

Winter 2023

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In regard to 2023, we are more positive on the bond market than we are on the stock market but feel the stock market should have some opportunities in areas that were down the most in 2022.



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From the Desk of Edward Metz

Welcome to 2023 where we hope to hear less and less about COVID and for better returns for both stocks and bonds.

Market Commentary

As you know, the stock market for 2022 had it's worst year since 2008 with a loss of 18.11% as measured by the S&P 500, when you include the return from dividends. The bond market, as measured by the Barclays US Aggregate Bond Index, had a loss of 13.01%, making it the worst loss since they began with an index and over 10% worse than the previous worst loss ever. Wow! Both markets down over 10% in the same year. On the equity side the Energy sector was up almost 60% while all other sectors were negative. According to the Russell 1000 indices, value stocks did approximately 20% better than Growth stocks. In regard to 2023, we are more positive on the bond market than we are on the stock market but feel the stock market should have some opportunities in areas that were down the most in 2022. We, therefore, continue to favor alternative investments that are designed to reduce risk and provide dividend income.

The MAW team enjoyed a nice holiday dinner with spouses, and I can't tell you how proud I am of the whole team where everyone is passionate about what they do and interested in growing with the company. It was nice to spend some time with the spouses.

Metz Household

We begin the year in Naples, Florida enjoying the nice weather and friends we have made over the years. They also have some nice golf courses down here. It is also nice to spend some time with our clients that enjoy Florida during the Winter. Erica and I plan to attend the Raymond James Winter Symposium in Orlando during Presidents Week as well as the National Conference in April, also in Orlando.



Metz Family

Client Appreciation Event 2022
The Westin Governor Morris,
Morristown, NJ

Erica D. Metz CFP®, CPA/PFS, MSA
Partner, Money at Work, LLC
Wealth Advisor, RJFS



From the Desk of Erica Metz

Hope everyone had a great holiday season! Right in the middle of the holidays, **Secure Act 2.0** was passed into law at the end of December. I wanted to highlight a few changes that may affect you this year!

- **Required Minimum Distributions (RMDs):** The RMD age is raised to 73 starting in 2023 and eventually going to 75 starting in 2033. Also, the RMD penalty is reduced from 50% to 25% and if the missed RMD is taken within a "correction

window" the penalty is reduced to 10%.

- **Qualified Charitable Distributions (QCDs):** While the RMD age increased to 73, the age an individual can utilize QCDs remains at 70 ½. Also, currently QCDs are capped at \$100,000 annually. Starting in 2023, QCDs will be indexed for inflation.
- **529 plans:** Effective in 2024, unused funds in a 529 plan may be transferred into a Roth IRA in the name of the beneficiary subject to several rules below.
 - The lifetime amount that can be transferred is \$35,000 and is subject to the annual contribution limits
 - The 529 plan has to be established for at least 15 years and no funds (or associated earnings) that were contributed in the previous 5 years prior to the transfer may be used.
 - There are no income limits or phase-out restrictions when making a 529 to Roth transfer.
- **Employer Retirement Plan Changes:** Now your employer can offer you more ROTH strategies, higher catch-up contributions, and employers can receive a 50% tax credit on administrative costs. Please consult your employer and verify the changes in the plan document.
- **Retirement Account Withdrawals:** The 10% penalty exception has expanded to many more categories.
- **Beneficiary Rule Change:** Starting in 2024, the decedent spouse can be treated as the deceased spouse. This could be beneficial where the surviving spouse is older than the deceased spouse and now, they can wait longer to start taking RMDs.

These are only some of the big changes that were in the bill. To read more about Secure Act 2.0, view this link.

<https://www.raymondjames.com/moneyatworkllc/resources/2022/12/29/how-does-secure-act-2-0-change-saving-for-retirement>

Please don't hesitate to reach out to us to ask questions and see how the Secure Act 2.0 affects your personal financial situation.

The Life of Erica Metz

This quarter might be the first time I haven't traveled much at all but was very busy locally. This was the first time I spent the holidays with my boyfriend, Dan, so my activities multiplied by two! We both have a lot of friends and work events, so it's been great combining forces and getting to know everyone. Both of us actually went to Randolph High School, so most of it is reconnecting with old faces!

Drink of the Quarter

The Espresso Martini- One of my personal favorites!! There are many variations, and you can get creative, but this is how I make mine! I just use Bailey's Almande instead (for a non-dairy twist!) <https://coastalwandering.com/espresso-martini-with-baileys/>

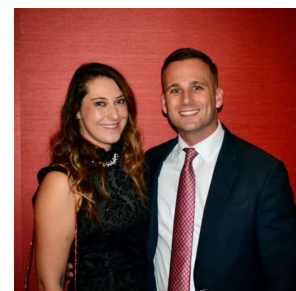


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Happy New Year! I cannot believe it's 2023. Many of you have probably made resolutions and or goals for this year, so I wish you the best of luck in achieving them. At the beginning of each year, I like to remind folks to update retirement contributions for the New Year. For those of you who are now over the age of 50, you can now contribute



The RMD age is raised to 73 starting in 2023 and eventually going to 75 starting in 2033.



*Erica and Dan
Holiday Party 2022*



more with the catch-up contribution. The contribution limits have changed for 2023, please see new limits below.

