CORNERSTONE
FINANCIAL SOLUTIONS, INC.

Tax Report

MARCH 2022

Gordon Wollman, *MS-Financial Planning, CFP®, ChFC, CMFC®, ChFEBC℠, CRPS®, AWMA®, AAMS®*

FOUNDER & CEO, CFS
WEALTH ADVISOR, RJFS

Keeping your tax liability to a minimum is an essential part of maintaining your Cornerstone financial plan. As stewards of your wealth, we are here to help. We stay current on the constantly-changing tax environment and work to **identify tax-savings opportunities for you to consider**. You'll find important information about some of the broader tax laws as well as practical, actionable tax-reduction suggestions in this special report.

Through your review appointments and resources like this, our objective is to help ensure that your tax strategy and financial plan work together for your benefit. Of course, not all ideas will be appropriate for you and it's a good idea to address any tax strategy you're considering with your tax professional.

As always, if you have any questions, if you would like to review your financial strategy, or if you know someone who may need help in this area, please contact our office.

INSIDE

A FEW ITEMS THAT 2021 TAX FILERS SHOULD REVIEW:

- Filing your 2021 taxes will continue to include the new tax rates set forth with the Tax Cuts and Jobs Act (TCJA) enacted in 2018 (currently set to expire after 2025).
- If you have not already funded your retirement account for 2021, April 18, 2022 is the deadline for contributions to a traditional IRA (deductible or not) and a Roth IRA.
- There is still a 3.8% Medicare Investment Tax.
- Charitable donations are still deductible.
- Tax brackets have been slightly adjusted.
- Medical expense deductions are at 7.5% of AGI for 2021.

2021 TAX TABLES

SINGLE TAXPAYERS	
Up to $9,950	10% of taxable income
$9,951 to $40,525	$995 plus 12% of the amount over $9,950
$40,526 to $86,375	$4,664 plus 22% of the amount over $40,525
$86,376 to $164,925	$14,751 plus 24% of the amount over $86,375
$164,926 to $209,425	$33,603 plus 32% of the amount over $164,925
$209,426 to $523,600	$47,843 plus 35% of the amount over $209,425
$523,601 or more	$157,804.25 plus 37% of the amount over $523,600

MARRIED FILING JOINTLY TAXPAYERS	
$0 to $19,900	10% of taxable income
$19,901 to $81,050	$1,990 plus 12% of the amount over $19,900
$81,051 to $172,750	$9,328 plus 22% of the amount over $81,050
$172,751 to $329,850	$29,502 plus 24% of the amount over $172,750
$329,851 to $418,850	$67,206 plus 32% of the amount over $329,850
$418,851 to $628,300	$95,686 plus 35% of the amount over $418,850
$628,301 or more	$168,993.50 plus 37% of the amount over $628,300

MARRIED FILING SEPARATELY TAXPAYERS	
$0 to $9,950	10% of taxable income
$9,951 to $40,525	$995 plus 12% of the amount over $9,950
$40,526 to $86,375	$4,664 plus 22% of the amount over $40,525
$86,376 to $164,925	$14,751 plus 24% of the amount over $86,375
$164,926 to $209,425	$33,603 plus 32% of the amount over $164,925
$209,426 to $314,150	$47,843 plus 35% of the amount over $209,425
$314,151 or more	$84,496.75 plus 37% of the amount over $314,150

HEAD OF HOUSEHOLD TAXPAYERS	
$0 to $14,200	10% of taxable income
$14,201 to $54,200	$1,420 plus 12% of the amount over $14,200
$54,201 to $86,350	$6,220 plus 22% of the amount over $54,200
$86,351 to $164,900	$13,293 plus 24% of the amount over $86,350
$164,901 to $209,400	$32,145 plus 32% of the amount over $164,900
$209,401 to $523,600	$46,385 plus 35% of the amount over $209,400
$523,601 or more	$156,355 plus 37% of the amount over $523,600

Understanding Marginal Tax Rates

Determining your tax bracket is not as simple as just adding up your total income and checking a **tax table**. You need to calculate your taxable income (sometimes referred to as "adjusted gross income") and then adjust your income for any deductions, adjustments and exemptions you are allowed to find your final taxable amount.

