



**MERIT**  
Financial Advisors

# SECURE ACT 2.0



“I’m so excited about my  
Income Tax,”  
said no one, ever

Department of the Treasury—Internal Revenue Service (99)  
**U.S. Individual Income Tax Return**

Single  Married filing jointly  Married filing separately  
If you checked the MFS box, enter the name of your dependent child but not your dependent ▶

Last name  
First name  
Middle initial  
Last name  
House's first name  
Middle initial  
Last name  
(number and street). If you use a P.O. box, see instructions.  
Post office. If you have a foreign post office, also list the country name.  
During 2020, did you receive, sell, or dispose of:  
**Someone can claim:**  You  Someone else  
 Spouse itemizes on a separate return  
**You:**  Were born before January 2, 1956  
**Dependents** (see instructions):  
(1) First name Last name  
Dependent's address  
Check  if dependent is a student.  
Check  if dependent is a child.  
Check  if dependent is a child, stepchild, or dependent child-in-law.  
Check  if dependent is a child-in-law.  
Check  if dependent is a child-in-law.  
Check  if dependent is a child-in-law.

**1** Wages, salaries, tips, etc. Attach Form(s) W-2  
**2a** Tax-exempt interest  
**3a** Qualified dividends  
**4a** IRA distributions  
**5a** Pensions and annuities  
**6a** Social security benefits  
**7** Capital gain or (loss). Attach Schedule D if required. If not required, check here  
**8** Other income from Schedule 1, line 9  
**9** Add lines 1, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your **total income**  
**10** Adjustments to income:  
**a** From Schedule 1, line 22  
**b** Charitable contributions if you take the standard deduction. See instructions  
**c** Add lines 10a and 10b. These are your **total adjustments to income**  
**11** Subtract line 10c from line 9. This is your **adjusted gross income**  
**12** **Standard deduction or itemized deductions** (from Schedule A)  
**13** Qualified business income deduction. Attach Form 8995 or Form 8995-A  
**14** Add lines 12 and 13  
**15** Total deductions

**Standard deduction for:**  
Single or Married filing separately, \$12,400  
Married filing jointly or Qualifying widow(er), \$24,800  
Head of household, \$18,650  
If you checked any box under Standard Deduction, see instructions.

10a		10c	
10b		11	
		12	
		13	

TAXES



# PORTER - 8 YEARS OLD



# Vanguard Advisor's Alpha®

## The value-add of best practices in wealth management

Vanguard Advisor's Alpha strategy	Module	Benefit of moving from the scenario described to Vanguard Advisor's Alpha methodology
		Typical value added for client (basis points)
Suitable asset allocation using broadly diversified funds/ETFs	1	> 0*
Cost-effective implementation (expense ratios)	2	30
Rebalancing	3	14
Behavioral coaching	4	0 to > 200
Asset location	5	0 to 60
Spending strategy (withdrawal order)	6	0 to 120
Total return versus income investing	7	> 0*
<b>Total potential value added</b>		<b>Up to, or even exceed, 3% in net returns</b>

\* Value is deemed significant but too unique to each investor to quantify

Notes: We believe implementing the Vanguard Advisor's Alpha framework can up to, or even exceed, 3% in net returns for your clients and also allow you to differentiate your skills and practice. The actual amount of value added may vary significantly, depending on client circumstances and time horizon.

Source: Vanguard.

# Updates



**SECURE Act 2.0**



# FOR PEOPLE IN OR NEAR RETIREMENT

- Big Changes to Required Minimum Distributions
- Higher Catch-Up Contributions
- Changes to Qualified Charitable Distributions

# CHANGES TO REQUIRED MINIMUM DISTRIBUTIONS (RMD)

- The Secure Act of 2019 raised the age of RMDs from 70 ½ to 72
- Secure Act 2.0 further raises the RMD age from 72 to 73 in 2023
- Raises the age from 73 to 75 in 2033
- Reduction in penalty tax for failures by an individual to take RMD from 50% to 25%. If corrected in timely manner, the tax penalty reduced from 25% to 10%. These changes are effective for 2023.

