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How Increasing Life Spans Could Reshape Your Retirement



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According to the Society of Actuaries, there's a 50% chance that at least one member of a married couple who are currently age 65 will live to be 92 years old.

Today, the US has more people living to be 100 years old than in decades past, despite the average lifespan in the United States taking a hit in part due to the COVID-19 pandemic and the opioid crisis.

While living longer is undoubtedly positive, this increased longevity could reshape your post-career life. You'll need to be prepared financially and find ways to stay engaged and active.

Pushing Pause on Retirement

Traditionally, most people retired around age 65 and expected a couple of decades of leisure.

Today, given the potential for a longer life, many retirees aren't jumping directly from full-time work into full-time relaxation. Reducing work hours gradually, trying out a new career path, or even starting your own business can be a good way to maintain a sense of purpose, stay socially connected, and continue earning income.

Consider your lifestyle, where you live, and genetics when thinking about your longevity. The Society of Actuaries (SOA) has a free tool where you can plug in your age and general health condition to get a realistic estimate of how long you'll likely need your retirement plan to support you: <https://www.longevityillustrator.org>.

Making Your Dollars Last

Understanding your options and the appropriate withdrawal strategies for each source of your retirement income can help you coordinate withdrawals as part of a holistic, unified wealth plan.

For example, you may choose to start receiving Social Security payouts later. Social Security retirement benefits can start at age 62, but full retirement age is currently between 66 and 67. Waiting until your benefits max out at age 70 can add 8% annually. This could be particularly important for the higher earner in a married couple, since it's the higher earner's benefit that determines what the survivor gets after the first spouse dies.

Continued on next page

Prioritizing Your Health and Wellness

Longer life also means keeping fit and healthy by staying active, eating well, and managing stress. You may also benefit from advances in healthcare and improved access to services.

Speaking of healthcare, costs are expected to continue to rise. Ask if your employer offers health benefits to retirees. Or, if your spouse is still working, ask if you can be added to their health insurance policy.

Staying Connected and Finding Purpose

With more years on the horizon, you'll want to find things you're passionate about and maintain friendships. Clubs, volunteer work, and group travel can provide social opportunities. Organizations like Osher Lifelong Learning (OLLI) in Sioux Falls offer a wide range of non-credit classes in Brookings, Sioux Falls, and Vermillion, SD and the opportunity to meet new friends. Learn more at www.usd.edu/Academics/USD-Sioux-Falls/Osher-Lifelong-Learning-Institute.

Evolving Family Relationships and Roles

One often-overlooked factor of living longer is changing family dynamics. On one hand, you may be able to spend more time with grandkids, giving advice and sharing stories. On the other hand, you may need to lean on your adult children more. Open communication and adaptability will help you and your family navigate these changes.

As you plan for retirement, remember it's a new beginning in a longer and more fulfilling life. The choices you make regarding when you retire, your financial planning, your health and wellness, your social connections, and your evolving family roles are all essential components of your unique retirement story.

Sources:

<https://www.soa.org/research/age-wise/>

More people are living to be 100: Here's Why, <https://thehill.com/changing-america/well-being/longevity/3847532-more-people-are-living-to-be-100-heres-why/>, <https://population.un.org/wpp/Download/Standard/Population/>



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SAVE — the — DATE

1

ARIZONA OUTREACH

FEB 6 & 7, 2024

*Meet with advisors,
attend education events,
enjoy get-togethers.*

**If you'll be in the area,
or if you know someone we
should meet, call our office
at 605-357-8553 or email
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ARIZONA

2

The Power of Your Purpose in Life

Featuring Speaker Melanie Brown

FEB 12
HURON

FEB 13
SIOUX FALLS

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RMD RELIEF? NO THANK YOU!

By Sarah Brenner, JD | Director of Retirement Education, Ed Slott, LLC

The IRS unleashed massive confusion last year. To the surprise of many, it released proposed SECURE Act regulations requiring beneficiaries (on some occasions) to take required minimum distributions (RMDs) during the 10-year payout period.