Once you determine your final taxable income amount, it is critical to know that **not all of your income was taxed at the same rate**. For example, for a married couple filing jointly, the first $19,900 is taxed at 10%. If these same tax filers have a final taxable income of $95,000, then these taxpayers are in a "marginal tax bracket" of 22%. The key thing to note is that in this example, the last dollar earned is taxed at that 22% tax rate.

STRATEGIES FOR INVESTORS

Jill Mollner,
MBA, CFP®
WEALTH ADVISOR

Investment Income

Long-term capital gains are taxed at more favorable rates compared to ordinary income. For qualified dividends, investors will continue to be taxed at 0, 15% or 20%.

One tax strategy is to review your investments that have unrealized long-term capital gains and sell enough of the appreciated investments in order to generate enough long-term capital gains to push you to the top of your federal income tax bracket. This strategy could be helpful if you are in the 0% capital gains bracket and do not have to pay any federal taxes on this gain. Then, if you want, you can buy back your investment the same day, increasing your cost basis in those investments. If you sell them in the future, the increased cost basis will help reduce long-term capital gains. You do not have to wait 30 days before you buy back this investment—the 30-day rule only applies to losses, not gains.

Note: This non-taxable capital gain for federal income taxes might not apply to your state.

TAX TIP: *Remember that marginal tax rates on long-term capital gains and dividends can be higher than expected. The 3.8% surtax can raise the effective rate to 18.8% for single filers with income from $200,000 to $445,850 and 23.8% for single filers with income above $445,850. It can raise the effective rate to 18.8% for married taxpayers filing jointly with income from $250,000 to $501,600 and to 23.8% for married taxpayers filing jointly with income above $501,600.*

Capital Gains and Losses

If you sold an asset outside of a qualified account during 2021, you most likely incurred a capital gain or loss. Each type of gain and loss can have different tax rates. We monitor this for you and will discuss it at your review appointment if we think it could benefit you.

When it comes to calculating capital gains and losses, here is a breakdown of the rules:

- Short-term capital losses must first be used to offset short-term capital gains.
- If there are net short-term losses, they can be used to offset net long-term capital gains.
- Long-term capital losses are similarly first applied against long-term capital gains, with any excess applied against short-term capital gains.
- Net long-term capital losses in any rate category are first applied against the highest tax rate long-term capital gains.
- Capital losses in excess of capital gains can be used to offset up to $3,000 ($1,500 if married filing separately) of ordinary income.

2021 LONG TERM CAPITAL GAINS TAX RATES

TAX RATE	SINGLE FILER	HEAD OF HOUSEHOLD	MARRIED FILERS
0%	$40,400 or less	$54,100 or less	$80,800 or less
15%	$40,401 - $445,850	$54,101 - $473,750	$80,801 - $501,600
20%	$445,851 +	$473,751 +	$501,601+

TAX TIP: *Remember to look at your 2020 income tax return Schedule D (page 2) to see if you have any capital loss carryover for 2021. This is often overlooked, especially if you are changing tax preparers.*

Contribute to Retirement Accounts

CONTRIBUTION LIMITS FOR RETIREMENT SAVINGS - For 2022, the contribution limit for employees who participate in 401(k), 403(b), most 457 plans, and the federal government's Thrift Savings Plan remains at $20,500. The limit on annual contributions to an IRA also remains unchanged at $6,000. The catch-up contribution limits for those 50 and over remain unchanged at $1,000 for IRAs and $6,500 for most other retirement plans.

The **SECURE Act** allowed people with earned income to make contributions to Traditional IRAs past the age of 70½ starting in 2020.

If you have not already funded your retirement account for 2021, consider doing so by April 18, 2022. That's the deadline for contributions to a traditional IRA (deductible or not) and a Roth IRA. However, if you have a Keogh or SEP and you get a filing extension to October 15, 2022, you can wait until then to put 2021 contributions into those accounts. To start tax-advantaged growth potential as quickly as possible, however, try not to delay in making contributions.

RETIREMENT PLAN	2021 LIMIT
Elective deferrals to 401(k), 403(b), 457(b)(2), 457(c)(1) plans	$20,500
Contributions to defined contribution plans	$58,000
Contributions to SIMPLEs	$13,500
Contributions to traditional IRAs	$6,000
Catch-up Contributions to 401(k), 403(b), 457(b)(2), 457(c)(1) plans	$6,500
Catch-up Contributions to SIMPLEs	$3,000
Catch-up Contributions to IRAs	$1,000

CFS SUGGESTION: If you are eligible, a deductible contribution will help you lower your tax bill and your contributions can grow tax deferred.

