CORNERSTONE
FINANCIAL SOLUTIONS, INC.

Tax Report

MARCH 2023

Tax planning should always be a key focus when reviewing your Cornerstone Financial Plan. One of our goals as your team of advisors is to identify as many tax savings opportunities and strategies as possible for you. We believe that a proactive approach to looking at your tax situation can lead to better results than a reactive approach. Tax laws seem to always be changing. Recent legislation like the SECURE Act and SECURE 2.0 Act made significant changes that could affect your 2022 and 2023 taxes.

Of course, not all ideas will be appropriate for you and it is a good idea to address any tax strategy you are considering with your tax professional. We hope you find this report helpful. As always, if you have any questions, if you would like to review your financial strategy, or if you know someone who may need help in this area, please contact our office.

INSIDE

HIGHLIGHTS:
2022 TAX LAW UPDATED

2022 was a busy year for tax legislation. While there is time to look into tax planning ideas for your 2023 taxes, here are some items you should review.

- Tax brackets have been slightly adjusted.
- The standard deductions have slightly increased.
- There are still caps to state and local tax (SALT) deductions.
- Long-term capital gains are still at favorable rates.
- There is still a 3.8% Medicare Investment Tax.
- Charitable donations are still deductible.
- You might still be able to contribute to retirement plans.
- Medical expense deductions are capped at 7.5% of AGI for 2022.

2022 TAX TABLES

SINGLE TAXPAYERS	
Up to $10,275	10% of taxable income
$10,276 to $41,775	$1,027.50 plus 12% of the amount over $10,275
$41,776 to $89,075	$4,807.50 plus 22% of the amount over $41,775
$89,076 to $170,050	$15,213.50 plus 24% of the amount over $89,075
$170,051 to $215,950	$34,647.50 plus 32% of the amount over $170,050
$215,951 to $539,900	$49,335.50 plus 35% of the amount over $215,950
$539,901 or more	$162,718 plus 37% of the amount over $539,900
MARRIED FILING JOINTLY TAXPAYERS	
$0 to $20,550	10% of taxable income
$20,551 to $83,550	$2,055 plus 12% of the amount over $20,550
$83,551 to $178,150	$9,615 plus 22% of the amount over $83,550
$178,151 to $340,100	$30,427 plus 24% of the amount over $178,150
$340,101 to $431,900	$69,295 plus 32% of the amount over $340,100
$431,901 to $647,850	$98,671 plus 35% of the amount over $431,900
$647,851 or more	$174,253.50 plus 37% of the amount over $647,850
MARRIED FILING SEPARATELY TAXPAYERS	
$0 to $10,275	10% of taxable income
$10,276 to $41,775	$1,027.50 plus 12% of the amount over $10,275
$41,776 to $89,075	$4,807.50 plus 22% of the amount over $41,775
$89,076 to $170,050	$15,213.50 plus 24% of the amount over $89,075
$170,051 to $215,950	$34,647.50 plus 32% of the amount over $170,050
$215,951 to $323,925	$49,335.50 plus 35% of the amount over $215,950
$323,926 or more	$87,126.75 plus 37% of the amount over $323,925
HEAD OF HOUSEHOLD TAXPAYERS	
$0 to $14,650	10% of taxable income
$14,651 to $55,900	$1,465 plus 12% of the amount over $14,265
$55,901 to $89,050	$6,415 plus 22% of the amount over $55,900
$89,051 to $170,050	$13,708 plus 24% of the amount over $89,050
$170,051 to $215,950	$33,148 plus 32% of the amount over $170,050
$215,951 to $539,900	$47,836 plus 35% of the amount over $215,950
$539,901 or more	$161,218.50 plus 37% of the amount over $539,900

