

Seize Today, Secure Tomorrow.

2023 Vol. II. Fid-EDGE.com

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**ChFC®**  
 CHARTERED FINANCIAL CONSULTANT™  
 THE AMERICAN COLLEGE OF FINANCIAL SERVICES

After two+ years of course work and passing eight (8) high-level financial courses and exams, Jayne has earned another credential:

**Chartered Financial Consultant®**

**ChFC®**  
 (more page 7)



**Jayne Di Vincenzo AIF®, CEP®**  
 CEO | Wealth Advisor

Refer to page 7 for more about the ChFC®.

Jayne earned her B.A. in Business from North Carolina State University.

She holds her Series 24 General Principal, Series 53 Municipal Principal, Series 7 General Securities, 31 Managed Futures, 65, 63 State Securities with Kestra Advisory Services, a Registered Investment Advisor, and Kestra Investment Services, member. FINRA/SEC. She also holds her Life, Health, and Long Term Care Insurance Licenses.

More about the ChFC credential:  
<https://www.forbes.com/advisor/investing/chartered-financial-consultant-chfc/>

### Smart tax moves you may be able to make:

- 1) Max out your **employer plan** contributions.
- 2) Evaluate the benefit of saving either **pre-tax (Traditional) or post-tax (ROTH)** options in your employer plan and IRAs.
- 3) Contribute to **charity using your IRA RMD** or donate appreciated stock instead of giving cash.
- 4) Save for college in a **529 Plan**.
- 5) Contribute to a **HEALTH SAVINGS Account (HSA)**.
- 6) Track your **medical and business** expenses in the event you can itemize.

## TAX SEASON TAKES FLIGHT

Tax documents sent from Kestra starting **January 21, 2023**. Mutual fund companies have until mid-February to provide tax forms.

Wondering which documents you need for tax time, and the easiest way to access yours?  
 Visit [Fid-EDGE.com](http://Fid-EDGE.com) >Client Log In >Vault> Brokerage Documents > Tax Documents

Reach out, we're here to help you and your tax preparer:

**888-605-EDGE**  
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**2022 CONTRIBUTION LIMIT:**  
**\$6000/\$7000 FOR 50+ YRS OLD**  
**2023 CONTRIBUTION LIMIT:**  
**\$6500/\$7500 FOR 50+ YRS OLD**  
**YOU HAVE UNTIL YOU FILE YOUR RETURN OR APRIL 15TH TO CONTRIBUTE FOR 2022.**

Almost everyone w/earned income can contribute to a TRADITIONAL IRA, no matter how high your income - it just may not be tax deductible. Does it make more sense for you to contribute to a ROTH? We can help you decide which is best for your situation or if a ROTH Conversion makes sense.

# Jayne's Journal

by Jayne W. Di Vincenzo CEO | Wealth Advisor



Good riddance, 2022! The S&P 500 was down 19% for the year and the Bloomberg US Aggregate Index fell 13%, this is the **first time in at least 50 years that both stocks and bonds had negative returns**. Inflation and the Federal Reserve actions have been a major driver of market volatility and we believe it will continue to have an outsized effect on the markets and economy in 2023. The Federal Reserve (Fed) raised the federal funds rate seven times over the course of the year, a cumulative increase of 4.25%, in the effort to slow economic growth and fight rampant inflation.

While the full impact of these rate hikes has yet to be felt, recent indicators suggest we are past peak inflation, a sign that the Fed's efforts may be paying off. Core Personal Consumption Expenditures (PCE), the Fed's preferred measure of inflation, has fallen in each of the last 4 months. The 3-month annualized rate in November was 3.6%, the lowest since February of 2021.

Consumer demand for goods and housing should continue to weaken, alleviating some cost pressures. However, the labor market remains out of sync with a shortage of workers even though wages and compensation continue to grow at an accelerated rate. The Fed would like to see the unemployment rate increase from 3.7% to over 4% to bring this back in balance, in theory easing compensation costs. Fine tuning the unemployment rate however is an inexact art, and the Fed risks damaging the American worker should they be too aggressive.

A recent report showed the Fed's preferred inflation measures eased in **December to the slowest annual pace in over a year and spending fell**. The central bank watches long-term views closely, as expectations can become self-fulfilling leading to more inflation.

Treasury Secretary Janet Yellen said she's encouraged by recent data on inflation and jobs, but conceded the economy is at risk of recession. Additionally, the Fed has also indicated that it will be more flexible in its approach to inflation, and will not raise interest rates simply because inflation has risen above its target of 2%. (Note: Podcast on **Freakonomics Radio** Jan.'23 on why 2% - you'd be surprised!). Instead, the Fed will take a holistic approach, considering the wider economy and indicators including employment, housing, economic productivity and growth before making a decision on interest rates. They look at leading, lagging and coincident indicators.