To qualify for the full annual IRA deduction in 2021, you must either: 1) not be eligible to participate in a company retirement plan, or 2) if you are eligible, there is a phase-out from $66,000 to $76,000 of MAGI for singles and from $105,000 to $125,000 for married taxpayers filing jointly. If you are not eligible for a company plan but your spouse is, your traditional IRA contribution is fully-deductible as long as your combined gross income does not exceed $197,000. For 2021, the maximum IRA contribution you can make is $6,000 ($7,000 if you are age 50 or older by the end of the calendar year). For self-employed persons, the maximum annual addition to SEPs and Keoghs for 2021 is $58,000.

Although contributing to a Roth IRA instead of a traditional IRA will not reduce your 2021 tax bill (Roth contributions are not deductible), it could be the better choice because all qualified withdrawals from a Roth can be tax-free in retirement. Withdrawals from a traditional IRA are fully taxable in retirement. To contribute the full $6,000 ($7,000 if you are age 50 or older by the end of 2021) to a Roth IRA, you must have MAGI of $125,000 or less a year if you are single or $197,000 if you are married and file a joint return. **If you have any questions on retirement contributions, please call us.**

Roth IRA Conversions

Roth IRA conversions can be helpful, but they come with additional rules and can create immediate tax consequences and potential penalties. If you converted part or all of your traditional IRA into a Roth IRA in 2021 the amount you converted is subject to ordinary income tax. It might also cause your income to increase, thereby subjecting you to the Medicare surtax.

CFS SUGGESTION: There are a number of pros and cons to converting all or part of your traditional IRA to a Roth IRA. You should run the numbers with a qualified professional who can help you calculate the most appropriate strategy for your situation. We'd be happy to set up an appointment if you would like to review your Roth IRA conversion options.

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According to IRS regulations, all Form 1099s were required to be mailed by March 15 regardless of any pending adjustments or income reallocation. However, there is no cut-off or deadline for corrected 1099 statements. Amended mailings will occur as needed.

You can also export your tax data or upload it directly into tax preparation software. Tax documents available electronically include the IRS Composite Form (1099-B, -DIV, -INT, -MISC, -OID) and IRS Forms 1099-R, 5498 and 1099-Q. Learn more at www.mycfsgroup.com/tax-form-1099-information, or log into Raymond James Client Access and go to Tax Reporting for directions.

You may have received two 2021 tax packages from Raymond James and will need both tax packages when filing your taxes.

How can I access my tax packages?

If you are enrolled in Client Access download and print all tax documents:
- Login to client access: https://clientaccess.rjf.com/
- Navigate to My Accounts>Documents and click on Tax Reporting

If you are not enrolled in Client Access:
- Call Alyssa Kirk in our Huron office at 605-352-9490

Please contact us if you have questions. We want to help in any way we can to ensure that your tax preparation goes as smoothly as possible.

TAX DEDUCTIONS AND TAX CREDITS

Charitable Gifts and Donations

The Coronavirus Aid, Relief, and Economic Security **(CARES Act)** created a new charitable deduction available to taxpayers who do not itemize their deductions. This new benefit known as a universal deduction, allows for an above-the-line charitable deduction of up to $300 (this increases to up to $600 for those married filing jointly in 2021). To qualify, the charitable gift must be cash (or cash equivalent) made to a qualified charity (501(c)(3)). To qualify, this contribution should have been made on or before December 31, 2021.

For those who are itemizing, in 2021 you can take deductions up to 100% of your 2021 AGI (up from 60% under the Tax Cuts and Jobs Act) for cash contributions to qualified charities.

When preparing your list of charitable gifts, remember to review your bank account so you do not leave any out. Everyone remembers to count the monetary gifts they make to their favorite charities, but you should count noncash donations as well. Make it a priority to always get a receipt for every gift. Keep your receipts. If your contribution totals more than $250, you will also need an acknowledgment from the charity documenting the support you provided. Remember that you will have to itemize to claim this deduction, but when filing, the expenses incurred while doing charitable work often are not included on tax returns.

