



LPL Financial
Eric Wasson, CFP®
 CERTIFIED FINANCIAL PLANNER™



AZTEC Financial Group Newsletter

In This Issue

Did You Know?

Local Events!

**A Decision Not
 Made Is Still a
 Decision**

**What the New Tax
 Bill Means for You**

**The Financial
 Literacy Crisis**

Quick Links

Our Team
Mission Statement
Products & Services
Useful Links
About LPL Financial
LPL Research
Resources
Past Newsletters

Thank you all for reading our newsletter and commenting on the subject matter we enclose in each newsletter! We hope you enjoy it as much as we do putting it together.

February, the 2nd month of the year, brings us George Washington's Birthday, Valentine's Day, and the shortest month of the year. Did you know that according to a recent estimate, there are about 48 used calendars in the world today and that February was the last month of the calendar year until about 450BC when it became the second month?

Did you know that we do a monthly drawing for a gift card to a local business? All you have to do is find the answer in this month's newsletter to the question below and click the link below to email your answer! We draw a random winner from all the correct answers and award the gift card!

This month's drawing is for a \$25 gift certificate to Christopher's Third Street Grille. Located in downtown Dover. Christopher's is a relaxed restaurant offering steak, seafood, pasta & craft cocktails in a simple setting. For more information, click [HERE](#).

Congratulations to Kim Nunan for being last month's winner with a gift card to Blue Latitudes!

And the question is...

Name a good place to start your financial literacy self-education?

[Click here](#) to submit your answer. Good luck!



www.aztecfg.com

(603) 343-4515
eric.wasson@lpl.com

Did You Know?

Did you know 1 out of every 3 Americans (33%) lives in just 4 states- California, Texas, Florida and New York.

Local Events!

Name: Monthly Dover Art Walk

Date: February 2, 2018

Time: 4:00 PM - 8:00 PM EST

Website: <https://doverartwalk.com/>

Name: Strawberry Banke Museum: ICE SHOW at Labrie Family Skate at Puddle Dock Pond

Date: February 3, 2018

Time: 2:00 PM - 4:00 PM EST

Website: www.strawberrybanke.org/

Name: Gilligan's Island

Dates & Times: Friday, February 2 @ 7:30

Saturday, February 3 @ 2:00 & 7:30 and

Sunday, February 4 @ 2:00

Location: Rochester Opera House

Website: <http://www.rochesteroperahouse.com/>

These websites are provided for informational purposes only. We are not responsible for the website content.

A Decision Not Made Is Still a Decision

Whether through inertia or trepidation, investors who put off important investment decisions might consider the admonition offered by motivational speaker Brian Tracy, "Almost any decision is better than no decision at all."¹

Investment inaction is played out in many ways, often silently, invisibly and with potential consequence to an individual's future financial security.

Let's review some of the forms this takes.

Your 401(k) Plan

The worst non-decision is the failure to enroll. Not only do non-participants sacrifice one of the best ways to save for their eventual retirement, but they also forfeit the money from any matching contributions their employer may offer. Not participating may be one of the most costly non-decisions one can make.

The other way individuals let indecision get the best of them is by not selecting the investments for the contributions they make to the 401(k) plan. When a participant fails to make an investment selection, the plan will have provisions for automatically investing that money. And that investment selection may not be consistent with the individual's time horizon, risk tolerance and goals.

Distributions from 401(k) plans and most other employer-sponsored retirement plans are taxed as ordinary income and, if taken before age 59½, may be subject to a 10% federal income tax penalty. Generally, once you reach age 70½, you must begin taking required minimum distributions. The 10% early withdrawal penalty may be avoided in the event of death or disability.

Non-Retirement Plan Investments

For homeowners, "stuff" just seems to accumulate over time. The same may be true for investors. Some buy investments based on articles they have read or on a recommendation from a family member. Others may have investments held in a previous employer's 401(k) plan.

Over time, they can end up with a collection of investments that may have no connection to their investment objectives. Because the markets are dynamic, an investment that may have made good sense yesterday might no longer make sense today.

By periodically reviewing what they own, investors can determine whether their portfolio reflects their current investment objectives. If they find discrepancies, they are able to make changes that could positively affect their financial future.

Whatever your situation, your retirement investments require careful attention and benefit from deliberate, thoughtful decision making. Your retired self will one day be grateful that you invested the necessary time to make wise decisions today.

