

Railway Ties

Keeping You onTRACK

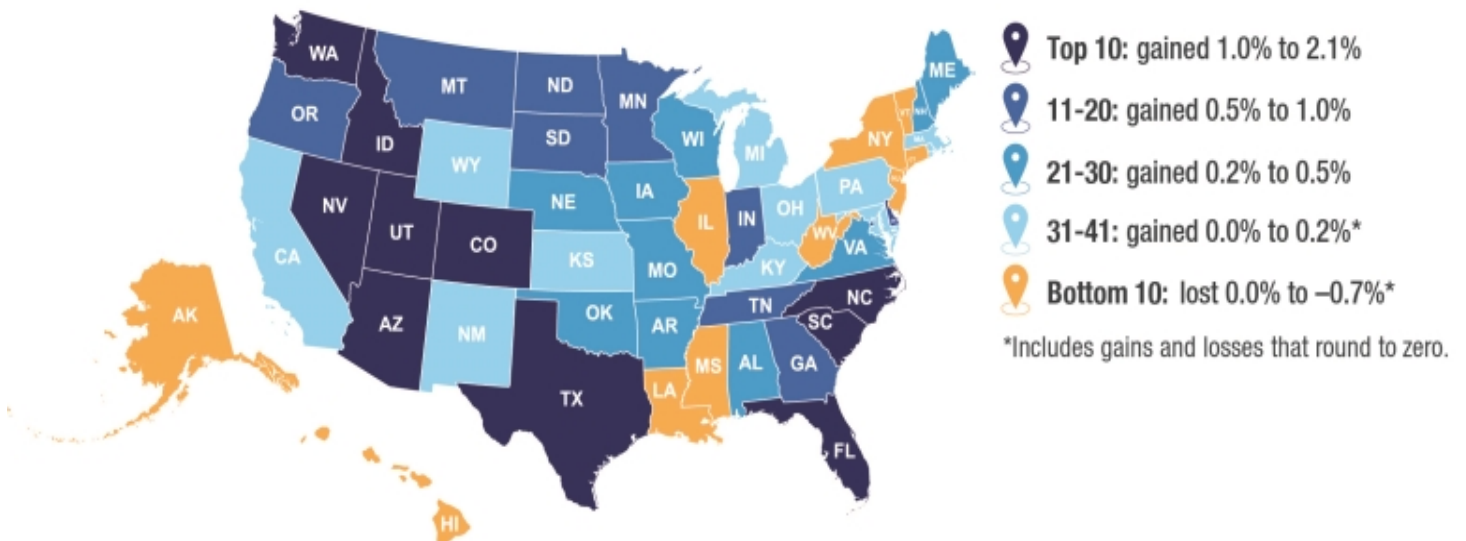


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State Population: Winners and Losers

The U.S. population was 328,239,523 in 2019, an increase of 0.5% over 2018. This was the fourth consecutive year of slowing population growth due to fewer births, more deaths, and lower immigration from other countries. Forty states and the District of Columbia gained population, while 10 states lost population. Here are the winners and losers based on percentage increase or decrease in population.



Source: U.S. Census Bureau, 2019

Iron Horse Junction

The Lightning Slinger

We are living in interesting times! As of this writing, our office has not met with anyone in person since March 19th. We have had several meetings via Zoom or by phone, but nothing in the office. Laneisa has been working remotely from her home. We are blessed to have technology that makes her cell phone an extension of the office. When someone calls, she can put them on hold, and I can pick up the call at the office. How cool is that? She is using the office laptop allowing her to access accounts, answer emails, put meetings on my calendar, etc. For the most part, anything she normally does in the office, she can do from home. The problem with this is that I don't have anyone to blame the messes on right now.

We have not made plans to reopen the office for meetings at this time. While we love seeing people face to face, we want to ensure we do not become the agent for someone getting infected. With many of our clients being older, it is for their protection. Laneisa is setting meetings according to normal intervals for each household. If you have a need and don't want to wait for your scheduled time, just reach out to us and we will get together.