You can't deduct the value of your time spent volunteering, but if you buy supplies for a group, the cost of those materials is deductible as an itemized charitable donation. You can also claim a charitable deduction for the use of your vehicle for charitable purposes, such as delivering meals to the homebound in your community or taking your child's Scout troop on an outing. For 2021, the IRS will let you deduct that travel at .14 cents per mile.

Itemized Deductions Versus the Standard Deduction

For 2021, the standard deduction is $12,550 for single filers and $25,100 for those filing jointly ($18,800 for head of household filers). If you are filing as a married couple, an additional $1,350 is added to the standard deduction for each person age 65 and older. If you are single and age 65 or older, an additional deduction of $1,700 can be made.

CFS SUGGESTION: Don't assume anything - Keep receipts for everything you think might be tax-deductible and tell your tax preparer.

State and Local Tax (SALT) Deduction

State and local tax deductions (SALT) remain at a combined total of $10,000 (or $5,000 for married taxpayers filing separately) for state income and property taxes. This deduction amount is set to remain through 2025.

Medical Expense Deduction

The 2021 threshold for deducting medical expenses is 7.5% of AGI. The adjusted-gross-income threshold was slated to jump from 7.5% to 10% after 2018, but Coronavirus-related relief legislation in 2020 made permanent the 7.5% figure.

CFS SUGGESTION: The IRS website, www.IRS.gov, provides a long list of expenses that qualify as "medical expenses" so you can see if yours qualify.

Recovery Rebates

To help counteract the financial impact of the Coronavirus pandemic on Americans, the U.S. government issued three Economic Impact Payments. Most eligible individuals have received these stimulus payments and will not be eligible to claim a Recovery Rebate Credit. If you received a rebate, please alert your tax preparer.

Child Tax Credit

The American Rescue Plan Act (ARPA) extended the Child Tax Credit (CTC) for tax-year 2021 only. For 2021, the child tax credit for children under 6 years old is $3,600, and for children 6-17, it is $3,000. The maximum benefit would go to individuals making up to $75,000 and couples filing jointly making up to $150,000. This money is fully refundable. Those who make up to $200,000 individually or $400,000 jointly are still eligible for the maximum $2,000 tax credit.

CFS SUGGESTION: If you were eligible to receive these stimulus payments but did not receive all three, or if you got less than the full amount, you may be able to claim a Recovery Rebate Credits on your 2021 tax return.

Child and Dependent Care Credit

In addition to helping cover the costs of after-school daycare while working, this tax break can also apply to summer day camp costs. The key is that for deduction purposes, the camp can only be a day camp, not an overnight camp.

In 2021, if you paid a daycare center, babysitter, summer camp, or other care provider to care for a qualifying child under age 13 or a disabled dependent of any age, depending on your income, you may qualify for a tax credit of up to 50% of qualifying expenses of $8,000 for one child or dependent, or up to $16,000 for two or more children.

OTHER OVERLOOKED TAX ITEMS AND DEDUCTIONS

Reinvested Dividends

This is not a tax deduction, but it is an important calculation that can save investors a bundle. Former IRS commissioner Fred Goldberg told Kiplinger magazine for their annual overlooked deduction article that missing this break costs millions of taxpayers a lot in overpaid taxes.

Many investors have mutual fund dividends that are automatically used to buy extra shares. Remember that each reinvestment increases your tax basis in that fund. That will, in turn, reduce the taxable capital gain (or increase the tax-saving loss) when you redeem shares. Please keep good records. Forgetting to include reinvested dividends in your basis results in double taxation of the dividends—once in the year when they were paid out and immediately reinvested and later when they are included in the proceeds of the sale.

If you are not sure what your basis is, ask the fund or us for help. Funds often report to investors the tax basis of shares redeemed during the year. Regulators currently require that for the sale of shares purchased, financial institutions must report the basis to investors and to the IRS.

Student-Loan Interest Paid by Parents

Generally, you can deduct interest only if you are legally required to repay the debt. But if parents pay back a child's student loans, the IRS treats the transactions as if the money were given to the child, who then paid the debt. So as long as the child is no longer claimed as a dependent, the child can deduct up to $2,500 of student-loan interest paid by their parents each year and is subject to income limitations. (The parents can't claim the interest deduction even though they actually foot the bill because they are not liable for the debt).

