



HENDERSON HUTTER GROUP

QUARTERLY NEWSLETTER



As we roll into 2023, it's a time for both reflection on the past and optimism about the future. The last three years have been trying and extraordinary times, with 2022 being no exception. Last year saw a test of our resiliency and I couldn't be happier with how we performed. A few simple but important practices helped us to quickly recover from difficulties and setbacks: First, understanding, then accepting that bad things happen and don't always go our way. Second, learning to choose where to put our attention and efforts and selecting those items within our control. And lastly, ask ourselves, "is this helping or harming?" Focus on what helps and stop doing what harms. As we head into 2023 with these things in mind, I look forward to the opportunities this year will bring and the progress we will make. Happy New Year!



secure act 2.0

The **SECURE Act 2.0** legislation builds on retirement savings changes passed in the original SECURE Act back in 2019. Most of the key provisions are effective in the 2024-2025 timeframe, but smaller adjustments (such as an increase in the RMD age to 73) will be effective in 2023. There are several provisions to this legislation, but some pertinent facts below:

Higher RMD age: The RMD age is raised to 73 in 2023 and 75 starting 2033.

Reduced penalty for failure to take RMDs: A tax penalty of 50% for failure to take RMDs is reduced to 25%. For IRAs, the tax is further reduced to 10% if corrected. Reduction is effective as of the bill's signing.

Continued on next page



We are honored to be recognized among our peers as one of Forbes' Best-In-State Wealth Management Teams for 2023. You can read more about the methodology [here](#) – the recognition is a testament to the hard work and dedication of our entire team, as we work together to provide you with the highest level of service and support.

Thank you for your continued trust.

COMMUNITY ENGAGEMENT

Last quarter, the team partnered with the Coalition to Restore Coastal Louisiana (CRCL) by supporting their oyster



shell recycling program. CRCL collects oyster shells from New Orleans-area restaurants and repurposes them to restore reefs that help protect Louisiana's eroding coastline. The team spent the day down in Montegut, LA hauling oyster shells and building reefs. CRCL has built over 8,000 feet of living shoreline through this project with the support of volunteer energy and donations.



HENDERSON HUTTER GROUP
WEALTH PLANNING ADVISORS



Patrick Kungl, CFA
Portfolio Strategist

We're glad to have 2022 in the rear-view mirror. As we look forward to a fresh start, we're encouraged by market conditions...even with a few hiccups occurring in the US economy.

Starting with the economy - the US consumer is reaching an inflection point. The \$2T of excess savings accumulated during the pandemic is winding down. As this erosion continues, we believe consumer spending will slow, relieving some inflationary pressures while possibly leading to a brief yet mild economic slowdown.

Market conditions appear more favorable. First, the bond market has found a much more stable foundation as the worst of inflation and rate hikes are behind us. Plus, yields haven't been this high in over a decade! Secondly, equity markets are showing signs of increasing participation which is typical in market recoveries.

SECURE Act 2.0 (continued from page 1)

Tax and penalty free rollover from 529 to Roth IRA: Beneficiaries of 529 college savings accounts are permitted to rollover up to \$35,000 from a 529 account in their name to a Roth IRA account. Rollovers are subject to IRA annual contribution limits and are available for 529 accounts which have been open for more than 15 years. Rollovers are permitted starting 2024.

Emergency withdrawals for disaster relief: Withdrawals of up to \$22,000 from employer retirement accounts or IRAs are permitted for individuals affected by a federally declared disaster. These emergency-related withdrawals are permitted for disasters occurring on or after January 26, 2021.

Expanded emergency expense distribution allowances: Emergency distributions of up to \$1,000 are permitted for unforeseeable or immediate financial needs relating to personal or family emergency expenses once per year, to be paid back within three years (effective 2024).

Higher catch-up contribution allowances: For those ages 60-63, the catch-up contribution limit is raised to the greater of \$10,000 or 50% higher than the regular catch-up amount. The higher allowance is effective starting 2025.

Missed Lee's New Year Market Update? Click below for a video message from the team.



And while you're there, check out our revamped website where you can read about and see our team, access Raymond James articles + updates and log-in to ClientAccess.

THE INVESTMENT COMMITTEE OF HHG



Our Investment Committee is led by Patrick Kungl, CFA, who was recently promoted to Portfolio Strategist. George Hutter and Lee Henderson also play integral roles on the committee. Rounding out the group is Erin Rostro, who joined HHG in 2022 after beginning her career with Fisher Investments.

The Investment Committee meets weekly to discuss economic and market events and their effects on portfolios. They follow our rigid due diligence process, combining qualitative and quantitative analysis, to assess performance of individual holdings and discuss potential changes and what should trigger those changes. Investment selection

is based on both broad market and dividend-oriented ETFs, while tactically utilizing sector ETFs. Past performance of each investment and its correlations, liquidity and drift are among the characteristics analyzed when considering which holdings to add to our strategies. The committee's job is to monitor risk and continuously evaluate our selected strategies and potential strategies in that space. Economic indicator analysis helps guide positioning and reviewing trends against data from past market cycles. From there, the committee works with the rest of the team to determine the right allocation for you.



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