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**FOUNDER & CEO, CFS
WEALTH ADVISOR, RJFS**

I would like to take a pause in financial and economic topics and share with you a message I feel is very important, especially in these times of volatility and uncertainty – two things the world has had its fill of in the past few years. My message is about **gratitude**.

The Merriam-Webster dictionary defines the essential meaning of gratitude to be a “feeling of appreciation or thanks.” During the year-end holiday season, there is a universal theme of being thankful for the blessings the past year bestowed upon you.

However, each and every day you have an opportunity to embrace and share gratitude. Harnessing this feeling and

carrying it with you through the year - making it a habit - can be a powerful shield in times of difficulty. Remember – gratitude can be an attitude!

A study that Psychology Sciences released revealed that participants who expressed gratitude were more likely to generate better results than those who looked for immediate gratification. The research found that those who expressed gratitude appeared to display more patience and happiness with their current situation. The study also revealed that those who had more feelings of gratitude were able to reduce impulse buying due to feeling more overall contentment and were less reliant on the high that immediate gratification can provide. (www.forbes.com, 11/25/2019)

In the financial industry, wealth is a word I hear often. However, the term “wealthy” has a multitude of meanings. I hope you remember to cultivate all aspects of your personal wealth, including not only your financial wealth, but also your mental wealth, emotional wealth, and physical wealth too.

Seven Scientifically Proven Benefits of Gratitude

 Improves physical health.	 Improves psychological health.
 Increases mental strength.	 Enhances empathy and reduces anger.
 Cultivates better sleep.	 Opens the door to better relationships.
	 Improves self-esteem.

Source: PsychologyToday.com

While Cornerstone is primarily in the business of preserving your wealth and cultivating your financial goals, keep in mind that your first wealth is always your health. Being “wealthy” can have a different meaning to many people. It is a good time to think about what wealth is to you and reflect on if you focused on those items in the past year or not. This can help you define your priorities and goals for the upcoming year.

How do you define and then cultivate “wealth”?

What constitutes wealth to you? There are many ways to quantify “wealth” including your physical, emotional, mental, and financial wealth. What areas will you choose to focus on in 2023?

Here are a few examples of how you can cultivate each area.

Health Wealth

- Be more active
- Join a fitness club or group
- Make better eating choices

Emotional Wealth

- Embrace an attitude of gratitude
- Reduce your exposure to toxic people and media magnifications

Mental Wealth

- Practice activities that exercise the brain, such as reading
- Engage in self-care activities like starting a new hobby

Financial Wealth

- Meet with us at least annually for a financial check-up
- Review proactive tax planning ideas with us or a tax professional

SECURE 2.0 ACT

The “Setting Every Community Up for Retirement Enhancement” Act, otherwise known as the SECURE Act, was originally enacted in 2020 and is designed to make changes to retirement account requirements. Just recently, in December 2022, the SECURE 2.0 Act was enacted to make further adjustments to retirement requirements. How will this legislation affect you and your retirement savings? **Here are some highlights:**

RMD Age Increased in 2023

The age for required minimum distributions (RMDs) to begin is increased to 73 starting in 2023. This age will increase again to 75, but not until January 1, 2033. If you do not want to take an RMD or pay the corresponding tax bill for as long as possible, this is welcome news. This provision is helpful if you do not need the money, and it also provides another few years of potential Roth conversions without concerns about RMDs.

QCDs Expanded

There is good news if you are charitably inclined, have an IRA, and are age 70½ or older. Starting in 2023, a one-time only, \$50,000 qualified charitable distribution (QCD) can be made to a charitable gift annuity, charitable remainder unitrust, or charitable remainder annuity trust. The \$50,000 amount is included in the annual \$100,000 QCD limit. It is not in addition to that maximum.

Roth-O-Mania Is Here

Are you ready for more retirement savings opportunities with Roth IRAs? Congress opened the door to more Roth possibilities in its search for immediate tax revenue.

Beginning in 2023, SEP and SIMPLE IRA plans can allow Roth contributions. Also, plans can allow employer matching contributions to be made on a Roth basis. Starting in 2024, all plan catch-up contributions for age 50-or-over, higher-income employees must be Roth contributions.