Source irs.gov

HELPFUL TAX TIME STRATEGIES

- ✓ Write down expenses or keep all receipts you think are even possibly tax-deductible. Sometimes, taxpayers assume that various expenses are not deductible and therefore do not mention them to their tax preparer. Don't assume anything—give your tax preparer the chance to tell you whether something is or is not deductible.
- ✓ Be careful not to overpay Social Security taxes. If you received a paycheck from two or more employers and earned more than $147,000 in 2022 you may be able to file a claim on your return for the excess Social Security tax withholding.
- ✓ Don't forget items carried over from prior years because you exceeded annual limits, such as capital losses, passive losses, charitable contributions, and alternative minimum tax credits.
- ✓ Check your 2021 tax return to see if there was a refund from 2021 applied to 2022 estimated taxes.
- ✓ Calculate your estimated tax payments for 2023 very carefully. Many computer tax programs will automatically assume that your income tax liability for the current year is the same as the prior year. This is done to avoid paying penalties for underpayment of estimated income taxes. **A qualified tax professional should be able to help you with a tax projection for 2023.**
- ✓ Remember that IRS.gov could be a valuable online resource for tax information.
- ✓ Always double check your math where possible and remember it is always wise to consult a tax preparer before filing.

Required Minimum Distributions (RMD)

The SECURE Act increased the age for Required Minimum Distributions (RMD) starting January 1, 2020, to age 72. The most recent SECURE 2.0 Act increased the age to start taking RMDs further, to 73 in 2023 and to 75 in 2033.

For the purposes of tax year 2022, the Required Minimum Distributions age is 72.

Choosing tax-efficient strategies is individual to you. So, we review your tax forms each year to help ensure your investments coordinate with your tax planning strategies.

If you have a friend who isn't getting this level of service, we would be honored to have the opportunity to demonstrate the one-on-one guidance we provide.

Have your friend contact us at 605-357-8553 or cfsteam@mycfsgroup.com to schedule a complimentary, no-obligation consultation today.

Contribute to Retirement Accounts

If you have not already funded your retirement account for 2022, consider doing so by Tuesday, April 18, 2023. That's the deadline for contributions to a traditional IRA (deductible or not) and a Roth IRA. However, if you have a Keogh or SEP and you get a filing extension to October 15, 2023, you can wait until then to put 2022 contributions into those accounts. If eligible, a deductible contribution will help you lower your tax bill for 2022 and your contributions can grow tax deferred.

RETIREMENT PLAN	2022 LIMIT
Elective deferrals to 401(k), 403(b), 457(b)(2), 457(c)(1) plans	$20,500
Contributions to defined contribution plans	$61,000
Contributions to SIMPLEs	$14,000
Contributions to traditional IRAs	$6,000
Catch-up Contributions to 401(k), 403(b), 457(b)(2), 457(c)(1) plans	$6,500
Catch-up Contributions to SIMPLEs	$3,000
Catch-up Contributions to IRAs	$1,000

CFS SUGGESTION: Although contributing to a Roth IRA instead of a traditional IRA will not reduce your 2022 tax bill (Roth contributions are not deductible) dependent upon your individual situation, it could be the better choice because all qualified withdrawals from a Roth can be tax-free in retirement. Withdrawals from a traditional IRA are fully taxable in retirement. To contribute the full $6,000 ($7,000 if you are age 50 or older by the end of 2021) to a Roth IRA, you must have Modified Adjusted Gross Income (MAGI) of $129,000 or less a year if you are single or $204,000 or less if you are married and file a joint return. If you have any questions on retirement contributions, please call us.

To qualify for the full annual IRA deduction in 2022, you must either:

1) not be eligible to participate in a company retirement plan, or

2) if you are eligible, there is a phase-out from $68,000 to $78,000 of MAGI for singles and from $109,000 to $129,000 for married taxpayers filing jointly. If you are not eligible for a company plan but your spouse is, your traditional IRA contribution deduction is phased out from $204,000 to $214,000.

For 2022, the maximum IRA contribution you can make is $6,000 ($7,000 if you are age 50 or older by the end of the calendar year). For self-employed persons, the maximum annual addition to SEPs and Keoghs for 2022 is $61,000.

Roth IRA Conversions

A Roth IRA conversion is when you convert part or all of your traditional IRA into a Roth IRA. This is a taxable event. The amount you converted is subject to ordinary income tax. It might also cause your income to increase, thereby subjecting you to the Medicare surtax. Roth IRAs grow tax-free and qualified withdrawals are tax-free in the future, a time when tax rates might be higher.

✓ **CFS SUGGESTION:** Whether to convert part or all of your traditional IRA to a Roth IRA depends on your particular situation. It is best to prepare a tax projection and calculate the appropriate amount to convert. Remember—you do not have to convert all of your IRA to a Roth. Roth IRA conversions are not subject to the pre-age 59½ penalty of 10%. Please call us to see if this makes sense for you.