TURNING 72 IN 2023?





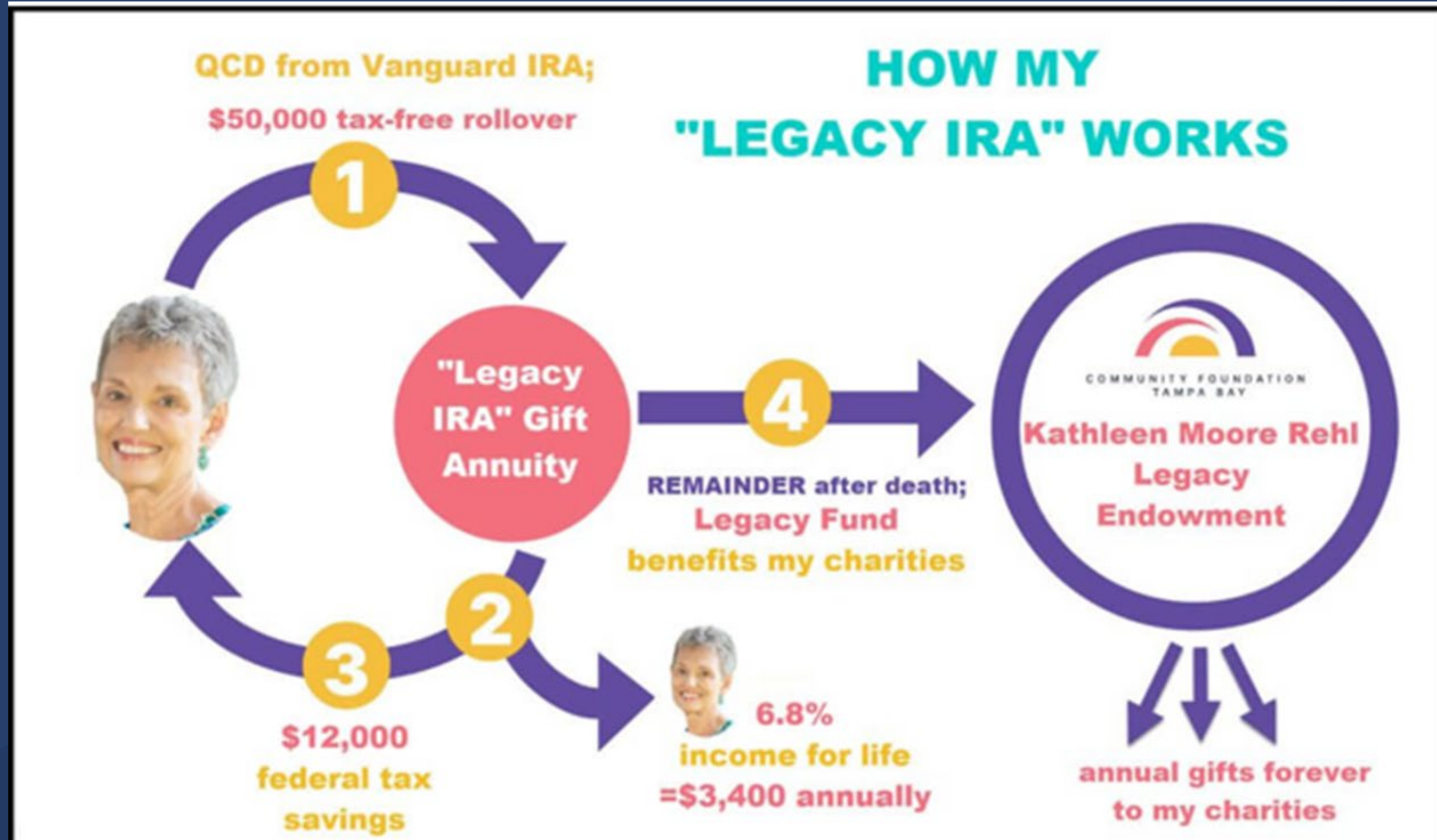
# CATCH-UP CONTRIBUTION CHANGES

- Effective in 2024, all catch-up contributions for individuals earning more than \$145k per year must be made on a Roth or After-Tax basis
- Effective in 2025, Individuals between the ages of 60 and 63 will be eligible for an increased catch-up limit on their non-Simple Retirement Plans. The limit is \$10k or up to 150% of the regular catch up for 2024.
- Simple Plan participants between the ages of 60-63 will be able to make catch-up contributions up to \$5k or 150% of the regular Simple catch-up for 2024.

# CHANGES TO QUALIFIED CHARITABLE DONATIONS (QCD)

- What is a QCD?
- Beginning in 2023, people who are age 70½ and older may elect as part of their QCD limit a one-time gift up to \$50,000 to a charitable remainder unitrust, a charitable remainder annuity trust, or a charitable gift annuity.
- This is an expansion of the type of charity, or charities, that can receive a QCD. This amount counts toward the annual RMD

# Charitable Gift Annuity Example



# FOR PEOPLE YEARS AWAY FROM RETIREMENT

- Emergency Savings within Defined Contribution Plans
- Student Loan Debt Match
- Increased 529 Plan Flexibility

# INCREASED 529 PLAN FLEXIBILITY

- Currently, the common outcomes of 529 result in a qualified expense, non-qualified expense, or change beneficiary