1. Brainy Quote, 2017

The content is developed from sources believed to be providing accurate information. The information in this material is not intended as tax or legal advice. It may not be used for the purpose of avoiding any federal tax penalties. Please consult legal or tax professionals for specific information regarding your individual situation. This material was developed and produced by FMG Suite to provide information on a topic that may be of interest. FMG Suite is not affiliated with the named broker-dealer, state- or SEC-registered investment advisory firm. The opinions expressed and material provided are for general information, and should not be considered a solicitation for the purchase or sale of any security. Copyright 2018 FMG Suite.

What the New Tax Bill Means for You

The enactment of the Tax Cuts and Jobs Act represents "the most sweeping overhaul of the U.S. tax code in more than 30 years."¹

For millions of Americans and businesses it means an altered financial and investment landscape with new opportunities and challenges in the years ahead. Keep in mind, however, that the information in this material is not intended as tax advice, and may not be used for the purpose of avoiding any federal tax penalties.

Business Takes Center Stage

Businesses may begin benefiting from a number of changes, including

- Reduction in the top tax bracket from 35 percent to 21 percent;
- Full and immediate expensing of capital investments (phased out after five years);
- Implementation of a territorial tax system that taxes only income earned within the U.S.;
- Special one-time tax on repatriation of foreign earnings;
- Repeal of corporate Alternative Minimum Tax; and
- A 20 percent deduction of qualified business income from certain pass-through entities. Service industries (e.g., health, law, professional services) are generally excluded, except where income is below \$315,000 for joint filers and \$157,500 for other filers.

Business owners should consider meeting with a tax professional to understand the impact of these changes on employee benefits, business investment, and corporate structure. Keep in mind the information in this material is not intended as tax advice, and may not be used for the purpose of avoiding any federal tax penalties.

Shifting Landscape

The changes in tax law may affect companies differently, which could shift where future investment opportunities may be found.

For instance, the lower tax rate may be more meaningful to higher-taxed industries, which can include certain retail, healthcare and telecom firms. Real estate investment trust companies also may benefit from the new pass-through deductions and exclusion from the new limit on interest deductibility of 30 percent of net income.

Conversely, with the changes made to individual taxation (see below), there may be a negative impact on home builders and realtors, while highly leveraged businesses potentially may be burdened by the new cap on interest deductibility.

Overall, the tax cut is projected to increase corporate profits, with many Wall Street analysts lifting their 2018 earnings forecasts anywhere from seven to 10 percent.² This may not only justify current stock valuations, but may influence prices going forward. Past performance does not guarantee future results. The return and principal value of stock prices will fluctuate as market conditions change. And shares, when sold, may be worth more or less than their original cost.

Changes for Individuals

The Tax Policy Center projects that taxes will fall for all income groups and result in an increase of 2.2 percent in after-tax income. The Tax Policy Center also cautions, however, that some individuals and households may see a higher tax bill.³

Highlighted below are some of the major changes:

- Reduction in most marginal income tax brackets;
- Near doubling of the standard deduction;
- Elimination of personal exemption;
- A \$10,000 cap on the state and local tax deduction;
- An increase in the child tax credit and the expansion of eligible families;
- Mortgage interest deductibility limited to mortgages up to \$750,000 (reduced from \$1 million);
- Medical expenses deductibility will kick in at 7.5 percent of income, down from 10 percent;
- 529 plans may now be used to fund elementary and secondary education; ⁴
- Alternative Minimum Tax is curtailed;
- 401(k) borrowers will have more time to repay plan loans when leaving an employer; ^{5,6} and
- Elimination of the ability to "undo" a Roth conversion. ⁷

These tax changes may have wide ranging impact on the financial choices you make. For example, you may want to consider the best use for your additional after-tax

income. Keep in mind the information in this material is not intended as tax advice, and may not be used for the purpose of avoiding any federal tax penalties.

Estate Taxes

The estate tax exemption was raised to \$11.2 million, a doubling of the \$5.6 million that previously existed. As such, individuals benefiting from this change may want to re-evaluate the strategies they have in place to address the tax and liquidity issues that may no longer exist.

Tax Cuts and Jobs Act

The nature and shape of the nation's tax system inevitably influences the everyday decisions made by individuals and businesses alike. After the implementation of one of the most comprehensive reforms in over a generation, it is essential to review certain financial and investment strategies.