Rollovers from 529 Plans to Roth IRAs

SECURE 2.0 allows rollovers from 529 plans to Roth IRAs. This provision is effective in 2024.

Did your child earn a scholarship? Did the beneficiary of a 529 account decide not to go to college and now there are funds remaining in the account? If you had concerns about what to do with funds left over in a 529 plan, this may be a good strategy to employ. Leftover 529 funds can now be rolled over to a Roth IRA in the name of the 529 beneficiary. However, there are restrictions. For example, the 529 plan must have been in place for 15 years, annual rollovers cannot exceed the annual Roth IRA contribution limit, and total lifetime rollovers cannot exceed \$35,000.

More Catch-Up Contributions

If you are nearing retirement, SECURE 2.0 brings more savings opportunities. Starting in 2025, individuals who are ages 60, 61, 62 and 63 will be eligible to make larger catch-up contributions to their work plans. Also, the IRA catch-up contribution limit, which has been stuck at \$1,000, will be indexed for inflation beginning in 2024.

No Lifetime RMDs for Roth Plans

Do you have a Roth account in your employer plan? Here is a welcome change. Unlike Roth IRAs, Roth accounts in workplace plans have been subject to RMDs during the owner’s lifetime. Beginning in 2024, this will no longer be the case – Roth plan dollars will be excluded from the RMD calculation.

RMD Penalty Changes

SECURE 2.0 reduces the penalty if you miss an RMD from a hefty 50% to 25%. Additionally, if you correct the missed RMD in a timely manner, the penalty is further reduced to 10%.

Other Notable Changes:

Effective 2023:

- Early distributions 10% penalty exception: Terminal illness. Plans and IRAs. No maximum

Effective 2024:

- QCD \$100,000 limit increased for inflation
- Matching plan contributions can be made on student loan payments
- Higher SIMPLE plan limits for deferrals and catch-ups and nonelective contributions
- Plan catch-ups must be Roth if wages were greater than \$145,000 (indexed) in the prior year

Effective 2026:

- Early distributions 10% penalty exception: Long-term care insurance premiums up to \$2,500/year (plans only)

Effective 2027:

- Saver’s Match: 50% of IRA or plan deferrals (up to \$2000) by low-income savers

Effective 2033:

- RMD age raised to 75

The SECURE 2.0 implemented many changes and it can be difficult to understand them all; as well as which ones are most pertinent to your financial goals. Luckily, it is our job to know the legislature and assist you accordingly. Please contact our office with any questions.

**We’ll be covering the
Secure Act 2.0 at our
Spring Education Event!**

*See back page for dates
and locations.*

SOMETIMES LESS ISN'T MORE – LEARN WHY HAVING A TEAM OF ADVISORS AND PROFESSIONALS IS BENEFICIAL



Jill Mollner

MBA, CFP®

WEALTH ADVISOR, RJFS

BRANCH OPERATIONS
MANAGER, CFS

I've been in the financial planning industry for a little over 17 years and when making the decision to join Cornerstone one of the things that attracted me was the team-based wealth management versus a solo approach.

Team-based wealth advice offers many advantages over a solo-advisor approach. With a large team of professionals in place, we can say, "This is how we are going to take care of you," so that you have comfort and reassurance even if someone you normally work with is out of the office.

Team-based wealth management means:

- A broader scope of knowledge, expertise, and skills from multiple advisors and team members
- Confidence that our internal Investment Committee structure ensures your investments are managed, even if your primary advisor is out.
- A simple and smooth transition when your primary financial advisor retires, thanks to a built-in succession plan and established systems. You won't lose years of valuable planning to someone you don't know.

We often say that **"Helping you build a financial plan to achieve what's truly possible is what we do – Empowering you to pursue greater dreams is who we are."** Having a large team in place allows us to do just that.

We know you've worked hard for your money and our team of wealth advisors have a deep understanding of financial planning which allows us to give you the highest quality of service there is.

While some advisors only offer basic investment planning, we cover all 5 areas of wealth management, so nothing falls through the cracks.