- After 15 years, 529 plan assets can be rolled over to a Roth IRA for the beneficiary
- The rollover is treated as a contribution towards the annual Roth IRA contribution limit.
- Aggregate lifetime limit of \$35,000.

# IMPORTANT REMINDERS FOR WIDOWS

- Make sure to get your basis stepped up
- Charitable Gifting Ideas
- Tax Loss Harvesting
- Tax Filing Status
- How Filing Status Change Could affect Tax Bracket
- How Filing Status Change Could affect Medicare Part B Premiums



TruWealth® For Widows

# 2023 FEDERAL INCOME TAX BRACKETS

## Income tax

	If taxable income is over	But not over	The tax is	Of the amount over
<b>Married/Filing jointly and qualifying widow(er)s</b>	\$0	\$22,000	\$0 + 10%	\$0
	\$22,000	\$89,450	\$2,200 + 12%	\$22,000
	\$89,450	\$190,750	\$10,294 + 22%	\$89,450
	\$190,750	\$364,200	\$32,580 + 24%	\$190,750
	\$364,200	\$462,500	\$74,208 + 32%	\$364,200
	\$462,500	\$693,750	\$105,664 + 35%	\$462,500
	\$693,750		\$186,601.50 + 37%	\$693,750
<b>Single</b>	\$0	\$11,000	\$0 + 10%	\$0
	\$11,000	\$44,725	\$1,100 + 12%	\$11,000
	\$44,725	\$95,375	\$5,147 + 22%	\$44,725
	\$95,375	\$182,100	\$16,290 + 24%	\$95,375
	\$182,100	\$231,250	\$37,104 + 32%	\$182,100
	\$231,250	\$578,125	\$52,832 + 35%	\$231,250
	\$578,125		\$174,238.25 + 37%	\$578,125