However, predicting the Fed's actions is difficult, just as it's difficult to predict markets that can be impacted by earnings, global events (i.e., War in Ukraine), economic growth, labor, supply chain disruptions, and "Black Swan" events yet to happen.

# Jayne's Journal

"The market has been rallying on the idea that inflation is whipped. But I'm not so sure it's settled yet," said Kara Murphy at Kestra Investment Management. "When you think about how monetary policy works, it's generally slow. Imagine trying to turn the Titanic way in advance of the iceberg – you have to start long before the iceberg is right in front of you, and you can't always be sure how the economy is going to react." Hopes are high for the Fed to deliver a 25 basis-point increase on Feb. 1.

## Potential POSITIVE Developments in 2023:

**Death to passwords?! Yes!** "Passkeys, a new technology backed by Apple, Google and Microsoft, will replace passwords with biometrically validated tokens automatically generated and cannot be guessed or forgotten. A token stored on your phone or computer will allow log into apps and websites." The Economist, World in 2023 issue.

**Climate Change** -- accelerated move to renewables including wind, solar, nuclear and hydrogen are increasing partly driven by higher oil and gas prices. In the last few years, the World Bank has invested more than \$8 billion in clean energy, renewable energy access, and related infrastructure, and catalyzed over \$20 billion in private investments in renewable energy generation capacity according to Worldbank.org.

**Third Year of Presidential Cycle has been the best year for markets** of a president's time in office according to Bespoke research with an average gain of 12.81%, Bespoke said. By comparison, year four's showing was pedestrian, at 5.71%, which was close to the increases in the first two years, 5.66% and 4.54%.

Sources: <https://www.sharesmagazine.co.uk/article/history-shows-us-stocks-do-well-in-the-third-year-of-a-presidential-term> and <https://www.ai-cio.com/news/3rd-year-presidents-term-best-stocks-report-says/>

**Jayne W. Di Vincenzo, AIF ®, CEP ®**  
**CEO | Wealth Advisor**

ADDITIONAL SOURCES: Kestra Private Wealth, Kara Murphy, CFA, Forbes, Wall Street Journal, Investopedia, Freakonomics Radio.



**SOME FAVORITE PODCASTS -  
CHECK THEM OUT AND SHARE  
YOUR FAVORITES!**

The Economist. FreakonomicsRadio. Planet Money. Moth Radio. NPR News Now. The Daily. The Journal. 1A. This American Life. Hidden Brain. Radiolab. TED Radio Hour.



**KEEP POSTED ON  
OPPORTUNITIES TO  
GATHER, LEARN, SHARE  
AND JUST HAVE FUN-**

**"LIKE" US ON FACEBOOK,  
INSTAGRAM & LINKEDIN**

# TAX EFFICIENCY IN RETIREMENT

**Will you pay higher taxes in retirement?** It's possible. But that will largely depend on how you generate income. Will it be from working? Will it be from retirement plans? And if it does come from retirement plans, it's important to understand which types of plans will be financing your retirement.

Another factor to consider is the role Social Security will play in your retirement. When do you plan to start to take Social Security benefits? If you have a spouse, when do they plan on taking benefits? It's critical to answer key Social Security benefits questions so you have a better understanding of how it will affect your taxable income. Social Security income may be taxable if your working earnings exceed \$32,000 and the rate jumps for income over \$44,000 for married filing jointly. If you're single and earning income over \$25,000 you will likely pay tax on your social security benefit.

**What's a pre-tax investment?** Traditional IRAs, 403(b) and 401(k) plans are examples of pre-tax investments that are designed to help you save for retirement.

You won't pay any taxes on the contributions you make to these accounts until you start to take distributions. Pre-tax investments are also called tax-deferred investments, as the money you accumulate in these accounts can benefit from tax-deferred growth.

For individuals covered by a retirement plan at work, the tax deduction for a traditional IRA in 2023 is phased out for incomes between \$116,000 and \$136,000 for married couples filing jointly, and between \$73,000 and \$83,000 for single filers.<sup>1</sup>

Keep in mind that once you reach age 73 (the new age for 2023), you must begin taking required minimum distributions from a traditional IRA, 401(k), and other defined contribution plans in most circumstances. Withdrawals are taxed as ordinary income and, if taken before age 59½, may be subject to a 10% federal income tax penalty.