Investment Income

Long-term capital gains are taxed at more favorable rates compared to ordinary income. For qualified dividends, investors will continue to be taxed at 0%, 15% or 20%.

One tax strategy is to review your investments that have unrealized long-term capital gains and sell enough of the appreciated investments to generate enough long-term capital gains to push you to the top of your federal income tax bracket. This strategy could be helpful if you are in the 0% capital gains bracket and do not have to pay any federal taxes on this gain. Then, if you want, you can buy back your investment the same day, increasing your cost basis in those investments. If you sell them in the future, the increased cost basis will help reduce long-term capital gains. You do not have to wait 30 days before you buy back this investment—the 30-day rule only applies to losses, not gains.

NOTE: This non-taxable capital gain for federal income taxes might not apply to your state.

Calculating Capital Gains and Losses

With all of the different tax rates for different types of gains and losses in your marketable securities portfolio, it is probably a good idea to familiarize yourself with some of the rules:

- Short-term capital losses must first be used to offset short-term capital gains.
- If there are net short-term losses, they can be used to offset net long-term capital gains.
- Long-term capital losses are similarly first applied against long-term capital gains, with any excess applied against short-term capital gains.
- Net long-term capital losses in any rate category are first applied against the highest tax rate long-term capital gains.
- Capital losses in excess of capital gains can be used to offset up to $3,000 ($1,500 if married filing separately) of ordinary income.
- Remaining unused capital losses can be carried forward and used in the same manner as described above.

Double-check your capital gains or losses. If you sold an asset outside of a qualified account during 2022, you most likely incurred a capital gain or loss. Sales of securities showing the transaction date and sale price are listed on the 1099 generated by the financial institution. However, your 1099 might not show the correct cost basis or realized gain or loss for each sale. You will need to know the full cost basis for each investment sold outside of your qualified accounts, which is usually what you paid for it, but this is not always the case.

✓ **CFS SUGGESTION:** Remember to look at your 2021 income tax return Schedule D (page 2) to see if you have any capital loss carryover for 2022. This is often overlooked, especially if you are changing tax preparers.

2022 LONG TERM CAPITAL GAINS TAX RATES

TAX RATE	SINGLE FILER	HEAD OF HOUSEHOLD	MARRIED FILERS
0%	$41,675 or less	$55,800 or less	$83,350 or less
15%	$41,676 – $459,750	$55,801 – $488,500	$83,351 – $517,200
20%	Over $459,750	Over $488,500	Over $517,200

You've worked hard for your money.
We want to be sure you are taken care of in the way you deserve.

With Team-Based Wealth Management in place, we can say, "This is how we are going to take care of you," so you have comfort and reassurance even if someone you normally work with is out of the office.
– Gordon Wollman

TAX DEDUCTIONS AND TAX CREDITS

3.8% Medicare Investment Tax

The year 2022 is the tenth year of the net investment income tax of 3.8%. It is also known as the Medicare surtax. If you earn more than $200,000 as a single or head of household taxpayer, $125,000 as married taxpayers filing separately or $250,000 as married joint return filers, then this tax applies to either your modified adjusted gross income or net investment income (including interest, dividends, capital gains, rentals, and royalty income), whichever is lower. This 3.8% tax is in addition to capital gains or any other tax you already pay on investment income.

It is helpful to pay attention to timing, especially if your income fluctuates from year to year or is close to the $200,000 or $250,000 amount. Consider realizing capital gains in years when you are under these limits. The inclusion limits may penalize married couples, so realizing investment gains before you tie the knot may help in some circumstances. This tax makes the use of depreciation, installment sales, and other tax deferment strategies suddenly more attractive.

Medicare Health Insurance Tax on Wages

If you earn more than $200,000 in wages, compensation, and self-employment income ($250,000 if filing jointly, or $125,000 if married and filing separately), the Affordable Care Act levies a special additional 0.9% tax on your wages and other earned income. You'll pay this all year as your employer withholds the additional Medicare Tax from your paycheck. If you're self-employed, plan for this tax when you calculate your estimated taxes.

✓ **CFS SUGGESTION:** If you're employed, there's little you can do to reduce the bite of this tax. Requesting non-cash benefits in lieu of wages won't help—they're included in the taxable amount. If you're self-employed, you may want to take special care in timing income and expenses (especially depreciation) to avoid the limit.