Those 5 areas include:

- Investment Management
- Risk Management
- Retirement Planning
- Estate Planning
- Tax Planning Strategies

In addition, we collaborate with your personal CPA and/or attorney so we can provide better holistic advice to you.

Because it's important to review your wealth management plan and stay informed of issues that might affect you, we also work hard to proactively provide you with:

- Regularly Scheduled Reviews
- Weekly Market Updates via email
- Quarterly Newsletters and Tax Reports
- Educational Workshops
- Small Group Events – because, sometimes, we just like to have fun!

The services, education, and attention to what's important to you are all possible because of the great team we have in place.

We believe that you don't have to settle for the status quo. When your life and wealth are built on a Cornerstone, you can pursue greater dreams and make the impact you're truly capable of making – in your life, in the lives of those you love, and in the legacy you leave behind.

I always welcome the opportunity to help people make dreams come true and can be reached at 605-357-8553 or via email at cfsteam@mycfsgroup.com.

Valuable Resources and Links at www.MyCFSgroup.com

GORDON'S ANNUAL LETTER: Watch a recorded message from Gordon or read his annual letter. Look for GORDON'S ANNUAL LETTER under the *Who We Are* tab. Or, to go directly to the page type www.mycfsgroup.com/gordons-annual-letter into your search bar. This is usually a long white bar at the top of your browser window.

ANDREW'S BLOG: Read ANDREW'S BLOG, *Why It's Important to Work With a CERTIFIED FINANCIAL PLANNER® Professional*. Choose "Blogs" under the Resources & Guidance tab or type www.mycfsgroup.com/blog/why-its-important-to-work-with-a-certified-financial-planner-professional into your search bar.

JILL'S BLOG: Read JILL'S BLOG, *Benefits of Working With a TEAM of Advisors and professionals*. Go to "Blogs" under the Resources & Guidance tab.

Register for our **SPRING EDUCATION EVENT**. Click on the *Spring Education Event* tab – just next to the Home tab, or type www.mycfsgroup.com/workshop into your search bar.

ANNUAL TEAM AWARDS - 2022

At Cornerstone we hold ourselves accountable to high standards and high expectations – we don't settle for the status quo. Team members can honor and celebrate peers through nominations for our annual Core Value Awards, where Leadership recognizes team members who have exemplified each of our five core values throughout the year.

Congratulations to the 2022 Award Winners!

Invest in People: We connect deeply with our clients and our teammates to make a positive difference. Relationships drive our success. We dive deep to understand how our clients and our teammates tick. We provide great service to clients, to each other, to our communities, and to our world. Every action we take enables others to make a bigger impact.



Andrew Ulvestad, AAMS® WEALTH ADVISOR

ACCORDING TO THE NOMINATION:

"Andrew is always going the extra mile and checking in with the clients as well as team members. Whether it is for a birthday, to see how a grandchild did in their sporting event, or just to check in and see how they fared through a bad storm, he is always on it. He has a wonderful ability to remember the small things and those small touches really show he cares. He is someone who you can tell is truly listening when you are speaking. Andrew always goes the extra mile and it truly amazes me. He challenges me to do better."

Be Hungry, Stay Humble: We commit to continuously improving our performance and pushing through our comfort barriers. We challenge ourselves to think and dream big. We challenge the status quo. We are always looking for a better way. We are honest about our mistakes and we learn from them.



Stephanie Gerrits, FPQP® CLIENT RELATIONSHIP MANAGER

ACCORDING TO THE NOMINATION:

"Stephanie is amazing at what she does on a daily basis and is never one to talk about how busy she is. She will drop whatever she is working on to come and help with a question. She is always willing to take on the hard task to learn something new or expand her knowledge, which in the end allows her to better serve our clients. Stephanie treats our clients with extreme respect and care, and holds teammates accountable to make sure things are getting done. She always makes time to help colleagues. She provides great input during our weekly team meetings, helping frame problems in a different light and offering solutions I wouldn't have even thought of. Even when she has an idea, she is always open to hear what everyone else brings to the table. She is the definition of quietly confident and openly humble."

Clear is Kind: We are excellent communicators. We believe that communication is the birthplace of innovation, creativity and change. We listen to others. We are fully present in conversations. We communicate clearly and concisely. We give and receive direct, constructive, and respectful feedback.