To help with the confusion, the IRS issued some transitional relief. Last year, the IRS issued Notice 2022-53, which waived penalties for missed 2021 and 2022 RMDs within the 10-year period. Recently, the Service released Notice 2023-54, which extends the penalty waiver to cover missed 2023 RMDs when the death occurred in 2020 or 2021. It also excuses the penalty for missed 2023 RMDs within the 10-year period when the death took place in 2022.

At first it may seem that every beneficiary who is subject to the 10-year rule and would otherwise be required to take an RMD for 2023 should take advantage of the opportunity to skip their 2023 RMD. It may seem like a no brainer to keep the funds in the account if not needed and avoid an immediate tax bill. However, this may not actually be a smart planning move.

Why? Well, anyone who is eligible for this relief also has the 10-year deadline looming. It may be tempting to skip an RMD for 2023, but that could mean more pain later when a potentially larger tax bill comes due at the end of the 10-year holding period. A better strategy may be to say 'no thank you' to the IRS RMD relief allowing you to take nothing - maybe for the third year in a row! Instead, take advantage of the waiver to do some flexible distribution planning.

Example: Debra, age 75, died in 2020. The beneficiary of her traditional IRA is her adult daughter, Brittany. Brittany is a non-eligible designated beneficiary subject to the 10-year rule under the SECURE Act. The proposed regulations say that because Debra died after her RBD, Brittany must take RMDs based on her single life expectancy during years 1-9 of the 10-year period. However, Notice 2022-53 said that if Brittany failed to do so for 2021 and 2022, there is no penalty on the missed RMDs. Notice 2023-54 extends this relief to the 2023 RMD.

Because Brittany is eligible for relief from the RMDs during the 10-year period for years 2021, 2022, and 2023, she could take nothing in 2023 for a third year in a row. However, she may want to consider taking distributions anyway to minimize the tax hit in future years. Despite Notices 2022-53 and 2023-54, drawing down the inherited IRA throughout the 10-year period while being cognizant of current tax brackets could be a wise tax planning strategy.



Gordon Wollman, Founder and President of Cornerstone Financial Solutions, and Raymond James Wealth Advisor, with Ed Slott at the 2023 Spring workshop for members of Ed Slott's Elite and Master Elite IRA Advisor GroupSM.

Membership in Ed Slott's Elite IRA Advisor GroupTM is one of the tools our advisors use to help you avoid unnecessary taxes and fees on your retirement dollars. Gordon attends in-depth technical training on advanced retirement account planning strategies and estate planning techniques. And semiannual workshops analyzing the most recent tax law changes, case studies, private letter rulings, Congressional action and Supreme Court rulings help keep attendees on the cutting-edge of retirement, tax law and IRA distribution planning. Through his membership, Gordon is immediately notified of changes to the tax code and updates on retirement planning, and he has 24/7 access to Ed Slott and Company LLC to confer with on complex cases.

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Read an extended version of this article and see additional examples, at mycfsgroup.com/IRS-Guidelines-RMD-2023.

“I know you are scared”

Thankful to work with the best professionals in the area and introduce baby Theo!



Andrew Ulvestad

AAMS®

WEALTH ADVISOR

Your unique aspirations are the heart of the Cornerstone Experience®, a personalized journey to craft a clear vision and help you tailor a strategic financial plan to dream, build, and lead your life. As your trusted partner we are dedicated to cultivating an extraordinary relationship with you. Transparency, trust, mutual respect, and open communication helps ensure you understand the value you're receiving every step of the way.

As I approach my five-year work anniversary, my work family and our team's dedication to delivering lasting value means more than ever. Our diverse and talented team continues to advance our comprehensive systems and processes, leaving nothing to chance as we help you navigate complex financial situations and pursue your financial goals. Our internal Investment Committee, backed by data and meticulous planning, helps ensure a high level of conviction in our strategies.

