



INVESTORS QUARTERLY

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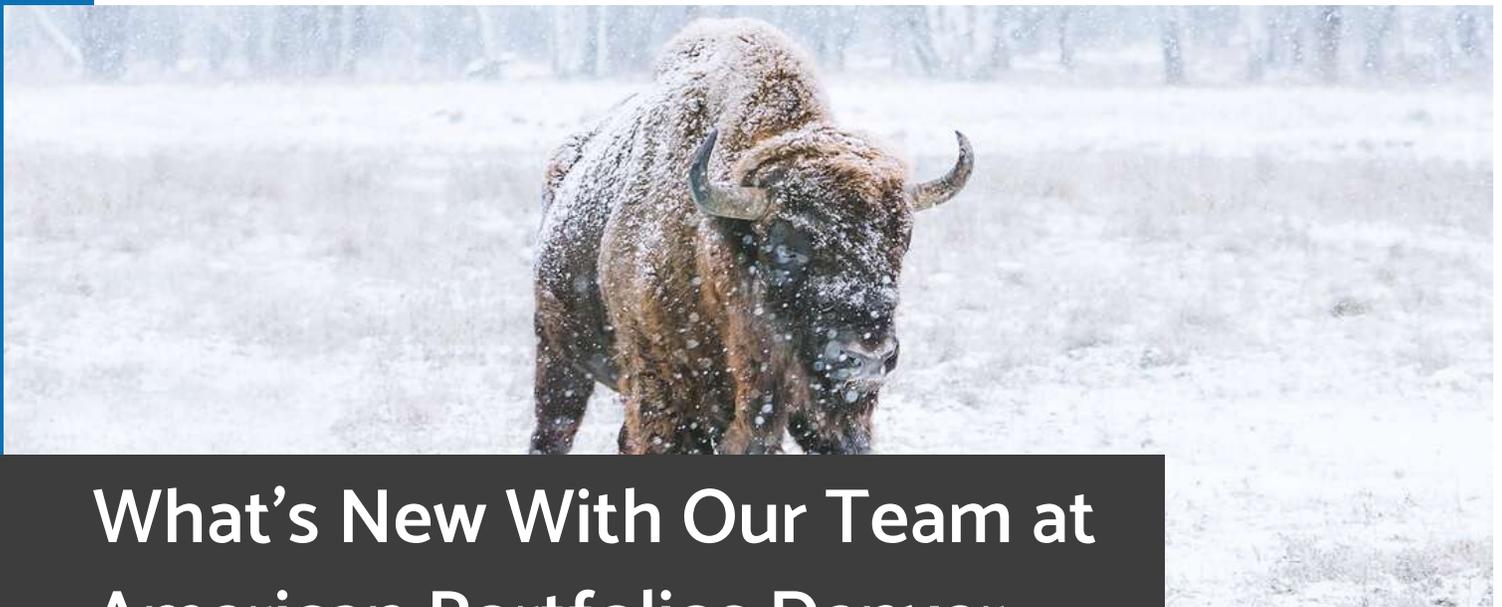
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What's New With Our Team at American Portfolios Denver

Happy New Year from all of us at American Portfolios Denver!

With a new year comes a fresh opportunity to serve our clients in exciting, cutting-edge ways using the latest data, insights, and expertise of our American Portfolios team. Happy New Year and may your 2020 bring you greater clarity with your financial goals.

Senior Managing Director Kris Tower Joins STAR Institute Board of Directors

American Portfolios Denver is pleased to announce our Senior Managing Director Kris Tower has officially joined the board of directors of the STAR Institute. The STAR Institute is on a mission to improve the quality of life for children, adolescents and adults with Sensory Processing Disorder (SPD), and their families by providing:

- + Comprehensive assessment and effective intervention for Sensory Processing Disorder;
- + Rigorous research with collaborating university-based research partners;
- + Education for caregivers, pediatric professionals, and educators;
- + And, Advocacy for official recognition of SPD worldwide.

Learn more about the STAR Institute's work and how you can contribute by visiting spdstar.org.



What's a More Difficult Topic to Talk About With Your Family Than Politics or Religion? **Money.**

You've heard it and I've heard it—never discuss religion and politics. It's easy to understand why. Some folks hold very strong opinions, and it's easy to get swept up into an unwinnable argument. Interestingly enough, though, politics and religion aren't considered the most difficult subjects to tackle, according to a 2014 study by Wells Fargo. Notably, the study found that personal finances (44%) ranked ahead of both politics (35%) and religion (32%). In case you were curious, death came in at 38%, taxes at 21%, and personal health at 20%.