Lori Mack DIRECTOR OF FIRST IMPRESSIONS – HURON OFFICE, CFS | BRANCH ASSOCIATE, RJFS

ACCORDING TO THE NOMINATION:

Lori's nominator stated how she appreciates how Lori seeks out clarification from team members and clients to make sure she understands things clearly. "I always appreciate the feedback that she gives me, and she is always very receptive and appreciative when given feedback."

ANNUAL TEAM AWARDS - 2022

Focus on Impact: We work smart. In a world of fierce competition, there is no value in simply conducting activities. To make the most impact we need to solve the most important problems. We expect our team to work efficiently and avoid wasting time on minor issues.



Shannon Naser LEAD CLIENT RELATIONSHIP MANAGER

ACCORDING TO THE NOMINATION:

"Shannon's desire at Cornerstone is to truly focus on impact. In my discussions with him, he wants to weed out the non-important details and get to what is the most impactful in the most efficient amount of time. He attempts to identify the root cause and accomplish the best result. I appreciate his desire to want to help clients and accomplish important work. He goes above and beyond for our clients and our team. He took on a lead role training new team members and carried a lot of weight on his shoulders through the departures of a couple team members. He has a great amount of knowledge and can work through a lot of tasks very efficiently. He has become our go-to when we come across sticky and complicated situations, however he doesn't always give us the answer and challenges us to be better problem solvers in order to increase our efficiency. He is the glue to our CRM team."

Lead your Life: We don't believe in making excuses, we believe in making change. We provide our team with the tools to achieve their highest potential in their lives, their careers, and the legacy they want to leave behind. It's up to each one individually to put those tools to work.



Alyssa Kirk CLIENT RELATIONSHIP MANAGER

ACCORDING TO THE NOMINATION:

"Alyssa takes on many different roles at Cornerstone and takes pride in doing each one at a high standard. She is always willing to do whatever is needed of her. She does not complain or make excuses for the many things that are expected and carries her work ethic even when she's at home. Alyssa is someone who has impressed me with her dedication to continue to grow her financial knowledge outside of work. She continues to strive to be better and has accomplished that with the passing of her series 66 exam and also her Insurance exam. Alyssa is a lifelong learner."

Award for Client-First Practices: This award is given by the Leadership Team to an individual who goes above and beyond providing excellent service to our clients.



Sarah Micek BUSINESS DEVELOPMENT ASSOCIATE, CFS | BRANCH ASSOCIATE, RJFS

ACCORDING TO THE NOMINATION:

"Sarah stepped into this position straight out of college and took the role of Director of 1st Impressions when Jan and Gita's positions were expanded. Our clients were very familiar and comfortable with Jan and Gita but Sarah came in with an unbelievable amount of humble confidence and poise. She researched clients before they arrived to their appointment by looking at the pictures and personal preference sheets in salesforce and greeted them by name and initiated great conversations with them. We have received multiple comments on how much our clients love Sarah and how they can see why she was hired. Sarah has pushed beyond her comfort zone and is a shining example of Client-First Practices and our core values."

These awards/rankings are not based in any way on the individual's ability to provide investment advice or management. Awards/rankings are not indicative of advisor's future performance, are not an endorsement, and may not be representative of individual clients' experience.

Helping you build a financial plan to achieve what's truly possible is what we do. Empowering you to pursue greater dreams is who we are.

OUR GUARANTEE:

Because of our commitment to excellence, upon receiving your verbal feedback, if we don't meet your expectations we will provide a no-cost transition to your next advisor.

INVESTMENT COMMITTEE RECAP



Andrew Ulvestad
AAMS®
WEALTH ADVISOR

2022 was a rollercoaster of a ride that included several ups and downs, but equity markets overall experienced a consistent downward trend. Even a strong 4th quarter, where the S&P 500 was up over 7% and the Dow Jones Industrial Average was up over 15% in the fourth quarter, couldn't bail out the rough year-end results. The broad-based S&P 500 finished the year down 19.4%.

