Great Lakes Benefits & Wealth Management
1325 Hull Rd.
Sandusky, Ohio 44870

PRESORTED
STANDARD MAIL
US POSTAGE PAID
SANDUSKY, OH
PERMIT #15

Complimentary Copy

ACCREDITED BUSINESS BBB

CFP The global symbol of excellence in financial planning.

Great Lakes Benefits & Wealth Management
Family-Focused Retirement & Tax Planning

Sandusky Office:

1325 Hull Rd.
Sandusky, OH 44870
(419) 626-3900

Office Hours:

Mon-Fri
9:00am—4:30pm
Sat.
By appointment only

Elyria Office:

1530 West River Rd.
Elyria, OH 44035
(440) 934-3141

Call Toll Free:
(866) 626-3990

Office Hours:

By appointment only

Great Lakes Benefits | Wayne Maslyk | @TodaysRetirees | Wayne Maslyk | smartvestor Wayne Maslyk

March Recipe Of The Month

CHEDDAR AND GUINNESS DIP

Ingredients

1. 8 ounces softened cream cheese
2. 2 1/2 cups sharp cheddar cheese (shredded)
3. 2 tablespoons half and half
4. 1 teaspoon Dijon mustard
5. 1/4 cup Guinness draft beer
6. kosher salt
7. 2 tablespoons fresh parsley (chopped)
8. dash of Tabasco

2 chopped scallions

Combine the cheddar, cream cheese, half & half, and mustard in a food processor. Sprinkle in a pinch of kosher salt then pulse until combined. Pour in the beer, parsley, scallions, and hot sauce, then pulse again.

Transfer mixture to a bowl and chill for an hour. Allow the dip to warm at room temperature until slightly soft, then garnish with a pinch of chopped parsley. Enjoy!

ST PATRICK'S DAY FUN FACTS!

- Patrick was born to Roman parents (Calpurnius and Conchessa). He was not Irish, instead, he was English. His **given name was Maewyn Succat.** Thus, technically we would be celebrating “Maewyn Day” instead of the “St Patrick’s Day” if his name was not changed. He wrote a book–Confessio–during his last years.
- At the age of 16, **St Patrick was kidnapped and was taken to Ireland.** He was kidnapped by a group of Irish raiders who were attacking his family’s estate. He worked there for 6 years tending sheep and then escaped and became a priest.
- St Patrick’s Day has been observed by the Irish as **a religious holiday for more than 1,000 years.**
- **‘Blue’ was the color associated** with St Patrick before the adoption of green as the color for the festival. The color blue was featured both in the royal court and on ancient Irish flags. In 1798, the color green became officially associated with the day.

WAYNE'S MONTHLY MESSAGE

TODAY'S RETIREES NEWSLETTER— MARCH 2021

It's Tax Time!

I am going to show you a whole new way to look at taxes in this month's new letter. Most of you are overlooked the total tax package the government offers, and how you could be taking advantage of it. There are a bunch of areas of the tax code that can affect you both now and in the future. A CPA or general tax preparer will not go over all these options with you, or help you address these options in your own personal circumstances.

Let's lay them out first and then I will touch on each area. HSA's. IRA's. 401k's. 403b's. Roth IRA's. Capital Gains. Dividends. Permanent Life Insurance. 1031 Tax Free Exchange. 1035 Tax Free Exchange. Extra tax on your social security income. Self-employment tax write offs.

Most of these can affect many of you. There are more taxes and tax strategies to be concerned about, but many of the ones I listed are used regularly by my clients.

HSA's- These are Health Savings Accounts. If you are under 65, you can deposit funds that you would normally pay for out-of-pocket health costs out of your ordinary checking account. Wouldn't you rather not pay tax on health costs? When you deposit into an HSA, you get the write off at that point—when make the deposit. And you don't even have to spend the money then! You can save it for the future. You can even invest the funds in the stock market.

IRA's- These are available if you have earned income. If you have extra savings, why not deposit into an IRA, and receive a tax deduction (most of you already know this).