3.8% Medicare Investment Tax

(Also known as the Medicare surtax.) If you earn more than $200,000 as a single or head of household taxpayer, $125,000 as married taxpayers filing separately or $250,000 as married joint return filers, then this tax applies to either your modified adjusted gross income or net investment income (including interest, dividends, capital gains, rentals, and royalty income), whichever is lower. This 3.8% tax is in addition to capital gains or any other tax you already pay on investment income.

CFS SUGGESTION: This tax makes the use of depreciation, installment sales, and other tax deferment strategies suddenly more attractive. Pay attention to timing, especially if your income fluctuates from year to year or is close to the $200,000 or $250,000 amount. You may want to realize capital gains in years when you are under these limits. If you're thinking about getting married, keep in mind the inclusion limits may penalize married couples.

Medicare Health Insurance Tax on Wages

If you earn more than $200,000 in wages, compensation, and self-employment income ($250,000 if filing jointly, or $125,000 if married and filing separately), the Affordable Care Act levies a special additional 0.9% tax on your wages and other earned income. You'll pay this all year as your employer withholds the additional Medicare Tax from your paycheck. If you're self-employed, plan for this tax when you calculate your estimated taxes.

CFS SUGGESTION: If you're employed, there's not a lot you can do to reduce the bite of this tax. Requesting non-cash benefits in lieu of wages won't help—they're included in the taxable amount. If you're self-employed, you may want to take special care in timing income and expenses (especially depreciation) to avoid the limit.

Required Minimum Distributions (RMD)

Thanks to the SECURE Act, beginning January 1, 2020 the age for Required Minimum Distributions (RMD) increased to 72. (This change only applies to account owners who turn 70½ after 2019.) Under previous law, participants were generally required to begin taking distributions from their retirement plan at age 70½.

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Did You Know?

You can create an online account on IRS.gov where you can view all kinds of account information, such as your payment history and payoff amount.

You can even make online payments and get a digital copy of the most recent transcript of your tax return.

(Source: IRS.gov)

Andrew Ulvestad, *AAMS®*
WEALTH ADVISOR

Plan Now for 2022

Prepare a 2022 tax projection - We already know the 2022 rates and by reviewing your 2021 situation and all 2022 expectations of income, a qualified tax professional could be able to help you with a tax projection for 2022.

Explore if a potential Roth IRA conversion is helpful for your situation - A Roth IRA can be beneficial in your overall retirement planning. Investments in a Roth IRA have the potential to grow tax-free and they do not have required minimum distributions during the lifetime of the original owner. Also, Roth IRA assets may pass to your heirs tax-free. Roth conversions include complex details and are not right for everyone. Also, some recent proposals have suggested changes about which IRAs could be converted to ROTH IRAs. We can talk about whether a ROTH conversion is a good idea for you at your next review, or give us a call if this is something you'd like to explore.

Take advantage of annual exclusion gifts - For 2022, the maximum amount of gift tax exemption is $16,000 for gifts made by an individual, and $32,000 for gifts made by married couples. This means you can give up to that amount to a family member without having to pay a gift tax. Ideas for gifting can include, contributing to a working child (or grandchild's) IRA, or gifting to a 529 plan, which is a tax-sheltered plan for college expenses.

Consider bunching your charitable donations into a Donor Advised Fund (DAF) - Now is the time to explore if it is helpful for your tax situation to deposit cash, appreciated securities or other assets in a Donor Advised Fund, and then distributing the money to charities over time. Up to 60% of your adjusted gross income can be deductible if given as donations to typical charities.

Remember — If you ever have any questions regarding your finances, we are here to help. We pride ourselves on our ability to help you make informed decisions and we don't want you to worry about things that you don't need to worry about!

Complimentary Shredding
Nov. 2 – Nov. 30

Shred bins will be available in November near the front entrance at both offices. Paper documents only please - paper clips and staples are OK. Bring in a few items or a few boxes!

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How Long Should I Keep My Records?

According to IRS Publication 17, you must keep your records as long as they may be needed for the administration of any provision of the Internal Revenue Code. In general, that means you have to keep the records that support what you have listed on your tax return *until the period of limitations for that return runs out.*

This table from IRS Publication 17 shows the periods of limitations that apply to income tax returns. Unless otherwise listed, the years refer to the period beginning after the return was filed. Returns filed *before* the due date are treated as being filed on the due date.