As the market continues to be very cranky and indecisive, we stand by our mantra of "proceed with caution". Multiple factors remain key players in the direction of equity markets, most particularly the continuation of rising interest rates and speculation regarding a potential recession in the U.S. or global economy.

Uncertainty in 2023 is also affected by global unrest, including the continuation of the Russia/Ukraine War, and the slower-than-desired re-opening of China after their "zero-Covid" policy was lifted. The markets seem to be impacted by other factors as well such as: unemployment, wage growth, the U.S. dollar, and earnings.

During our recent Investment Committee Meeting we consulted with T. Rowe Price for an extensive overview regarding on our strategies. Because we expect continued volatility, we focused our time on maintaining a diversified mix. In a year like 2022 where we saw extreme volatility in both stocks and bonds, we plan to bring our strategies back to their target allocations. We discussed adding more defensive positions to each strategy as well as re-positioning to lower the historical standard deviation.

We appreciate you being clients of Cornerstone as we continue to move forward!

Note: Raymond James is not affiliated and does not endorse T. Rowe Price.



Congratulations to the Cornerstone Team for making the Forbes list of **Best-In-State Wealth Management Teams!**

I'm so proud of this AMAZING group! Joining the Cornerstone team doesn't come easy – we have a rigorous hiring process and high expectations regarding performance and accountability. This recognition by Forbes is proof of the 'something extra' each team member brings that can only be described as heart. They care deeply and passionately about their work, our mission, each other, and most importantly our clients.



Michelle Stahl
PARTNER, CHIEF
OPERATING OFFICER, CFS
OFFICE MANAGER, RJFS

Cornerstone Financial Solutions was recognized on the 2023 Forbes ranking of America's Top Wealth Management Teams Best-In-State, developed by SHOOK Research, is based on an algorithm of qualitative criteria, mostly gained through telephone and in-person due diligence interviews, and quantitative data. This ranking is based upon the period from 4/1/2021 to 3/31/2022 and was released on 01/12/2023. Advisor teams that are considered must have one advisor with a minimum of seven years of experience, have been in existence as a team for at least one year, have at least 5 team members, and have been nominated by their firm. The algorithm weights factors like revenue trends, assets under management, 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 8,000 team nominations, 2,860 advisor teams received the award based on thresholds. This ranking is not indicative of an advisor's future performance, is not an endorsement, and may not be representative of individual clients' experience. Neither Raymond James nor any of its Financial Advisors or RIA firms pay a fee in exchange for this award/rating. Raymond James is not affiliated with Forbes or Shook Research, LLC. Please see <https://www.forbes.com/lists/wealth-management-teams-best-in-state/> for more info.

WHO DO YOU KNOW WHO WOULD APPRECIATE THIS INFORMATION?

PLEASE SHARE THIS NEWSLETTER WITH THEM!

We love meeting new people who are ready to dream about what's truly possible, build a Cornerstone plan to help them get there, and lead a life of impact.



Shelli Carlson
 CHIEF EXPERIENCE OFFICER, CFS | BRANCH ASSOCIATE, RJFS
 shelli@mycfsgroup.com | P: 605.357.8553 ext. 206

BE A CHAMPION

Sometimes I hear from clients who want to tell their friends about the outstanding service and services we provide, but they're just not sure how to bring it up. Here are a few easy ways to share your Cornerstone story and become a **Cornerstone Champion!**

- ✓ Like and follow us on Facebook, our page is CornerstoneFinancialSolutionsInc. It's a great way to stay up to date on issues and what's happening in the Cornerstone offices.
- ✓ Follow us on LinkedIn and connect with the team. Gordon, Jill, and Andrew are on LinkedIn, as are several other team members.
- ✓ Share our social media posts or encourage friends to follow our pages. Tag someone who you think would be interested.
- ✓ Tell a friend if a Cornerstone team member goes above-and-beyond to handle a question or provide memorable service. Think of it in the same way you'd share a positive experience at a restaurant or retail store.

Do you have any other suggestions for ways to share the #CornerstoneCommunity with your friends? Let me know! And please don't hesitate to reach out if you have any questions or if I can help in any way! Email cfsteam@MyCFSgroup.com or call 605-357-8553.