**What's an after-tax investment? A Roth IRA is the most well known. When you put money into a Roth IRA, the contribution is made with after-tax dollars.**



Like a traditional IRA, contributions to a Roth IRA are limited based on income. For 2023, contributions to a Roth IRA are phased out between \$218,000-\$226,000 for married couples filing jointly and between \$138,000 and \$153,000 for single filers.<sup>2</sup>

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 can also be taken under certain other circumstances, such as the owner's death. The original Roth IRA owner is not required to take minimum annual withdrawals.

For informational purposes only and is not a replacement for real-life advice, consult your tax, legal, or financial professionals before modifying your retirement strategy. A few financial adjustments may help you manage your tax liabilities.

<sup>1</sup> and <sup>2</sup> [www.irs.gov](http://www.irs.gov)

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# Taking Care of You and Your Family

If your family relies on your income, it's critical to consider having enough life insurance to provide for them after you pass away. But too often, life insurance is an overlooked aspect of personal finances.

In fact, according to a 2021 study conducted by Life Happens and LIMRA, which closely follows life insurance trends, nearly 50 percent of Americans say that they have no life insurance coverage at all, even though 59% of people without life insurance recognize the need to obtain it.<sup>1</sup>



## Role of Life Insurance

Realizing the role life insurance can play in your family's finances is an important first step. A critical second step is determining how much life insurance you may need.

Several factors will affect the cost and availability of life insurance, including age, health, and the type and amount of insurance purchased. Life insurance policies have expenses, including mortality and other charges.

If a policy is surrendered prematurely, the policyholder also may pay surrender charges and have income tax implications. You should consider determining whether you are insurable before implementing a strategy involving life insurance. Any guarantees associated with a policy are dependent on the ability of the issuing insurance company to continue making claim payments.

## Rule of Thumb

One widely followed rule of thumb for estimating a person's insurance needs is based on income. One broad guide suggests a person may need a life insurance policy valued at five times their annual income. Others recommend up to ten times one's annual income.

If you are looking for a more accurate estimate, consider completing a "DNA test." A DNA test, or Detailed Needs Analysis, takes into account a wide range of financial commitments to help better estimate insurance needs. The first step is to add up needs and obligations.

## Short-Term Needs

Which funds will need to be available for final expenses? These may include costs of a funeral, final medical bills, and any outstanding debts, such as credit cards or personal loans. How much to make available for short-term needs will depend on your individual situation.

## Long-Term Needs

How much will it cost to maintain your family's standard of living? How much is spent on necessities, like housing, food, and  
*(continued on page 5)*

clothing? Also, consider factoring in expenses, such as travel and entertainment. Ask yourself, "what would it cost per year to maintain this current lifestyle?"

## New Obligations

What additional expenses may arise in the future? What family considerations will need to be addressed, especially if there are young children? Will aging parents need some kind of support? How about college costs? Factoring in potential new obligations allows for a more accurate picture of ongoing financial needs.

Next, subtract all current assets available.

## Liquid Assets

Any assets that can be redeemed quickly and for a predictable price are considered liquid. Generally, houses and cars are not considered liquid assets since time may be required to sell them. Also, remember that selling a home may adjust a family's current standard of living.

Needs and obligations - minus liquid assets - can help you get a better idea of the amount of life insurance coverage you may need. While this exercise is a good start to understanding your insurance needs, a more detailed review may be necessary to better assess your situation.

1. LIMRA.com, 2021

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## SUCCESS SPOTLIGHT: JERI L. BICE



You may know Jeri Bice, Fiduciary EDGE Advisors' Client Service Director, from her kind and helpful voice on the phone, her smiling face on Zoom calls, or from her thorough and thoughtful emails. Jeri's success doesn't just stop in client care; she is also shining in her career's continuing studies.

Please join us in congratulating Jeri Bice in her successful completion of the Securities and Industries FINRA examination. She is well on her way to achieve the certifications to become a stellar Associate Financial Advisor.

This exam success for Jeri does not stand alone, as Jeri completed her Insurance license last year. *Way to go, Jeri!*

**TOTAL FEDERAL AND STATE MEDICAID  
SPENDING WAS \$553.8 BILLION:  
OVER 20% WAS ON  
LONG-TERM CARE SERVICES.**

**SOURCE: 2016 ACTUARIAL REPORT MEDICAID.GOV**

Medicaid coverage requirements are managed by each state independently and qualifying requires a spend-down of a assets, often to as little as \$2500, depending on your state.

