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# THE R.A. READ

The Monthly Newsletter of Renaissance Advisory Group

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## ***Gratitude: The Beauty in the Little Things***

When it comes to November for me it's not just about celebrating Thanksgiving with my loved ones it is about remembering to implement gratitude into my daily life. For Christmas last year I gifted my three daughters the book, "Two Minute Mornings" by Neil Pastricha in the hopes that it would help them focus on the most important aspects of their lives and finding little ways to appreciate life's ups and downs. As a parent, I take great responsibility in teaching my girls the importance of focusing on the positive- my hope for my clients is no different.

In light of the stress of 2020, just as wealth management pertains to holistically encompassing various aspects such as investments, estate planning, and taxes, in many different ways, my gratitude and well-being are also intrinsically linked.

### **Keeping perspective**

The country will remain divided after the final tally is known. But let's not forget that the U.S. remains the world's largest economy; it has the deepest and most transparent capital markets, and innovation isn't likely to end. We will face challenges in the days and years ahead. We have always faced challenges. But we are resilient, and I continue to believe that history is on the side of the United States of America.

## 7 Things You Can Control

*Feeling out of sorts after this year?*

*As the calendar days march toward 2021, let's keep in mind that there are several ideas we should review as you work to get your year-end financial house in order.*

- 1. Health care open enrollment has begun.** This is the one time of year you can change your health insurance coverage or enroll. If you don't act by December 15, you will miss out on coverage for 2021 unless you qualify for a special enrollment period. Plans sold during open enrollment start January 1, 2021.
- 2. On a similar note, open enrollment for Medicare has begun.** You can sign up for Medicare health and drug plans between October 15 and December 7. Decide if your coverage will meet your needs during 2021. If you like what you had this year and it is still available next year, you won't need to take any action.
- 3. Did you max out your retirement accounts?** You can put up to \$6,000 into an IRA in tax year 2020; \$7,000 if you are 50 or older. You will have until Tax Day to make a 2020 tax-year contribution. The sooner you contribute, the longer your assets can grow tax-deferred. Contributions to your 401(k) are automatically deducted from each paycheck. Contributions for tax year 2020 must be made by the end of the year to count against 2020 income.
- 4. This year's RMD wrinkle.** If you are 72 (or turned 70½ before January 1, 2020), you are obligated to take a required minimum distribution (RMD) from your IRA. But this year is an exception.
- 5. If you are over 70½, you may be eligible to transfer up to \$100,000 from your IRA to a charity without paying taxes on the distribution.** This is called a qualified charitable distribution or QCD. Moreover, a QCD satisfies the RMD requirement as long as certain rules are met.

**6. Let's consider "harvesting" tax losses.**

Do you own stocks, exchanged-traded funds, or mutual funds that are below the purchase price? If so, you may sell by the end of the year and offset up to \$3,000 in ordinary income or capital gains.

**7. Consider converting your traditional IRA to a Roth IRA.**

Depending on the outcome of the election, tax rates may rise next year. Therefore, converting a traditional IRA into a Roth IRA this year would require taxes to be paid at 2020's rate, but it would enable the account holder to withdraw funds without paying federal taxes at retirement. Whether or not tax rates rise next year, a Roth IRA is an excellent retirement vehicle.

We have addressed various issues with you, but I have an open-door policy. If you have questions or concerns, let's have a conversation. **That's what I'm here for.**

**While procrastination is tempting, remember how checking items off our 'to-do' list always gives us a sense of accomplishment. Or, leave it up to me, that's what I am here for after all.**