1. The Wall Street Journal, December 20, 2017
2. Reuters.com, December 19, 2017
3. Tax Policy Center of the Urban Institute & Brookings Institution, 2017
4. The tax implications of 529 College Savings Plans can vary significantly from state to state, and some plans may provide advantages and benefits exclusively for their residents. Please consult legal or tax professionals for specific information regarding your individual situation. Withdrawals from tax-advantaged education savings programs that are not used for education are subject to ordinary income taxes and may be subject to penalties.
5. Distributions from 401(k) plans and most other employer-sponsored retirement plans are taxed as ordinary income and, if taken before age 59½, may be subject to a 10% federal income tax penalty. Generally, once you reach age 70½, you must begin taking required minimum distributions.
6. A 401(k) loan not paid is deemed a distribution, subject to income taxes and a 10% tax penalty if the account owner is under 59½. Under the Tax Cuts and Jobs Act, if the account owner switches jobs or gets laid off, the 401(k) loan is eligible for a rollover within 60 days, essentially providing the person more time to repay the loan or manage the tax consequences of non-repayment.
7. To qualify for the tax-free and penalty-free withdrawal of earnings, Roth IRA distributions must meet a five-year holding requirement and occur after age 59½. Tax-free and penalty-free withdrawal also can be taken under certain other circumstances, such as a result of the owner's death. The original Roth IRA owner is not required to take minimum annual withdrawals. The Tax Cuts and Jobs Act repeals the rules permitting the recharacterization of Roth conversions, effective starting in 2018

The content is developed from sources believed to be providing accurate information. The information in this material is not intended as tax or legal advice. It may not be used for the purpose of avoiding any federal tax penalties. Please consult legal or tax professionals for specific information regarding your individual situation. This material was developed and produced by FMG Suite to provide information on a topic that may be of interest. FMG, LLC, is not affiliated with the named broker-dealer, state- or SEC-registered investment advisory firm. The opinions expressed and material provided are for general information, and should not be considered a solicitation for the purchase or sale of any security. Copyright 2018 FMG Suite.

Share |

The Financial Literacy Crisis

Imagine driving a car without a basic understanding of the rules of the road, or even how to operate it. Scary thought.

Yet many Americans are operating their personal finances with only the barest minimum of knowledge. One study found that, when asked five basic questions about finances and the markets, 61% of Americans were unable to answer more than 3 correctly.¹

The study also found that 18% of Americans routinely spend more than their household income and one-in-five have overdue medical bills.

It has been said that knowledge is power, and if that's true, then too many Americans lack the power to control their financial futures. Success rarely comes accidentally; it is the culmination of a journey whose first steps are in education.

One of the obstacles to increasing financial knowledge is what has been called the "Lake Wobegon effect," the idea that we all consider

ourselves above average. It is a self-assessment that keeps many from learning as much as they need to. But whatever your knowledge level may be, it should be recognized that an ever-evolving financial landscape puts a premium on continual learning. There is a wide range of resources for individuals who understand that the more informed they are, the better the decisions they can make.

If you are committed to increasing your financial literacy, a good beginning is never being afraid to ask questions of financial professionals. Another good place to start your self-education is on a U.S. Treasury-sponsored website, which was created for that very purpose.²

1. FINRA Investor Education Foundation, 2016
2. www.treasurydirect.gov

The content is developed from sources believed to be providing accurate information. The information in this material is not intended as tax or legal advice. It may not be used for the purpose of avoiding any federal tax penalties. Please consult legal or tax professionals for specific information regarding your individual situation. This material was developed and produced by FMG Suite to provide information on a topic that may be of interest. FMG Suite is not affiliated with the named broker-dealer, state- or SEC-registered investment advisory firm. The opinions expressed and material provided are for general information, and should not be considered a solicitation for the purchase or sale of any security. Copyright 2018 FMG Suite.



Eric Wasson CFP®
LPL Financial

660 Central Avenue, Dover, NH 03820
Phone: (603) 343-4515 Fax: (603) 343-1863
Email: eric.wasson@lpl.com

The information in the newsletter was 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.

The information contained in this newsletter email message is being transmitted to and is intended for the use of only the individual(s) to whom it is addressed. If the reader of this message is not the intended recipient, you are hereby advised that any dissemination, distribution or copying of this message is strictly prohibited. If you have received this message in error, please immediately delete.

The copyright protected articles were prepared by FMG Suite.

Securities and Advisory Services offered through LPL Financial, a Registered Investment Advisor, Member FINRA/SIPC

LPL Financial Group, 660 Central Ave., Dover, NH 03820

[SafeUnsubscribe™ {recipient's email}](#)

[Forward this email](#) | [Update Profile](#) | [About our service provider](#)

Sent by eric.wasson@lpl.com in collaboration with

Constant Contact® 

Try it free today