Cornerstone requires wealth advisors to hold the CFP® (Certified Financial Planner) designation or to be working to complete the rigorous certification process. The CFP® designation

is considered the standard of excellence in financial planning. Gordon (Wollman) earned his CFP® certification in 2000, Jill (Mollner) in 2006, and I am currently working to complete the CFP® testing, a process that typically takes 18-24 months.

Forbes recognized our team on their Best in State Wealth Management Teams list earlier this year, a testament to our exceptional service and commitment to you. Gordon has been recognized in prestigious publications such as the Barron's Top 1200 Advisor list and Forbes Best in State Wealth Advisor list, underscoring his expertise and leadership in the wealth management industry. You can find details of these and other recognitions on page 7.

My wife, Tara, and I have reflected on a few of these principles since her 20-week ultrasound for our baby a few months ago. At that appointment we learned the baby was healthy, but Tara was battling a serious condition that could cause premature labor. Forgive me for not going into detail, the talk of anything medical makes me queasy!

The doctor, knowing how worried we were, put her hand on Tara's and said **“I know you are scared.** I want you to know that I am one of the few doctors in the state who specializes in these cases.” *That single sentence gave us confidence we were working with the right person.*

On September 2nd, during Tara's second extended stay in the hospital, the doctor told us waiting to deliver was simply too high-risk. So, despite Tara being only 32 weeks along,

things were set in motion for us to have a baby the following day. We met with specialists from multiple departments and learned that Tara would be put to sleep to have the baby via C-section, immediately followed by a major surgery. I'm somewhat embarrassed to say I passed out during this discussion. Did I say medical talk makes me queasy? Hospital staff had to bring me water and a cold wet towel. Thankfully, my wife is stronger than I am!

We met again with the doctor from Tara's ultrasound. She told us they'd lined up the very best people in each department and assured us we'd be getting the best care possible. Everything would be focused on Tara since no other major surgeries were planned.

At 6:30am the next morning I walked with Tara to the testing required before surgery. When she and I hugged goodbye, we didn't know if we'd ever see each other again. I wasn't allowed in the operating room because of the number of people involved in the surgery, so staff walked me to a waiting room and explained I'd get updates via text message. I didn't know what to expect over the next couple of hours.

At 7:32am I got the first text message - the operation had begun. At that point, I had already covered a mile, anxiously pacing the waiting room. Being early Sunday morning, it was just me and a staff member working at a computer.

About 5 minutes later I received another text that the operation was going well. Then, no news for over

an hour. What had happened? I hadn't asked what text updates I would get if things didn't go well! The staff member at the computer hadn't heard anything either and went to find someone in the operating room. They came back to announce we had a healthy baby boy at 7:46am (September 3rd). I was able to see a sleeping Baby Theo in the NICU. Wow, I was one proud dad! It was another six hours before I was finally able to talk with Tara, who also ended up doing amazing.

Theo and Tara are both doing awesome. All of your thoughts and prayers are so appreciated!

In sharing the full story I'm being a little more vulnerable than normal. But, I felt it was important. If you've seen my commercial online or on TV, I talk about how important it is to work with a professional in all aspects of life, including financial planning. I'm thankful that my family and I were able to work with the best professionals in the area when it came to Theo's birth and Tara's surgery.

The awards and education I mentioned earlier don't define the Cornerstone Team of professionals, but I'm thankful to be part of a company that expects each team member to continue to grow in knowledge and seek excellence. Just like the doctors who helped us at the hospital, we too can sit down with you, put our hand on yours and say "We've done this before. And we are one of the experts in this subject matter." Our desire is to take care of you the best we possibly can.

At the hospital, I was amazed how multiple departments and specialists worked together to take care of us and our baby. On the day of the surgery, we were comforted when our doctor said, "You are our number one priority. Each department, from anesthesiologists to nurses, urologists to the NICU staff and more, will all be focused on you." The



same is true at Cornerstone. We have a big team and our number one priority is YOU. If your primary advisor is out like I have been, another advisor is there to help and give the same guidance and advice.