## Did You Know...

**Jayne and Jeri  
Can Competitively Shop Your LIFE and  
LONG TERM CARE Insurance Needs  
Among Multiple Carriers with a  
Single e-Questionnaire?**

Request our Short Health e-Form:

**TeameFid-EDGE.com**

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# SIMPLE OR SEP IRA FOR YOUR BUSINESS?

## COMPARISON of PLANS

	SIMPLE IRA	SEP IRA
<b>Tax Status</b>	Tax-Deferred	Tax-Deferred
<b>Contributor</b>	Employer and/or Employees	Employer ONLY
<b>Limit</b>	\$15,500, over 50 \$3500+	25% of employee's salary or up to \$66,000, whichever is less
<b>Best for</b>	Any Size Business	Business w/less than 100 employees

Source: IRS.gov

SEP and SIMPLE IRAs are easy to administer and require NO DOL reporting. Another plus; there is no administrative cost to establish a SEP or SIMPLE and employers can deduct contributions.

Learn more about the benefits and rules for contributions and distributions contact us at [Team@Fid-EDGE.com](mailto:Team@Fid-EDGE.com).

## Investor Wordsearch

C F C F L J M R F E C O N O M Y J J P G  
 P K S I X Y E T H P O D T B X K E T P C  
 L P T P N A I N C O M E W P V N S S X S  
 A V O N S V R D G A Q Z D M B P T Q I A  
 N Z C R H E E W F H J Y I P O J A W E D  
 F K K F E F D S C C A Z P Y N A T C N B  
 X J S G I T I G T F E I Q S D D E O R X  
 G D N Y F D U N E O Q P F P S V Y N X U  
 Y H C P C N U R A X R L K V E I V T C P  
 F W Z G V C H C N N A A R K D S H R M O  
 W L O C F E E W I X C L D D N O T I W D  
 V I M M M P K Y E A F I Q R X R R B R C  
 M Y V N Q G F S I A R Y A M O S T U J A  
 Q P G C B Z Z D Y N L Y H L C T X T C S  
 V H Z J X M G T V B F T U Q H D H I J T  
 A I I A I N T E R E S T H E F W U O N M  
 F Z A L L O C A T I O N A Q C S F N I G  
 D G Y D V U M K T J M Z J K L R Y D M Q  
 E I G D F D K A T Y M L G U V F A Z A R  
 D I V E R S I F Y Y G L C Y V S D I C Q

contribution      allocation      financial      plan  
 diversify      fiduciary      advisors      roth  
 interest      economy      podcast      aif  
 wealth      investor      income      chfc  
 stocks      estate      edge      cep  
 return      bonds

## The ChFC® / Chartered Financial Consultant® Credential

Per Forbes.com: "The chartered financial consultant certification may offer slightly more depth than the CFP® as it requires additional coursework: eight courses to the CFP's six or seven. However, unlike CFPs, ChFCs are not required to pass one comprehensive exam and instead must pass (8) exams following each course they take. ChFC® certification requires candidates to have three years of full-time experience in the financial services industry, and ChFCs must bind themselves to a fiduciary standard. ChFCs' broad knowledge base makes them superior candidates for managing complex individual or family estates and providing investment strategies to small businesses." Additionally, they must complete 30 hours of CE biannually.

<https://www.forbes.com/advisor/investing/financial-advisor/top-financial-certifications/>

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# Upcoming Events

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*Seize Today, Secure Tomorrow.*

**January-March (multiple dates):** Season tickets to the exciting Ghost Pirates Hockey Team games –one row behind team, mid-ice and lots of action!

**January 16: Martin Luther King Jr Day - Markets Closed**

**January 21: Tax Documents** begin being mailed/emailed/saved in online Vault

**January 26: Wealth Wisdom @ Noon**

**February 1: National Dark Chocolate Day**

**February 5-8:** Kestra ASCEND Learning Conference

**February 13: National Galentine's Day**

**February 16: Wealth Wisdom @ Noon**

**February 20: Presidents Day - Markets Closed**

**February 28 INVESTING UPDATE Webinar/Call 5:00 p.m.**

**March 8: International WOMEN's Day**

**March 16: Wealth Wisdom @ Noon**

**March 17: St. Patrick's Day Parade takes over Savannah**

**March 28 INVESTING UPDATE Webinar/Call 5:00 p.m.**

**April 7: Good Friday: Markets Closed**

**April 11: National Board Game Day - Yahtzee Challenge Game 6:30-8:00 p.m.**

**April 20: Wealth Wisdom @ Noon**

**April 25: INVESTING UPDATE Webinar/Call 5:00 p.m.**

RSVP by calling or emailing [Team@Fid-EDGE.com](mailto:Team@Fid-EDGE.com) or **912-521-5005**



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