Charitable Gifts and Donations

For 2022, the rules return to the previous requirements that taxpayers can only deduct charitable contributions if they itemize their tax deductions on Schedule A.

The rules that allowed taxpayers to deduct non-itemized contributions of up to $600 in 2021 and claim deductions of sums up to 100% of their AGI expired and were NOT extended by Congress. For 2022, the 60% of AGI ceiling on charitable cash contributions was restored.

To qualify for the 60% limitation, the charitable gift must be cash (or cash equivalent) made to a qualified charity (501(c)(3)). To qualify, this contribution should have been made on or before December 31, 2022.

When preparing your list of charitable gifts, remember to review your bank account so you do not leave any out. Everyone remembers to count the monetary gifts they make to their favorite charities, but you should count noncash donations as well. Make it a priority to always get a receipt for every gift. Keep your receipts. If your contribution totals more than $250, you will also need an acknowledgment from the charity documenting the support you provided. Remember that you will have to itemize to claim this deduction, but when filing, the expenses incurred while doing charitable work often are not included on tax returns.

You can't deduct the value of your time spent volunteering, but if you buy supplies for a group, the cost of that material is deductible as an itemized charitable donation. You can also claim a charitable deduction for the use of your vehicle for charitable purposes, such as delivering meals to the homebound in your community or taking your child's Scout troop on an outing. For 2022, the IRS will let you deduct that travel at .14 cents per mile.

Child and Dependent Care Credit

Millions of parents claim the child and dependent care credit each year to help cover the costs of after-school daycare while working. Some parents overlook claiming the tax credit for childcare costs during the summer. This tax break can also apply to summer day camp costs. The key is that for deduction purposes, the camp can only be a day camp, not an overnight camp.

In 2022, if you paid a daycare center, babysitter, summer camp, or other care provider to care for a qualifying child under age 13 or a disabled dependent of any age, depending on your income you may qualify for a tax credit of up to 50% of qualifying expenses of $3,000 for one child or dependent, or up to $6,000 for two or more children.

Other Overlooked Tax Items and Deductions

Reinvested Dividends - This is not a tax deduction, but it is an important calculation that can save investors a bundle. Former IRS commissioner Fred Goldberg told Kiplinger magazine for their annual overlooked deduction article that missing this break costs millions of taxpayers a lot in overpaid taxes.

Many investors have mutual fund dividends that are automatically used to buy extra shares. Remember that each reinvestment increases your tax basis in that fund. That will, in turn, reduce the taxable capital gain (or increases the tax-saving loss) when you redeem shares. Please keep good records. Forgetting to include reinvested dividends in your basis results in double taxation of the dividends—once in the year when they were paid out and immediately reinvested and later when they are included in the proceeds of the sale.

If you are not sure what your basis is, ask the fund or us for help. Funds often report to investors the tax basis of shares redeemed during the year. Regulators currently require that for the sale of shares purchased, financial institutions must report the basis to investors and to the IRS.

Student-Loan Interest Paid by Parents - Generally, you can deduct interest only if you are legally required to repay the debt. But if parents pay back a child's student loans, the IRS treats the transactions as if the money were given to the child, who then paid the debt. So as long as the child is no longer claimed as a dependent, the child can deduct up to $2,500 of student-loan interest paid by their parents each year and is subject to income limitations. *(The parents can't claim the interest deduction even though they actually foot the bill because they are not liable for the debt).*

MANAGING WEALTH IS MORE THAN JUST CHOOSING THE RIGHT INVESTMENTS

SERVICES

Investment management is only one piece of your financial plan. We cover all 5 areas of wealth management - Investment Management, Risk Management, Retirement Planning, Estate Planning, and Tax Planning Strategies - so you don't have to worry if something is falling through the cracks.

TEAM

More advisors and team members give you access to a broader scope of knowledge, expertise, capabilities, and service offerings. And you won't lose years of valuable planning if your advisor retires.

EXPERIENCE

With over 140 years of combined experience and 30 years in business, we've retired hundreds of times with many different scenarios. Drawing on our combined experience and knowledge, we can help you retire once, help you build a financial plan to achieve what's truly possible and empower you to pursue greater dreams.