RAYMOND JAMES TAX FORM 1099 MAILING DATES

Whether you prepare your own taxes or work with a tax professional, we want to help the process go as smoothly as possible. Please don't hesitate to contact us at 605-352-9490 in Huron or 605-357-8553 in Sioux Falls with any questions.

RETIREMENT ACCOUNTS ONLY:

If you made a distribution/contribution/rollover in 2022	Tax document from Raymond James mailed Jan. 31.
If you did NOT make a contribution or distribution from your retirement account?	You will NOT receive any tax documents.
If you gave money to a charity, directly from your IRA	Tax document from Raymond James mailed Jan. 31. You should provide this information to your tax professional.

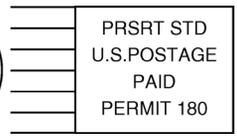
NON-RETIREMENT ACCOUNTS ONLY:

You can expect a tax document from Raymond James regardless of whether or not you made contributions or took withdrawals. Mailings are in 3 groups starting Feb. 15. **** If a 1099 is delayed, it will be sent on either Feb. 28 or March 15 ****

Note: Printed tax documents will NOT be mailed to you IF YOU SELECTED ONLINE DOCUMENT DELIVERY when you enrolled in Client Access, Raymond James' secure system for accessing your account information online. You will need to log in to Client Access and print your tax documents. You can change your delivery preference at any time.

Changes in tax laws or regulations may occur at any time and could substantially impact your situation. Raymond James financial advisors do not render advice on tax or legal matters. You should discuss any tax or legal matters with the appropriate professional.

Please don't hesitate to contact us with any questions. Call 605-352-9490 in Huron, 605-357-8553 in Sioux Falls, or email cfsteam@mycfsgroup.com.



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SPRING EDUCATION EVENT

March 6, 2023 | 6:15pm
The Crossroads Hotel/Huron Events Center

March 14, 2023 | 6:15pm
The Country Club of Sioux Falls

3 MUST-SEE TOPICS!

1. How does your relationship with money affect your financial decisions?
2. What does the SECURE ACT 2.0 mean for your retirement savings?
3. A brief market update.

Attendees will receive a workbook to help you explore what has influenced your attitude toward wealth and gain valuable insights about your relationship with money.

Invite a friend you'd like to introduce to Cornerstone and RSVP today! Call 605-357-8553 or visit www.mycfsgroup.com/workshop.

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This information is not intended to be a substitute for specific individualized tax, legal, estate, or investment planning advice as individual situations will vary. Please discuss these matters with the appropriate professional. Opinions expressed are those of the author and are not necessarily those of Raymond James. All opinions are as of this date and are subject to change without notice. This information has been obtained from sources considered to be reliable, but Raymond James Financial Services, Inc. does not guarantee that these statements, opinions or forecasts provided herein will prove to be correct.

Investing involves risk and you may incur a profit or loss regardless of strategy selected. This information is not a complete summary or statement of all available data necessary for making an investment decision and does not constitute a recommendation. Links are being provided for information purposes only. The Dow Jones Industrial Average is comprised of 30 stocks that are major factors in their industries and widely held by individuals. The S&P 500 is an unmanaged index of 500 widely held stocks that's generally considered representative of the U.S. stock market. Keep in mind that individuals cannot invest directly in any index, and index performance does not include transaction costs or other fees, which will affect actual investment performance. Individual investor's results will vary. Past performance does not guarantee future results. Future investment performance cannot be guaranteed, investment yields will fluctuate with market conditions. Forward looking data is subject to change at any time and there is no assurance that projections will be realized.

RMD's are generally subject to federal income tax and may be subject to state taxes. Consult your tax advisor to assess your situation.

Like Traditional IRAs, contribution limits apply to Roth IRAs. In addition, with a Roth IRA, your allowable contribution may be reduced or eliminated if your annual income exceeds certain limits. Contributions to a Roth IRA are never tax deductible, but if certain conditions are met, distributions will be completely income tax free.

Investors should consider, before investing, whether the investor's or the designated beneficiary's home state offers any tax or other benefits that are only available for investment in such state's 529 savings plan. Such benefits include financial aid, scholarship funds, and protection from creditors.