I held two live sessions via Zoom on March 1st and 2nd to offer an opportunity to let attendees know what I was thinking about the markets and what my plans were regarding managing portfolios. A total of 10 people attended between the two days. I'm guessing it was either the two times were inconvenient or that there is not a lot of concern about how I am managing portfolios.

My business is doing well, and we have been blessed with new business since all this virus mayhem started. Clients have introduced people from as far away as Colorado and we've transferred in over \$5 million in new assets to manage. Most were not happy with how their advisor was handling their accounts and have given us the opportunity to help. Thank you for thinking of us and know that your referrals will receive our best care!

Emeralds

Turning 100 days old is a significant event in Korea and our granddaughter Saffie turned 100 days old on March 31st. Normally, we would have had a big party at our house to celebrate, but instead we only had family over. She turned four months old on April 23rd and just started eating solid foods (baby oatmeal). As I've mentioned before, Suki is Saffie's fulltime nanny and our home is starting to look a lot like a daycare center with a tummy time mat, baby swing, activity center, and toys. And that's just what's in the family room. There's also a highchair, crib, changing table, and more clothes than Dillard's. I've never seen her wear the same thing twice.

Our son Alex, his wife Yao, and Lindsey (all schoolteachers) are all working from home to finish out the school year. It's a challenge but they are engaged with students and parents to help the kids get their education. Lindsey will be transferring to MacArthur Elementary School this fall from Global Learning Academy. This will shorten her work commute by about 30 minutes each way.

Suki and I will be married 31 years on May 6th. Even after being cooped up as a result of the virus, we think we will stick it out a few more years. Lawn mowing season has started and sprucing up outside has been fun recently. Suki has a green thumb and the plants in the lanai look great. I think she could bring a broom handle back to life. The college course I'm subject matter expert for at Liberty University has been completely rewritten and will be taught in the Summer semester. It was a lot of work, but the new course does a better job of preparing students to become Certified Financial Planners.

Until next month,

Rick

Five Key Benefits of the CARES Act for Individuals and Businesses

By now you know that Congress has passed a \$2 trillion relief bill to help keep individuals and businesses afloat during these difficult times. The Coronavirus Aid, Relief, and Economic Security (CARES) Act contains many provisions. Here are five that may benefit you or your business.

1. Recovery Rebates

Many Americans will receive a one-time cash payment of \$1,200. Each U.S. resident or citizen with an adjusted gross income (AGI) under \$75,000 (\$112,500 for heads of household and \$150,000 for married couples filing a joint return) who is not the dependent of another taxpayer and has a work-eligible Social Security number, may receive the full rebate. Parents may also receive an additional \$500 per dependent child under the age of 17.

The \$1,200 rebate amount will decrease by \$5 for every \$100 in excess of the AGI thresholds until it completely phases out. For example, the \$1,200 rebate completely phases out at an AGI of \$99,000 for an individual taxpayer and the \$2,400 rebate phases out at \$198,000 for a married couple filing a joint return.

Rebate payments will be based on 2019 income tax returns (2018 if no 2019 return was filed) and will be sent by the IRS via direct deposit or mail. Eligible individuals who receive Social Security benefits but don't file tax returns will also receive these payments, based on information provided by the Social Security Administration.

The rebate is not taxable. Because the rebate is actually an advance on a refundable tax credit against 2020 taxes, someone who didn't qualify for the rebate based on 2018 or 2019 income might still receive a full or partial rebate when filing a 2020 tax return.

2. Extra Unemployment Benefits

The federal government will provide \$600 per week to those who are eligible for unemployment benefits as a result of COVID-19, on top of any state unemployment benefits an individual receives. Unemployed individuals may qualify for this additional benefit for up to four months (through July 31.) The federal government will also fund up to an additional 13 weeks of unemployment benefits for those who have exhausted their state benefits (up to 39 weeks of benefits) through the end of 2020.


