

## KEY FINANCIAL UPDATES FOR 2022

	2022	2021
Annual Gift Tax Exclusion (Per donor to any recipient)	\$16,000	\$15,000
Estate Tax Exemption	\$12.06 Million	\$11.70 Million
Maximum IRA / Roth IRA	\$6,000 < age 50	\$6,000 < age 50
	\$7,000 ≥ age 50	\$7,000 ≥ age 50
Maximum 401(k) & 403(b)	\$20,500 < age 50	\$19,500 < age 50
	\$27,000 ≥ age 50	\$26,000 ≥ age 50
Social Security Wage Base	\$147,000	\$142,800

Source: IRS.gov and SSA.gov

## RMD RULES FOR 2022

Rules on who must take an RMD from a 401(k) and traditional IRA in 2022:

- **Over Age 72** (born before 1950): you are required to take a minimum distribution this year.
- **Age 72** (and born in 1950): you are required to take your first minimum distributions by April 1, 2023. However, if you don't take an RMD in 2022 then you'll need to take two RMDs in 2023 (by April 1 and Dec 31, 2023). Most 72 year olds will take their first RMD in 2022.

Rules on who must take an RMD from an inherited beneficiary IRA in 2022:

- If the account owner died on or before December 31, 2019, you normally take RMDs based on your age annually using the IRS Single Life Expectancy Table.
- If the original account owner died on or after January 1, 2020, in most cases you will need to fully distribute your account within 10 years following the death of the original owner, and a distribution in 2022 is optional. Some exceptions apply.

So, when should I take my 2022 RMD?

- Right now! If you are subject to RMDs, I generally recommend taking your RMD early in the year (due to potential pitfalls for your beneficiaries should you die before you take it). You are permitted to take your regular RMD at any time during the year.
- **There is a 50% penalty on any shortfall in your RMD withdrawal.** Anyone born after June 30, 1949 is not required to take an RMD from their personal retirement account (401k, IRA, Roth) until the year they turn age 72.

## DIVIDEND REINVESTMENT UPDATE

I previously wrote that "any dividend reinvestment instructions you may have had on individual securities were vacated when the assets transferred over". This is true of stocks. It is not true of mutual funds. All mutual fund reinvestment instructions that were in place at Wells Fargo Advisors were retained and are still in place at Raymond James. Please notify us to any accounts or specific securities you wish to enroll into dividend reinvestment. There is no charge for this service.

Scott P. Ellis  
First Vice President—Investments  
Financial Advisor

Mary H. Magee  
Senior Registered Client Service Associate

## MARKET INDICATORS\*

Market Index	01/27/22 Value	52 Week High	52 Week Low
DJIA	34161	36953	29856
S&P 500	4327	4819	3694
NASDAQ Composite	13353	16212	12397

## CONTACT INFORMATION

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## INTEREST RATES

At their January 2022 meeting the FOMC left the target range for the federal funds rate unchanged at 0% - 0.25%. The FOMC meets next on March 15-16, 2022. They are currently expected to raise rates in 2022.

Source: [federalreserve.gov](https://federalreserve.gov), Jan. 26, 2022

## QUOTES

*"There is a difference between knowing the path and walking the path."*

— Morpheus from The Matrix

*"A billion here, a billion there, and pretty soon you're talking about real money."*

— Everett Dirksen, American Politician

## NEW UNIFORM LIFETIME TABLE NOW IN EFFECT FOR 2022

The Uniform Lifetime Distribution Table was designed to become effective on January 1, 2021 but was postponed to January 1, 2022 and slightly revised again. Here is the old Life Expectancy (LE) Table along with the new Life Expectancy (LE) Table. Your RMDs will be up to 7.9% lower under the new table.

IRS New and Old Lifetime Expectancy (LE) Factor Tables a.k.a. Uniform Lifetime Minimum Distribution Table III					
Age	New LE Factor Effective 2022	Old LE Factor 2021	Age	New LE Factor Effective 2022	Old LE Factor 2021
72	27.4	25.6	89	12.9	12.0
73	26.5	24.7	90	12.2	11.4
74	25.5	23.8	91	11.5	10.8
75	24.6	22.9	92	10.8	10.2
76	23.7	22.0	93	10.1	9.6
77	22.9	21.2	94	9.5	9.1
78	22.0	20.3	95	8.9	8.6
79	21.1	19.5	96	8.4	8.1
80	20.2	18.7	97	7.8	7.6
81	19.4	17.9	98	7.3	7.1
82	18.5	17.1	99	6.8	6.7
83	17.7	16.3	100	6.4	6.3
84	16.8	15.5	101	6.0	5.9
85	16.0	14.8	102	5.6	5.5
86	15.2	14.1	103	5.2	5.2
87	14.4	13.4	104	4.9	4.9
88	13.7	12.7	105	4.6	4.5

Source: FederalRegister.Gov

**Calculating your 2022 Required Minimum Distribution (RMD):** Divide your December 31, 2021 year-end IRA value by the 2022 LE Factor listed next to the age you will attain in 2022. Regardless of when you actually take your 2022 RMD, or when your birthday occurs, your 2022 RMD is still based upon the age you will attain by the end of 2022.

## DID YOU KNOW...

»»»» **I'm working in Honolulu from February 3—18 inclusive and in Ko'Olina from February 22—24 inclusive.** We are actively setting up client appointments for meetings in both locations. Please contact Mary or me to set up a convenient appointment.

»»»» **Let us know if you would like to meet with us in Charlotte or via Zoom.** We are scheduling appointments upon request any time after March 1.

## My regular office hours are:

Monday - Friday:

9:00 am - 4:00 pm Eastern

(Eastern Standard Time)

8:00 am - 3:00 pm Central

6:00 am - 1:00 pm Pacific

4:00 am - 11:00 am Hawaiian

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*Unless otherwise noted, all quotes, rates, and values contained herein are as of Jan. 27, 2022, and are subject to change and availability.*

*\* Source for Market Indicators: BigCharts®, a service of MarketWatch. All figures rounded to nearest whole number.*

*Keep in mind that individuals cannot invest directly in any index, and index performance does not include transactional costs or other fees, which will affect actual investment performance. Individual investor's results will vary. Past performance does not guarantee future results.*

*The S&P 500 is an unmanaged index of 500 widely held stocks that is generally considered representative of the U.S. stock market. The Dow Jones Industrial Average (DJIA), commonly known as "The Dow" is an index representing 30 stock of companies maintained and reviewed by the editors of the Wall Street Journal. The NASDAQ composite is an unmanaged index of securities traded on the NASDAQ system.*

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Scott P. Ellis is a First Vice President-Investments, Financial Advisor, at Raymond James, with over 39 years experience. Scott is dedicated to assisting clients in building, preserving, perpetuating, and distributing their wealth. He focuses on providing lifetime investment, retirement & estate planning strategies, and risk management, through conservative stock, quality municipal bonds, a variety of other investment vehicles, and professional portfolio management. Scott works with a select group of individuals and families in an effort to give them a higher probability for meeting their goals. He also works with clients, attorneys, and accountants to provide estate consolidation, valuation and distribution. Scott enjoys working with folks who value experience and advice.