We meet with you during regularly scheduled review appointments, host events, provide weekly updates via email, and check-in regularly through phone calls. But, between updates you may be a little like me in that waiting room – concerned and pacing anxiously. The market can make us all feel a little anxious sometimes. In the waiting room I trusted and relied on the

doctors in the operating room. I trusted their expertise and desire to do what was best for my family.

We at Cornerstone don't take YOUR trust for granted. I hope you understand how much we care and want to do what is best for you. Thank you for your continued trust.

I look forward to seeing you all soon!

Andrew

Investment Committee



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Our Wealth Management team acts as the Investment Committee for our practice. Just like in any work group, we each approach topics with our own experience, skills, backgrounds, and specialties. Working together, we can carefully consider ideas and strategies and feel confident that we're looking at things from all angles.

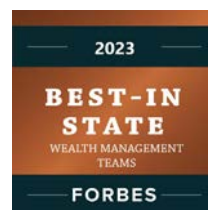
We hold an intensive, focused Investment Committee meeting **at least** quarterly where we work together to evaluate portfolio construction, analyze the current economic themes, and refine our investment strategy. In addition we review the portfolio performance of advisory accounts regularly.

The order of business at our meetings may vary slightly depending on the markets and economy. But, for the most part our meetings follow a standardized agenda, for example:

- ✓ Evaluate investment portfolios for performance and risk level, considering such things as:
 - Sector weightings – Both current and expected because of economic or market conditions
 - Value vs growth
 - Small company v large company
 - International exposure
 - Alpha and beta
 - Internal expense ratios
- ✓ Evaluate portfolio positions – buy, hold, or sell
 - Since we are independent, we can use any funds available, and we do significant research on potential funds and managers
 - Positions that no longer meet our standards are considered for replacement
- ✓ Consider, evaluate, and plan for market and economic events
- ✓ Discuss and consider equity markets

By leveraging our individual strengths and expertise, we can better help you navigate the complexities of the financial world.

OUR GUARANTEE: Because of our commitment to excellence, upon receiving your verbal feedback, if we don't meet your expectations we will provide a no-cost transition to your next advisor.



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.

Source: Barron's "Top 1,200 Financial Advisors," March 2023. Barron's is a registered trademark of Dow Jones & Company, L.P. All rights reserved. The rankings are based on data provided by 5,630 individual advisors and their firms and include qualitative and quantitative criteria. Time period upon which the rating is based is from 09/30/2021 to 09/30/2022, and was released on 03/15/2023. Factors included in the rankings: assets under management, revenue produced for the firm, regulatory record, quality of practice and philanthropic work.

The Forbes Top Wealth Advisors Best-In-State 2023 ranking, 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 6/30/2021 to 6/30/2022 and was released on 4/4/2023. Those advisors that are considered have a minimum of seven years of experience, and 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 39,007 nominations, 7,321 advisors received the award. Please visit <https://www.forbes.com/best-in-state-wealth-advisors> for more info.

Invitees to Raymond James Global Top 50 are selected based on the prior fiscal year production, re-qualification is required annually. There are approximately 50 attendees, though that number may vary based on those who are invited and available to attend.

Raymond James Chairman's Council membership is based on prior fiscal year production. Re-qualification is required annually.

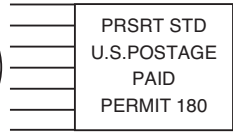
The 2023 Forbes ranking of America's Top Wealth Management Teams Best-In-State, developed by SHOOK Research, is based on an algorithm of qualitative criteria, mostly gained through telephone and in-person due diligence interviews, and quantitative data. This ranking is based upon the period from 4/1/2021 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/list-directory/#470ac626b274> for more info.

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%) In 2018 roughly 880 applications were received and 400 were selected to the final list (45.5%). 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. These rankings and recognitions 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 this award/rating. Raymond James is not affiliated with FT 400 or Ignites Research.

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WHO WOULD
APPRECIATE THIS
INFORMATION?**

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NEWSLETTER WITH THEM!**

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