

Midyear To-Do List



It's a good time for a semi-annual check-up. 'Tis the season to spring clean your finances.

Midyear checkup: Look back on your to-do list

progress, follow up on your taxes, make sure your retirement plan is on track, determine if your emergency fund is adequate, and establish a regular savings plan that you can stick to each month.

Discuss distributions: If over 70½, take required minimum distributions (RMDs) from your IRAs. You must begin RMDs by April 1 the year after you turn 70½. After the first distribution, IRA holders must take distributions by December 31 of each year.

Mind your mortgage: Home buying season is heating up. Check your finances and pay close attention to interest rates if you're considering buying or refinancing.

Spring clean your finances: Consider rolling over retirement accounts from old employers to consolidate and simplify.

Request your credit report: You can obtain a free copy from annualcreditreport.com to conduct a midyear review.

Save for school: Talk to your advisor about establishing or contributing to a 529 education savings plan for your child or grandchild.

Speak with students: Have a conversation with your recent graduate about finances and how to budget. Consider introducing him or her to your financial advisor to learn the basics of saving and investing.

"It all begins with listening to people and accurately assessing their true financial needs."

– Bob James, Founder and CEO of Raymond James, 1962 to 1970

Misconceptions About 529 Plans

Learn how 529 plans are more flexible than you may think. They can be set up by anyone, for anyone, and used for a variety of education costs at all kinds of institutions, not just typical four-year colleges.

Myth: Only parents can establish a 529 account for a child.

Reality: Anyone can open and contribute to an account for any beneficiary – no age limits or family connections necessary. Often, grandparents open 529 accounts to help fund college for grandchildren (with the added bonus that their assets won't be factored into financial aid calculations and they may even benefit from reduced taxes on their estate).

Myth: Contributions to a 529 plan will limit financial aid opportunities.

Reality: While 529 assets can have an effect, it isn't as significant as the impact of some other educational savings tools. Since 529 assets are under control of the account owner (not the beneficiary), they're assessed at a maximum rate of 5.64% when determining expected family contribution (part of the financial aid formula). In comparison, investment assets in the student's name, such as UTMA/UGMA accounts, are assessed at 20%.



Myth: If I invest in a 529 plan, the beneficiary is limited to attending a public, four-year university.

Reality: Funds can be used for qualified expenses at eligible educational institutions in the U.S. and even some abroad, including private or public colleges, universities, and technical or vocational schools that qualify for federal financial aid. Check the Department of Education's website (fafsa.ed.gov) and click School Code Search to find qualifying institutions.



Myth: If it turns out the beneficiary doesn't go to college or receives a scholarship, all the money I've invested is lost.

Reality: Since the owner – not the beneficiary – controls the account, you can change who receives the funds to any eligible family member. Another, although less attractive, option is to take a nonqualified withdrawal. Earnings are then subject to the usual taxes and a 10% penalty (penalty waived in the instance of a scholarship).

Myth: Once the child is in college, he or she has control of the 529 account.

Reality: The account owner has – and maintains – control of the assets as long as the account exists.

Myth: I can't participate in a 529 plan because my income is too high.

Reality: Anyone can invest. There is actually no income limit to establish or contribute to a 529 plan.

Earnings in 529 plans are not subject to federal tax and, in most cases, state tax, so long as you use withdrawals for eligible college expenses, such as tuition and room and board. However, if you withdraw money from a 529 plan and do not use it on an eligible college expense, you generally will be subject to income tax and an additional 10% federal tax penalty on earnings. Changes in tax laws or regulations may occur at any time and could substantially impact your situation. You should discuss any tax or legal matters with the appropriate professional

Raymond James...

Taking a look back at the 1960's and 1970's

- 1962 - Our firm takes its first steps, incorporating as Robert A. James Investments
- 1964 - Edward Raymond sells Raymond and Associates to Bob James, with the agreement that Bob will name the new firm Raymond James & Associates. Soon after, Ed suffers a fatal car accident and never joins the firm. Bob, however, insists on keeping Ed's name on the door.
- 1966 - Bob James' son Tom joins the firm full time
- 1969 - The firm files for an initial public offering with the SEC, but market conditions put the move on hold
- 1970 - After deciding to devote his time to serving individual clients and training financial advisors, Bob James names his son Tom CEO
- 1971 - the firm's first computers are introduced to improve efficiency of day-to-day operations.
- 1973 - To help ensure the best execution for clients and to reflect the firm's growth, Raymond James gains a seat on the New York Stock Exchange. During the economic downturn of 1973 and 1974, with the survival of the firm questionable and capital reserves dwindling, Tom James sells off portions of his prized rare coin collection to help keep the doors open.

Stay tuned to next quarter's newsletter for highlights from the 1980's and 1990's.

Investor Access Enhanced Authentication

Clients have the option to enable Enhanced Authentication, which uses a one-time text message code or voice call to replace the challenge question. Similar activities that would normally trigger a challenge question (for example, a different device or IP address) will prompt the client to enter a code sent to their phone via text or voice call. Enhanced Authentication offers the ability to add an additional layer of security by relying on both something you know (a password) and something you have (your phone).



Mobile Check Deposit

Mobile Check Deposit is now available for clients in the Investor Access mobile app. This new feature allows clients to quickly and easily deposit checks into their eligible accounts using their smartphone or tablets. As long as you are enrolled in Investor Access and have the most recent version of the app for your Apple or Android device, you are able to see a new mention option called Deposit Checks. From this it's as simple as choosing the destination account, entering the amount of the check and snapping a picture of the front and back of the check.

Raymond James Pledge

We, the associates of Raymond James, commit our energies, intellect and knowledge to attaining the financial objectives of our clients by providing the highest possible level of service and delivering superior investment alternatives. We believe that putting the financial well-being of our clients first ultimately serves the best interests of our shareholders, our communities and ourselves. Remaining responsive to the needs of our clients in a financial environment characterized by constant change is our continuing challenge.



Upcoming Holiday Schedule

In recognition of the upcoming holidays, our office is closed:

Monday, Sept. 4, 2017

“Life can only be understood backwards; but it must be lived forwards.”

*By Soren Kierkegaard
Philosopher, Poet, & Theologian*



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We will continue to meet clients by appointment in Pound, Wisconsin

ZK Financial is on Facebook and LinkedIn. We will be using these social media channels to post informational articles and to keep you up to date on the industry and events happening at our office.



ZK Financial Group—Raymond James
Financial Services



Richard Zuehlke



Heather Karcz