For 401(k), 403(b), and most 457 plans and the federal government's Thrift Savings Plans:

The elective deferral (contribution) limit is \$22,500 in 2023, a \$2,000 increase from \$20,500 in 2022. The catch-up contribution limit for employees aged 50 and over who participate in these plans is \$7,500.

For individual retirement arrangements (IRAs):

The limit on annual contributions is \$6,500. The additional catch-up contribution limit for individuals aged 50 and over is not subject to an annual cost-of-living adjustment so it remains \$1,000 for 2023.

For savings incentive match plan for employees (SIMPLE) IRAs:

The contribution limit on SIMPLE IRA retirement accounts is \$15,500 for 2023, up from \$14,000 in 2022. The SIMPLE catch-up limit for those 50 and older is \$3,500 for 2023.

For simplified employee pension (SEP) IRAs and individual/solo 401(k) plans:

SEP employer contribution limits are allowed up to 25% of compensation not to exceed \$66,000 for 2023 (\$61,000 in 2022). The minimum compensation that may be required for participation in a SEP is \$750 for 2023.

Sanchez Household

We thoroughly enjoyed the holidays this time around. As always, we are very busy with family and friend gatherings. Zayden and Karina are playing basketball again this Winter. Karina continues to participate in Girl Scouts and Gymnastics. We are looking forward to our annual long weekend getaway to Vermont for some skiing.



*Sanchez Family
Christmas 2022*

With inflation coming down and rate hikes likely slowing down this year, the bond market is offering what we feel are attractive yields and may be something investors want to consider for their portfolios.



Elizabeth "Lisa" Padewski
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Happy 2023! The bond market started the year out in positive territory, much as expected. With inflation coming down and rate hikes likely slowing down this year, the bond market is offering what we feel are attractive yields and may be something investors want to consider for their portfolios. We expect to see the Fed raising rates in February by 0.25% and possibly another 0.25% in March bringing the target rate to about 5% and then slowing down or tapering off rate hikes. The bond market is forward pricing and is already pricing in these rate increases. For stocks, the year has started out positive as well but may be more volatile as we expect to see company earnings cool this year. We still see pockets of opportunity in the stock market in sectors that represent goods and services based on essentials we need like healthcare and energy.

Padewski household:

Our family celebrated a wonderful Christmas together this year! We even went to NYC to see the tree and the Rangers. Our son Alex got his driver's permit this December, which is super exciting! He can be seen driving around Randolph every Saturday. 😊



*Alex Padewski
Rockefeller Center, NYC*

Bond prices and yields are subject to change based upon market conditions and availability. If bonds are sold prior to maturity, you may receive more or less than your initial investment. Holding bonds to term allows redemption at par value. There is an inverse relationship between interest rate movements and bond prices. Generally, when interest rates rise, bond prices fall and when interest rates fall, bond prices generally rise.

**Gabriela Tamakloe**

Client Services Associate

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Happy New Year! I hope everyone had a wonderful holiday season. The Tamakloe household had Aaliyah's first Christmas and Santa did not disappoint her! She's now eight months old and getting so big! As we move into the New Year, I believe it's worth mentioning the value of adding External Accounts in Client Access. Within Client Access, External Accounts consolidates all Raymond James and client-initiated outside accounts to provide clients with a holistic view of their financial picture. You can add accounts not held with Raymond James like bank accounts, as well as liabilities such as credit cards or mortgages. This makes collecting information more automated with less paperwork and makes it easier for us to create and update your financial plan. Through our software, all your account balances will be integrated and updated daily and will help you to see your actual net worth versus your plan. Please contact us for more information!

**Chrissy Garthwaite-Ratliff**

Client Services Associate

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Happy 2023! I can't believe how fast 2022 flew by. Ryan and I hosted Christmas Eve Dinner with our family, and everyone had a great time. As we get into the new year, investors may want to consider automating their investment contributions directly from an outside account. The electronic ACH setup process is quick, and can be done on any account. Once it's done, you won't have to worry about remembering to make your monthly contributions. Contact us today to setup your electronic banking instructions.

*Tamakloe Family
Christmas 2022**Christmas Eve Dinner 2022
With Family*

Important Dates / Upcoming Events

Below you will find some important dates and/or deadlines for your convenience.

Martin Luther King Day	January 16th (Markets Closed / MAW Office Closed)
Estimated Taxes Due	January 17th
1099 Statements Mailed	February 15th
Presidents Day	February 20th (Markets Closed/ MAW Office Closed)
Amended 1099 Statements Mailed	March 15th
Good Friday	April 7th (Markets Closed/ MAW Office Closed)
2022 Tax Deadline	April 17th
MAW Client Appreciation Event	November 10th


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The Bloomberg Barclays US Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market.

The S&P 500 is an unmanaged index of 500 widely held stocks that is generally considered representative of the U.S. stock market.

Indices are not available for direct investment. Any investor who attempts to mimic the performance of an index would incur fees and expenses which would reduce returns.

Alternative Investments involve substantial risks that may be greater than those associated with traditional investments and may be offered only to clients who meet specific suitability requirements, including minimum net worth tests. These risks include but are not limited to: limited or no liquidity, tax considerations, incentive fee structures, speculative investment strategies, and different regulatory and reporting requirements. There is no assurance that any investment will meet its investment objectives or that substantial losses will be avoided.