PERIOD OF LIMITATIONS - THE PERIOD OF TIME IN WHICH YOU CAN AMEND YOUR RETURN TO CLAIM A CREDIT OR REFUND, OR THE IRS CAN ASSESS ADDITIONAL TAX.

IF YOU...	THEN THE PERIOD IS...
1 File a return and (2), (3), and (4) don't apply to you	3 years
2 Don't report income that you should and it is more than 25% of the gross income shown on your return	6 years
3 File a fraudulent return	No limit
4 Don't file a return	No limit
5 File a claim for credit or refund after you filed your return	The later of 3 years or 2 years after tax was paid
6 File a claim for a loss from worthless securities or bad debt deduction	7 years

HELPFUL TAX TIME STRATEGIES

- ✓ Be careful not to overpay Social Security taxes. If you received a paycheck from two or more employers and earned more than $142,800 in 2021 you may be able to file a claim on your return for the excess Social Security tax withholding.
- ✓ Don't forget items carried over from prior years because you exceeded annual limits, such as capital losses, passive losses, charitable contributions and alternative minimum tax credits.
- ✓ Check your 2020 tax return to see if there was a refund from 2020 applied to 2021 estimated taxes.
- ✓ Calculate your estimated tax payments for 2022 very carefully. Many computer tax programs will automatically assume that your income tax liability for the current year is the same as the prior year. This is done to avoid paying penalties for underpayment of estimated income taxes. However, in some cases this might not be a correct assumption, especially if 2021 was an unusual income tax year due to the sale of a business, unusual capital gains, the exercise of stock options, or even winning the lottery! A qualified tax professional should be able to help you with a tax projection for 2022.
- ✓ Always double check your math where possible and remember it is always wise to consult a tax preparer before filing.

MEET OUR NEW TEAM MEMBERS

Michelle Stahl, PARTNER, VP OPERATIONS, CFS | OFFICE MANAGER, RJFS

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Help me welcome Shelby and Alyssa to the Cornerstone Community!

You may have noticed some new faces around the office recently! As we approach our 30th year serving you, we constantly challenge ourselves and one-another to deliver an even more compelling experience for you and your family. We don't settle for the status quo, and I'm delighted to formally introduce two new team members who will help us continue to raise the bar on the service and value we bring to you.

Alyssa Kirk, EXECUTIVE ASSISTANT

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HURON OFFICE

As Executive Assistant, Alyssa Kirk manages scheduling, communication and special projects for Cornerstone executives. She brings five years of experience in financial services, rockstar organizational skills, and a BBA degree with a specialization in Management from Dakota State University. A resident of Huron, Alyssa grew up in Balaton, MN.

Visit mycfsgroup.com/team/alyssa-kirk to learn more about Alyssa.

Shelby Bierema, CLIENT RELATIONSHIP MANAGER

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SIOUX FALLS OFFICE

As a member of our Client Service Team, Shelby works closely with the advisors to assist clients and complete the administrative aspects of client reviews and financial planning. Shelby brings more than a decade of customer service experience to her role, along with a degree in Biology from University of Sioux Falls, where she played 2 years of collegiate basketball.

Visit mycfsgroup.com/team/shelby-bierema to learn more about Shelby.

Shelli Carlson, CHIEF EXPERIENCE OFFICER

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What Your Friends Don't Know Could Be Hurting Them

Your Wealth Advisor reviews your annual tax return so your investments and financial plans coordinate with your tax strategy, and because the right tax moves can help you keep more of what you make. Did you know that not all advisors provide this service?

If the subject of taxes comes up during conversations with friends or family, let them know they should expect a tax review as part of their annual review with their financial advisor. And please feel free to share this report. Although Cornerstone limits the number of new relationships we take on each year, most of those introductions come from our clients.

If there's someone you'd like us to reach out to email us at info@MyCFSgroup.com or call 605-357-8553. We will mail them an introduction letter and let them know you suggested we contact them. Then we'll follow up with a phone call to answer any questions. That's it!