401k's and 403b's- These accounts allow you to put part or all of your paycheck (up to $26k if you are over age 50) in. And some employers will match part of your contribution. In some cases, you can do these large contributions AND still do HSA, AND IRA contributions! That's a ton of tax savings. Of course, you must have the cash-flow and funds to do this, but many of you do!

Roth IRA's- These are great accounts the government lets us have. You can deposit money into a Roth and the account then grows tax free for the rest of your life. You don't get the tax deduction though. So, you have to look at it this way; if you do an IRA, you get a tax deduction, let's say on $6,000. So, at a 12% tax bracket, you save $720. If you put the $6000 in a Roth, you'd pay the $720, but no more tax. If it sits in a moderate risk mutual fund for 20 years and grows to $24k, and you cash it in…. no tax! If it was a regular IRA, you pay tax on the $24k. At 12% that's a $2880 check you write. So, you decide, pay $720 now, or write a check in 20 years for 4 times that amount. If you make regular Roth contributions over the years, you can end up saving tens of thousands of dollars in taxes! This can be a benefit to you, or whomever inherits those Roth accounts. In addition to Roth contributions, you can also convert regular IRA's to Roth IRA's! Some folks do this aggressively and get all the taxes paid on their IRA's and other retirement accounts now, so they have tax free income for the rest of their lives.

Capital Gains and Dividends- These you have in non-retirement accounts. When a holding in your account pays a capital gain or dividend, you pay the tax that year. The tax is owed whether you took the distribution or reinvested it! Even if the account lost money! You get a 1099 and the account is down in value, that makes folks angry, but that's the way it is. You also pay a capital gain on a stock or mutual fund when you sell it if the share value increased while you owned it. Capital gains are also paid if you sell other types of assets at a gain. Rentals, businesses, 2nd homes, collector cars etc. The good news is that capital gains and dividend income are taxed at a lower tax rate than ordinary income or earned income.

————————————————————————————->>>>>>>>>

WAYNE'S MONTHLY MESSAGE

TODAY'S RETIREES NEWSLETTER— MARCH 2021

Permanent Life Insurance- These policies we use, when clients are maxing out on their other retirement savings accounts, and they have plenty of other monies in savings and brokerage accounts, but they still have extra money coming in. We fund a permanent life insurance policy which can also be used as tax-free income in the future. We only do this if the client actually has a need for life insurance! They get the death benefit for their family, and also get tax-free income while living.

1031 and 1035 Tax-Free Exchanges- These are methods to sell or cash in income properties (1031) or annuities (1035) and purchase another rental or similar property (1031) or move money from one annuity to another (1035) without paying any tax. These can be complicated, and one should be working with a professional when trying to complete either a 1031 or a 1035. One mistake can trigger a huge unnecessary and unexpected tax bill.

Tax on Social Security- This is another tricky one. If you are on social security and you keep your overall gross income under certain levels (depending on being a single tax filer, married filing separate, or married filing joint), you can pay no tax on your social security income. But if you go over certain income levels, your social security starts to be eased in your taxable income. You can end up having the maximum of 85% of your social security being counted as taxable. Problems arise when you pull large chunks of taxable withdraws from accounts like IRA's or capital gains type of accounts. Or if you sell a taxable asset, or if you earn more from a wage paying job. So, you can actually pull a $1 from and IRA and an additional $1 of social security income gets taxed. Or you earn $1 and an additional $1 of social security gets taxed. This is why you need to work with a good CFP™ and a good CPA. Winging can be costly.

Self-Employment- Having self-employment income is the most tax-favorable type of earnings. There are many things you can tax-deduct that you normally could not if your earnings were from a W-2 type employer. The deductions are too numerous for this newsletter. So, if you have self-employment income, you and I need to sit down together.

I hope this newsletter was of value to you, if your are not working with me or another Certified Financial Planner, now would be a good time to start!

Until next month,

Wayne

P.S. Tax time is not over, and if you are running behind, there is nothing wrong with filing an extension! It a normal, legal, and common thing to do for many folks. If you have over $250,000 of investable assets, or are already a Money Management client of mine, please call and schedule a time to start your $90 discounted CPA prepared 2020 tax returns!