter and chopped onions into the Dutch oven, sauté until onions are tender. Add the minced garlic and cook for an additional minute.
- Whisk in flour until incorporated. Add in the milk and chicken broth and bring to a soft boil.
- Add the potatoes and season the soup with salt and pepper.
- Mix in the sour cream, shredded cheese and half of the cooked bacon.
- Bring the potato soup to a boil and remove from heat.

<https://valentinascorner.com/easy-potato-soup-recipe/>

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