PROACTIVE TAX PLANNING FOR 2023

Items You Could Consider to Proactively Tax Plan for 2023 Include:

1. Prepare a 2023 tax projection - Taxpayers already know the 2023 rates and by reviewing their 2022 situation and all 2023 expectations of income, a qualified tax professional could be able to help you with a tax projection for 2023.

2. New contribution limits for retirement savings - For 2023, the contribution limit for employees who participate in 401(k), 403(b), most 457 plans, and the federal government's Thrift Savings Plan is $22,500. The limit on annual contributions to an IRA also increases to $6,500. The catch-up contribution limits for those 50 and over remain unchanged at $1,000 for IRAs.

3. Explore if a potential Roth IRA conversion is helpful for your situation - A Roth IRA can be beneficial in your overall retirement planning. Investments in a Roth IRA have the potential to grow tax-free and they do not have required minimum distributions during the lifetime of the original owner. Also, Roth IRA assets may pass to your heirs income tax-free. Roth conversions include complex details and are not right for everyone. Also, some recent proposals have suggested changes about which IRAs could be converted to Roth IRAs. For updates and to review if a Roth conversion is a good idea for you, please call us.

4. Take advantage of annual exclusion gifts - For 2023, the maximum amount of gift tax exemption is $17,000 for gifts made by an individual, and $34,000 for gifts made by married couples. This means you can give up to that amount to a family member without having to pay a gift tax. Ideas for gifting can include, contributing to a working child (or grandchild's) IRA, or gifting to a 529 plan, which is a tax-sheltered plan for college expenses.

5. Consider bunching your charitable donations into a Donor Advised Fund (DAF) - Now is the time to explore if it is helpful for your tax situation to deposit cash, appreciated securities or other assets in a Donor Advised Fund, and then distributing the money to charities over time. Up to 60% of your adjusted gross income can be deductible if given as donations to typical charities.

6. Talk with us about your situation. As financial professionals, we enjoy helping clients pursue their goals. We appreciate the opportunity to be the stewards of our client's wealth.

THE ENHANCING AMERICAN RETIREMENT NOW (EARN) ACT – SECURE 2.0 ACT

The Enhancing American Retirement Now Act, more commonly referred to as SECURE 2.0 Act is now law. It builds on prior legislation to help boost the retirement system, making saving for retirement more accessible to a wider range of Americans. **Most of the SECURE 2.0 Act changes will start in 2023 and beyond**. Here are a few of the major changes we feel could most directly affect you. If you have any questions on these or any changes, or to review your personal situation and retirement plan, please contact us.

Some Key Takeaways from SECURE 2.0 Act

- **Starting in 2023**, the age at which owners of retirement accounts must start taking Required Minimum Distributions (RMDs) will increase to age 73 in 2023 and age 75 in 2033. The current age is 72. For those turning 73 in 2023, please be aware that you will have to take your first RMD in 2024.
- **Starting in 2023**, the penalty for failing to take an RMD will be reduced to 25% from 50% (or 10% if corrected in a timely manner).
- **Starting in 2023**, ROTH SEP and ROTH SIMPLE IRAs will be allowed.
- **Starting in 2024**, after 15 years, any unused 529 plan assets can be rolled over to a ROTH IRA for the beneficiary, subject to the annual ROTH contribution limits and an aggregate lifetime limit of $35,000. This rollover will be treated as a contribution towards the annual ROTH IRA contribution limit.
- **Starting in 2024**, employers will be able to “match” employee student loan payments with matching payments to a retirement account, giving workers an extra incentive to save while paying off educational loans.
- **Starting in 2024**, RMD’s will no longer be required from Roth accounts in employer plans
- **Starting on January 1, 2025**, there will be higher catch-up contributions. Individuals ages 60 through 63 years old will be able to make catch-up contributions up to $10,000 annually to a workplace plan, and that amount will be indexed to inflation. (The catch-up amount for people aged 50 and older in 2023 is currently $7,500.) One caveat: If you earn more than $145,000 in the prior calendar year, all catch-up contributions at age 50 or older will need to be made to a Roth account in after-tax dollars. Individuals earning $145,000 or less, adjusted for inflation going forward, will be exempt from the Roth requirement. IRAs currently have a $1,000 catch-up contribution limit for people aged 50 and over. Starting in 2024, that limit will be indexed to inflation, meaning it could increase every year, based on federally determined cost-of-living increases.