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Like us on Facebook to stay up-to-date on issues and what's happening in the Cornerstone offices:

/CornerstoneFinancialSolutionsInc

MARK YOUR CALENDARS

Friday, April 15
Cornerstone offices and the markets are closed for Good Friday

Thursday, May 26
Cornerstone offices are closed for our Quarterly Team Meeting

Monday, May 30
Cornerstone offices and the markets are closed for Memorial Day

BARRON'S TOP 1,200 FINANCIAL ADVISORS 2009 & 2011-2020

RAYMOND JAMES® GLOBAL TOP 50 ADVISORS 2018-2020

2018 - 2021 BEST-IN STATE WEALTH ADVISOR FORBES

RAYMOND JAMES® CHAIRMAN'S COUNCIL 2011-2020

FINANCIAL TIMES TOP 400 FINANCIAL ADVISORS 2018–2019

These rankings and awards were won by Gordon Wollman, Founder & CEO, CFS | Wealth Advisor, RJFS. These rankings and awards may not be representative of any one client's experience, are not an endorsement, and are not indicative of future performance. Neither Raymond James nor any of its Financial Advisors pay a fee in exchange for these awards/ratings. Raymond James is not affiliated with Barron's, Shook Research, Forbes, Financial Times, or Ignite Research. Investment performance is not an explicit component because not all advisors have audited results and because performance figures often are influenced more by clients' risk tolerance than by an advisor's investment-picking abilities.

Barron's is a registered trademark of Dow Jones & Company, L.P. All rights reserved. The rankings are based on data provided by over 4,000 individual advisors and their firms and include qualitative and quantitative criteria. Data points that relate to quality of practice include professionals with a minimum of 7 years financial services experience, acceptable compliance records (no criminal U4 issues), client retention reports, charitable and philanthropic work, quality of practice, designations held, offering services beyond investments offered including estates and trusts, and more. Financial Advisors are quantitatively rated based on varying types of revenues produced and assets under management by the financial professional, with weightings associated for each.

Source: Forbes.com. As of 2/18/21. The Forbes ranking of Best-in-State Wealth Advisors, developed by SHOOK Research, is based on an algorithm of qualitative and quantitative data. Those advisors that are considered have a minimum of 7 years of experience, and the algorithm weighs factors like revenue trends, AUM, compliance records, industry experience and those that encompass best practices in their practices and approach to working with clients. Portfolio performance is not a criteria due to varying client objectives and lack of audited data. Out of approximately 32,725 advisors nominated by their firms, more than 5,000 received the award. These rankings and recognitions may not be representative of any one client's experience, are not an endorsement, and are not indicative of future performance. Neither Raymond James nor any of its Financial Advisors pay a fee in exchange for this award/rating. Raymond James is not affiliated with Forbes or SHOOK Research, LLC. Please visit https://www.forbes.com/best-in-state-wealth-advisors for more info.

The FT 400 was developed in collaboration with Ignites Research, a subsidiary of the FT that provides specialized content on asset management. To qualify for the list, advisers had to have 10 years of experience and at least $300 million in assets under management (AUM) and no more than 60% of the AUM with institutional clients. The FT reaches out to some of the largest brokerages in the U.S. and asks them to provide a list of advisors who meet the minimum criteria outlined above. These advisors are then invited to apply for the ranking. Only advisors who submit an online application can be considered for the ranking. In 2019, roughly 960 applications were received and 400 were selected to the final list (41.7%). The 400 qualified advisers were then scored on six attributes: AUM, AUM growth rate, compliance record, years of experience, industry certifications, and online accessibility. AUM is the top factor, accounting for roughly 60-70 percent of the applicant's score. Additionally, to provide a diversity of advisors, the FT placed a cap on the number of advisors from any one state that's roughly correlated to the distribution of millionaires across the U.S.

Raymond James Global Top 50 is an event that takes place in February (2020). Invitees are selected based on 2019 fiscal year production. There are approximately 50 attendees, though that number may vary based on those who are invited and available to attend.

Raymond James Chairman's Council Membership is based on prior fiscal year production, requalification is required annually.

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Contributions to a traditional IRA may be tax deductible in the contribution year, with current income tax due at withdrawal. Withdrawals prior to age 59 ½ may result in a 10% IRS penalty tax in addition to current income tax.

The Roth IRA offers tax deferral on any earnings in the account. Withdrawals from the account may be tax free, as long as they are considered qualified. Limitations and restrictions may apply. Withdrawals prior to age 59 ½ or prior to the account being opened for 5 years, whichever is later, may result in a 10% IRS penalty tax. Future tax laws can change at any time and may impact the benefits of Roth IRAs. Their tax treatment may change. Additionally, each converted amount is subject to its own five-year holding period. Investors should consult a tax advisor before deciding to do a conversion.

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