Not surprisingly, the study shows that 71% of adults learned the importance of saving from their parents. Yet, barely more than one-third of today's parents report discussing the importance of saving money with their children frequently. Sadly, about a third have a hard time discussing money with their spouse or partner, and 25% often end up in heated discussions. But it doesn't have to be that way.

When discussing financial matters with your spouse, it's important that you find shared ground. Otherwise, you'll be working toward different goals, and the risk of failure and frustration is high.

What might be the best way to talk about money with your spouse? Go on a date—a money date. Get out of the house, get away from distractions, and leave the kids with a babysitter. Here's where you'll discuss goals and craft a plan. Nothing is off limits. You may discuss retirement savings, large purchases, debt reduction, a down payment on a new home, or bolstering your savings.

Remember, we are here to assist you. Meeting in a neutral territory, such as our offices, can help keep the lines between personal matters and finances from blurring. We know these conversations can be difficult and awkward. If we can help you, please let us know. We're simply an email or phone call away.

What Is the SECURE Act and What Could It Mean for Your Financial Future?

The Setting Every Community Up for Retirement Enhancement (SECURE) Act officially passed into legislation on December 20th, 2019. For many investors, there seems to be more questions than answers when it comes to understanding the SECURE Act.

As is our fiduciary responsibility and value with American Portfolios Denver, we want to do our best to accurately convey the importance and potential impact new tax and investment legislation may have on your financial future. The SECURE Act is no exception, which is why we started following its progress through Congress back in May 2019 when it seemed possible this new legislation would come into law.

What Is the SECURE Act?

The SECURE Act was introduced as a bipartisan bill focused on investment accounts, more specifically but not limited to, retirement accounts, such as 401(k), Traditional IRA, and Roth IRA accounts. A majority of provisions found in the SECURE Act went into effect on January 1st, 2020. Additional provisions are expected to go into effect on January 1st, 2021.

At its base function, the SECURE Act does have some immediate benefits. Small business owners may find it easier to set up "safe harbor" retirement plans that can be less expensive and easier to administer. If you are interested in setting up a "safe harbor" retirement plan, we highly recommend connecting with our American Portfolios Denver team so we can help you safely navigate your tax liability and plan administration responsibilities.

Another component of the SECURE Act is that a significant number of part-time workers are now eligible to participate in employer-sponsored retirement plans. Part-time employees who work either 1,000 hours throughout the year or have three consecutive years with 500 hours of service may now be eligible to participate in employer-sponsored investment plans.

What Is the SECURE Act?... (Cont.)

While those are some of the known positives, as far as anyone call tell so far, the SECURE Act does change the retirement account landscape in a number of ways. First, the SECURE Act changes stretch IRA to a 10-year payout meaning that if you inherit an IRA account from someone who passed/passes away after January 1st, 2020, you may be required to withdraw all assets from the inherited IRA account within 10 years following the death of the original account holder.

There are exceptions to this 10-year distribution requirement, such as assets left to a surviving spouse, a minor child, a disabled or chronically ill inheritor, and/or beneficiaries who are less than 10 years younger than the original account holder. One common practice that we're seeing with IRA accounts is that account holders are naming family trusts as the beneficiary. We highly recommend you consult with an attorney who is capable of giving clear guidance for designating a natural person instead of a family trust as your beneficiary for a variety of tax-related reasons.

As with all IRA-related questions, we recommend asking our team to review your specific situation to share a more accurate perspective. Any IRA accounts inherited before January 1st, 2020 do not fall under the SECURE Act legislation and are thus unaffected.

The SECURE Act also raises the required minimum distribution (RMD) to age 72 from age 70 ½. It also allows traditional IRA account holders to contribute to their traditional IRA after age 70 ½, which further takes into account more older Americans wanting to invest towards their financial goals later in life than previous generations.

Two additional observations to note are that the SECURE Act allows the use of tax-advantaged 529 accounts to make qualified student loan repayments of up to \$10,000 per year. It also allows penalty-free withdrawals of \$5,000 from 401(k) accounts to offset the costs of giving birth or adopting a child.

There's no question the future is changing when it comes to retirement and investment accounts. If you're uncertain how the SECURE Act may affect your financial goals, reach out to our team to start a conversation today.



Are you facing uncertainty with your financial momentum in 2020? Let's talk!

Our team with American Portfolios Denver serves clients across the Rocky Mountain region and beyond through our main office and affiliated advisors. Reach out to our team to start a conversation today about your financial goals.



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