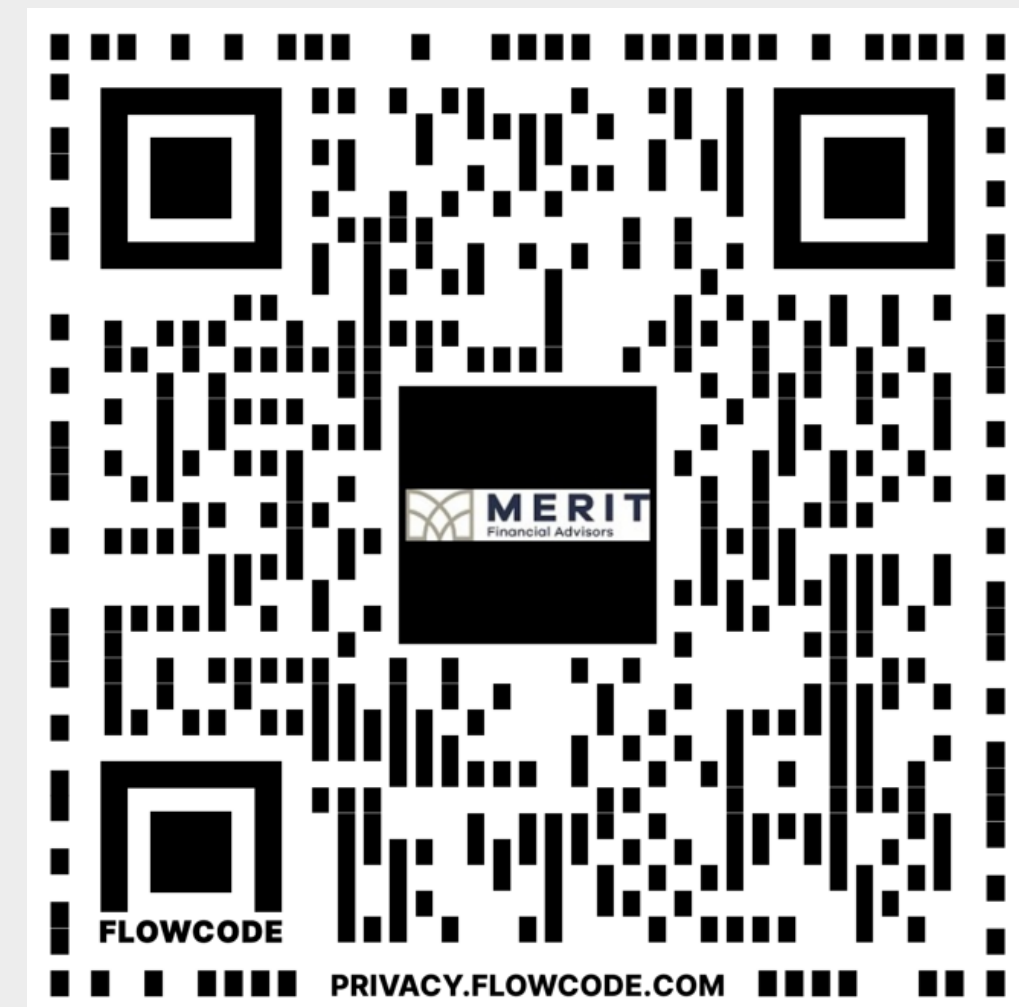
# 2023 MEDICARE PART B PREMIUM

Full Part B Coverage			
Beneficiaries who file individual tax returns with modified adjusted gross income:	Beneficiaries who file joint tax returns with modified adjusted gross income:	Income-Related Monthly Adjustment Amount	Total Monthly Premium Amount
Less than or equal to \$97,000	Less than or equal to \$194,000	\$0.00	\$164.90
Greater than \$97,000 and less than or equal to \$123,000	Greater than \$194,000 and less than or equal to \$246,000	\$65.90	\$230.80
Greater than \$123,000 and less than or equal to \$153,000	Greater than \$246,000 and less than or equal to \$306,000	\$164.80	\$329.70
Greater than \$153,000 and less than or equal to \$183,000	Greater than \$306,000 and less than or equal to \$366,000	\$263.70	\$428.60
Greater than \$183,000 and less than \$500,000	Greater than \$366,000 and less than \$750,000	\$362.60	\$527.50
Greater than or equal to \$500,000	Greater than or equal to \$750,000	\$395.60	\$560.50



# National Widows Day Wednesday, May 3<sup>rd</sup>

- Love it or List It
- Lunch Provided
- 11am – 1pm, Las Colinas Country Club
- For More Information Scan the QR Code





## TruWealth® For Widows

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# THANK YOU

We look forward to working with you



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