



Get Your Retirement Plan On Target

ON TARGET

FALL 2021 NEWSLETTER



A Time for Thanksgiving

Thanksgiving and Blessings Galore! Do you see the glass as half empty or half full? Can you make lemonade out of lemons? More than ever during this last year and a half, I am convinced that life is all about perspective. One of my favorite verses is Psalm 118:24, "This is the day the Lord has made; I WILL rejoice and be glad in it." The verse does *not* say "IF everything is *my* definition of good...I will then rejoice."

We have so much to be thankful for this holiday season! We are thankful for each of you, our clients, who are truly part of our Bowman Family. We are grateful for special times spent with family: including meeting a new grandson, a wedding, and announcement of our 10th grandchild on the way! We are thankful for the beauty of creation and the travel opportunities we have had.

We have also experienced some difficult times this season, including family illness and the loss of a loved one. I am sure we have all seen things this past year that we could never have imagined - both good and bad.

This Holiday Season, I choose to focus on the good and continue to be thankful. I hope you will join me by taking the time to appreciate the many blessing in life!

-Kristine

In this
Newsletter:



Fall Hours

We will be open 9am to 5pm, Monday through Thursday, and 9am to 3pm on Fridays, later times by appointment only.

We will be closed November 25th and 26th for Thanksgiving as well as December 24th for Christmas Eve.

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Medicare Annual Enrollment Period

Medicare's Annual Enrollment Period began **October 15, 2021**, and ends **December 7, 2021**. During this time, current Medicare beneficiaries have the option to adjust their coverage for the coming year. Any changes to your plan will go into effect on January 1, 2022.¹

Your health insurance coverage in retirement should work to protect your financial wellbeing. We're happy to help navigate new opportunities or plan changes during this upcoming open enrollment period.

Medicare's Open Enrollment period for 2022, will be January 1-March 31. This is a time where Medicare Beneficiaries who have a Medicare Advantage plan can make a one time adjustment to their plan or go back to original Medicare during this time period.



Medicare Part B Costs for 2022

If your yearly income in 2020 (for what you pay in 2022) was			You pay each month (in 2022)
File individual tax return	File joint tax return	File married & separate tax return	
\$91,000 or less	\$182,000 or less	\$91,000 or less	\$170.10
above \$91,000 up to \$114,000	above \$182,000 up to \$228,000	Not applicable	\$238.10
above \$114,000 up to \$142,000	above \$228,000 up to \$284,000	Not applicable	\$340.20

Medicare recently released the new premiums for Part B in 2022 (see illustration). The standard Part B premium amount in 2022 has increased from \$148.50 to \$170.10. Most people pay the standard Part B premium amount.²

Feel free to reach out with any questions, or to schedule a meeting to talk. Michael, Kristine, and Brittany are all licensed Medicare plan representatives, and are available to help you select the right plan to fit your needs!

1. Centers for Medicare & Medicaid Services, February 2, 2020
2. Medicare Part B Costs, November, 2021

Looking Forward

At the end of every year we look forward to hosting a small gathering welcoming our new financial clients and thanking those who referred them to Bowman Financial Group. Although we are unable to hold our winter event this year, we do plan to have our traditional Summer Client Appreciation event this summer. Look for details to come!

We want to share our continued thanks and appreciation to everyone who has shared and recommended our services to your friends, family, and acquaintances.



Estate Taxes May Be Amended Soon

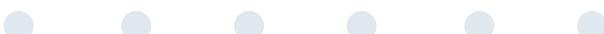
To help raise revenue to pay for President Biden's Build Back Better Plan, Congress is considering a number of tax law changes, including adjusting estate taxes. One of the proposals would reduce the estate tax exemption to anywhere between \$3.5 and \$5 million, with an effective date of January 1, 2022. Another proposal would bring new rules to grantor trusts, including a change to how life insurance held in a trust would be taxed.^{1,2}

At this point, many ideas are being evaluated, but nothing is final. Corporate tax rates, individual tax rates, and capital gains taxes are also on the negotiating table. For now, the federal estate tax exemption remains at \$11.7 for 2021, with a married couple having a combined exemption for 2021 of \$23.4 million.³

But it wouldn't be a surprise if the estate tax law changed as part of the overall plan. In 2019, 2,570 taxable estate-tax returns were filed, and they owed a combined \$13.2 billion. Lowering the estate tax exemption to \$5 million would raise an estimated \$52.3 billion over five years.¹

As difficult as it may be, the best approach is to wait-and-see. It would be hasty to make any estate changes based on current discussions. But if you're feeling unsettled as Congress continues to work on these changes, please reach out. Estate strategies often need adjustments as tax laws change, and it's best to be prepared for a range of potential new rules coming out of Washington.

- 1. CNBC.com, September 29, 2021
- 2. FA-mag.com, September 22, 2021
- 3. IRS.gov, October 25, 2021



The Best, the Brightest, & Inflation



If you are feeling a bit confused about the direction of inflation, you're in good company. Some of the best and brightest economists in the country are having a tough time getting their arms around the current inflation trends.

The most recent Producer Price Index reading came in above economists' estimates at a record level of 8.3% compared with a year earlier.

Producer prices can be an indicator of future price changes at the consumer level.¹

One way to gauge inflation is to watch the people responsible for managing inflation – the Federal Reserve's Board of Governors. In recent weeks, several governors have indicated they are comfortable with how the economy is recovering. So comfortable that they appear ready to slightly change course with monetary policy in the next few months.²

Does that mean inflation will be lower in six to nine months? Time will tell, but keeping an eye on the Fed's actions may be one of the best ways to see what's next for prices.

Remember, inflation is just one factor to consider when making adjustments to a portfolio. But if you're getting uncomfortable, please reach out. We welcome the chance to speak with you if you see higher prices.

1. BLS.gov, September 10, 2021

2. FederalReserve.gov, August 18, 2021

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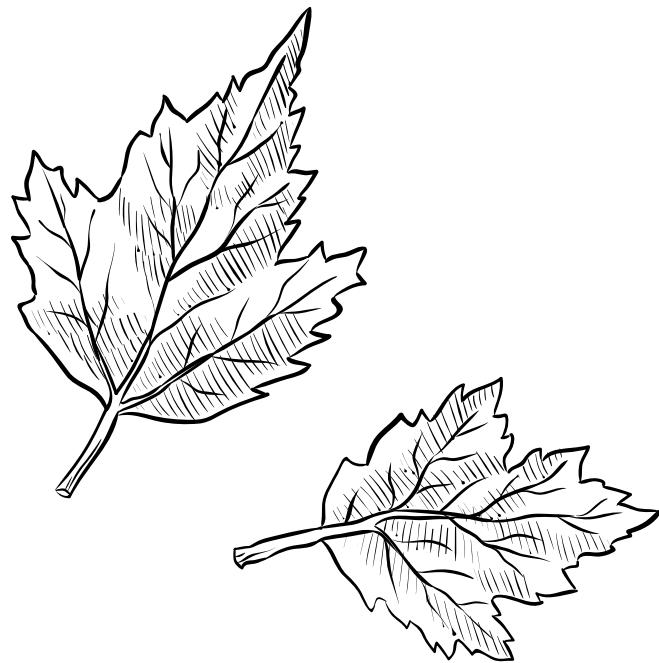
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