

RAYMOND JAMES®

April, 2019



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CERTIFIED FINANCIAL PLANNER™



Dear Friends,

Passed in late 2017, tax-reform legislation made sweeping changes to the tax code in the United States, including changes to individual and corporate income tax rates. Known as the Tax Cuts and Job Acts, the legislation took effect in 2018, with many of its provisions set to expire on Jan. 1, 2026. The legislation includes increases in the standard deductions and the limitation or elimination of many personal deductions. As such, many of us will switch from itemizing to taking the standard deduction.

Below are some tax planning considerations geared towards charitable giving and retirement planning to keep in mind with the new law implementation.

#### CHARITABLE GIVING

**Bunching charitable gifts:** If you are charitably inclined, but won't have sufficient itemized deductions to exceed the increased standard deduction, you may wish to bunch deductions by making large charitable gift during a single year, equal to the total donations you would have made over several years. This could help you take advantage of the ability to itemize the year you make the large gift, while in other years you would take the standard deduction.

**Giving appreciated securities:** Funding charitable gifts with appreciated stocks or mutual funds, rather than cash, yields a bigger tax benefit since you can deduct the full value of securities held more than one year without paying capital gains taxes on the appreciation. If you are donating to a tax-exempt organization, it will not pay capital gain taxes.

#### RETIREMENT SAVING

**Retirement plan contributions:** If you are paying less income tax, you could have more money to save toward your retirement goals. As a result, you may be able to boost your pre-tax retirement savings and take advantage of an employer match. Matching contributions from your employer may be subject to a vesting schedule. Please consult with your financial advisor for more information.

**Roth IRA conversions:** Although re-characterization of a Roth IRA conversion is no longer permitted past 2017, this doesn't mean you shouldn't consider it when it makes sense. For example: you anticipate a lower effective tax rate in retirement or, alternatively, for wealth transfer planning to children or grandchildren. Roth IRA owners must be 59½ or older and have held the IRA for five years before tax-free withdrawals are permitted.

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*Investment Advisory Services are offered through Raymond James Financial Services Advisors, Inc.*

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## GENERAL INFORMATION:

-**May 6<sup>th</sup>**, The Mendall Financial Group will be hosting Alan Potvin of Jackson National Life Distributors LLC, who is conducting a workshop demonstrating retirement goals and prepping for retirement. If you are interested in joining please email us at [themendallfinancialgroup@raymondjames.com](mailto:themendallfinancialgroup@raymondjames.com) or call the office at 207-621-2626 by **April 23<sup>rd</sup>**.

-**Tax Freedom Day**, the day in which all Americans have earned enough money to pay all federal, state, and local taxes for the year. FYI: This year, Tax Freedom Day will occur on **June 9<sup>th</sup>**, 2019.

-Our **CD's** are very competitive at this current time if you'd like to speak further about your options please call to speak with your advisor. CDs are insured by the FDIC and offer a fixed rate of return. Whereas the return and principal value of investment securities fluctuated with changes in market conditions.

**If you have any questions regarding the above content, please give us a call at 207-621-2626 or email us at [themendallfinancialgroup@raymondjames.com](mailto:themendallfinancialgroup@raymondjames.com)**

### Shredding Day!

Reminder for our annual **Shredding Day on Tuesday, May 14 from 9am to 11am**. We will be behind the Augusta office building with coffee and doughnuts – rain or shine. RSVP not required!

Sincerely,



Peter L. Mendall, CFP®  
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*Mendall Financial Group LLC®*