The SECURE 2.0 Act was mainly focused on enhancing workplace savings accounts, increasing the retirement age for mandatory distributions, and helping younger Americans save more for retirement while having provisions that address student debt and make the move from employer-to-employer accounts easier. It contains many provisions, some of which custodians and plan administrators will still have to adjust for. These new rules can be complex and therefore we recommend you work with a qualified tax professional to address your personal situation. **As always, we are here to help you review your situation.**

COMPLIMENTARY SHREDDING DURING THE MONTH OF MAY

Shred bins will be available in May near the front entrance at both offices. Paper documents only please - paper clips and staples are OK. Bring in a few items or a few boxes!

How Long Should I Keep My Records?

According to IRS Publication 17, you must keep your records as long as they may be needed for the administration of any provision of the Internal Revenue Code. In general, that means you have to keep the records that support what you have listed on your tax return until the period of limitations for that return runs out.

Visit mycfsgroup.com for a list of suggested record retention best-practices.

Except Forbes Best-In-State Wealth Management Teams, these rankings and awards were achieved by Gordon Wollman, Founder & CEO, CFS and Wealth Advisor, RJFS. These rankings may not be representative of any one client's experience, are not an endorsement, and are not indicative of future performance. Neither Raymond James nor any of its Financial Advisors pay a fee in exchange for these awards/ratings. Raymond James is not affiliated with Barron's, Shook Research, Forbes, Financial Times, or Ignite Research. Investment performance is not an explicit component because not all advisors have audited results and because performance figures often are influenced more by clients' risk tolerance than by an advisor's investment-picking abilities.

Barron's Top 1,200 Financial Advisors: Gordon has been recognized among this competitive field of top advisors twelve times! Barron's is a registered trademark of Dow Jones & Company, L.P. All rights reserved. The rankings are based on data provided by 6,186 individual advisors and their firms and include qualitative and quantitative criteria. Factors included in the rankings: assets under management, revenue produced for the firm, regulatory record, quality of practice and philanthropic work. Investment performance is not an explicit component because not all advisors have audited results and because performance figures often are influenced more by clients' risk tolerance than by an advisor's investment picking abilities.

Raymond James Global Top 50 is an event that takes place in February (2020). Invitees are selected based on 2019 fiscal year production. There are approximately 50 attendees, though that number may vary based on those who are invited and available to attend.

Forbes Best-in-State Wealth Advisors: Source: Forbes.com. As of 4/7/22. Developed by SHOOK Research, the ranking based on an algorithm of qualitative and quantitative data, mostly gained through telephone and in-person due diligence interviews, and quantitative data. Those advisors that are considered have a minimum of 7 years of experience, and the algorithm weighs 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 34,925 advisors nominated by their firms, more than 6,550 advisors received the award. Please visit https://www.forbes.com/best-in-state-wealth-advisors for more info.

Raymond James Chairman's Council Membership is based on prior fiscal year production, re-qualification is required annually.

The FT 400 was developed in collaboration with Ignites Research, a subsidiary of the FT that provides specialized content on asset management. To qualify for the list, advisers had to have 10 years of experience and at least $300 million in assets under management (AUM) and no more than 60% of the AUM with institutional clients. The FT reaches out to some of the largest brokerages in the U.S. and asks them to provide a list of advisors who meet the minimum criteria outlined above. These advisors are then invited to apply for the ranking. Only advisors who submit an online application can be considered for the ranking. In 2019, roughly 960 applications were received and 400 were selected to the final list (41.7%). The 400 qualified advisers were then scored on six attributes: AUM, AUM growth rate, compliance record, years of experience, industry certifications, and online accessibility. AUM is the top factor, accounting for roughly 60-70 percent of the applicant's score. Additionally, to provide a diversity of advisors, the FT placed a cap on the number of advisors from any one state that's roughly correlated to the distribution of millionaires across the U.S.

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. Please see https://www.forbes.com/lists/wealth-management-teams-best-in-state/ for more info.

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.

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.

Unless certain criteria are met, Roth IRA owners must be 59½ or older and have held the IRA for five years before tax-free withdrawals are permitted. Additionally, each converted amount may be subject to its own five-year holding period. Converting a traditional IRA into a Roth IRA has tax implications. Investors should consult a tax advisor before deciding to do a conversion.

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