The CARES Act also provides assistance to workers who have been affected by the COVID-19 pandemic but who normally wouldn't be eligible for unemployment benefits, including self-employed individuals, part-time workers, freelancers, independent contractors, and gig workers. Individuals who have to leave work for coronavirus-related reasons are also potentially eligible for benefits.

3. Federal Student Loan Deferrals

For all borrowers of federal student loans, payments of principal and interest will be automatically suspended for six months, through September 30, without penalty to the borrower. Federal student loans include Direct Loans (which includes PLUS Loans), as well as Federal Perkins Loans and Federal Family Education Loan (FFEL) Program loans held by the Department of Education. Private student loans are not eligible.

4. IRA and Retirement Plan Distributions

Required minimum distributions from IRAs and employer-sponsored retirement plans will not apply for the 2020 calendar year. In addition, the 10% premature distribution penalty tax that would normally apply for distributions made prior to age 59½ (unless an exception applied) is waived for coronavirus-related retirement plan distributions of up to \$100,000. The tax obligation may be spread over three years, with up to three years to reinvest the money.



The CARES Act provides economic relief for individuals and businesses affected by the coronavirus pandemic.

5. Help for Businesses

The CARES Act includes several provisions designed to help self-employed individuals and small businesses weather the financial impact of the COVID-19 crisis.

Self-employed individuals and small businesses with fewer than 500 employees may apply for a Paycheck Protection Loan through a Small Business Association (SBA) lender. Businesses may borrow up to 2.5 times their average monthly payroll costs, up to \$10 million. This loan may be forgiven if an employer continues paying employees during the eight weeks following the origination of the loan and uses the money for payroll costs (including health benefits), rent or mortgage interest, and utility costs.

Also available are emergency grants of up to \$10,000 (that do not need to be repaid if certain conditions are met), SBA disaster loans, and relief for business owners with existing SBA loans.

Businesses of all sizes may qualify for a refundable payroll tax credit of 50% of wages paid to employees during the crisis, up to \$10,000 per employee. The credit is applied against the employer's share of Social Security payroll taxes.

How Long Should You Keep Financial Records?

Once tax season is over, you may want to file your most recent records and discard older records to make room for the new ones. According to the IRS, personal tax records should be kept for three years after filing your return or two years after the taxes were paid, whichever is later.* (Different rules apply to business taxes.) It might be helpful to keep your actual tax returns, W-2 forms, and other income statements until you begin receiving Social Security benefits.

The rules for tax records apply to other records you use for deductions on your return, such as credit card statements, utility bills, auto mileage records, and medical bills. Here are some other guidelines if you don't use these records for tax purposes.

Financial statements. You generally have 60 days to dispute charges with banks and credit card companies, so you could discard statements after two months. Once you receive your annual statement, throw out prior monthly statements.

Retirement plan statements. Keep quarterly statements until you receive your annual statement; keep annual statements until you close the account. Keep records of nondeductible IRA contributions indefinitely to prove you paid taxes on the funds.

Real estate and investment records. Keep these at least until you sell the asset. If the sale is reported on your tax return, follow the rules for tax records.

Loan documents. Keep documents and proof of payment until the loan is paid off. After that, keep proof of final payment.

Auto records. Keep registration and title information until the car is sold. You might keep maintenance records for reference and to document services to a new buyer.

Medical records. Keep records indefinitely for surgeries, major illnesses, lab tests, and vaccinations. Keep payment records until you have proof of a zero balance.

Other documents you should keep indefinitely include birth, marriage, and death certificates; divorce decrees; citizenship and military discharge papers; and Social Security cards. Use a shredder if you discard records containing confidential information such as Social Security numbers and financial account numbers.

*Keep tax records for at least six years if you underreported gross income by more than 25% (not a wise decision) and for seven years if you claimed a deduction for worthless securities or bad debt.

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