BUILDING AND PRESERVING WEALTH

INVESTMENTS | TAX | RETIREMENT | INSURANCE | ESTATE

Quarterly Update
January 2017

05/02/2017

Tuesday, May 2nd, 2017
from 6:00p.m.-7:30p.m.

Southtown Office Park

8120 Penn Ave. S., Bloom.

1st Floor—Suite 135

Seating is limited!

Learn About
Estate Planning Practices

Details to follow

Announcement

We would like to welcome David Gau to our team!

Our new intern is a native of Maple Grove, and is currently a Junior at the University of Minnesota.

David is majoring in economics with a minor in management, and is looking forward to a career as a financial advisor. He enjoys golfing and reading in his free time.

Retirement Plans and Estate Planning

Gary Webb, *RFC®*

Who receives your retirement plan benefits after your death?

You can designate who will receive your retirement plan account at your death by designating a beneficiary on the account (Your spouse may have certain rights). It is generally recommended that you designate beneficiaries and any backup beneficiaries on the account.

If you do not have a named beneficiary (or the designated beneficiary predeceases you and you do not have a backup beneficiary), benefits will be distributed according to the terms of your retirement plans (which may specify certain default beneficiaries, such as a spouse). If retirement plan benefits end up distributed to your estate, the plan benefits will be distributed according to the terms in your will. However, if you do not have a will or if the benefits cannot be distributed under the terms of your will, the benefits will be distributed under your state's intestate succession laws. A typical intestate succession law might give one-half or one-third to your spouse with the balance divided equally among your children.

Estate taxation of your retirement plan benefits at your death

At your death, your retirement plan benefits will generally be included in your gross estate for federal estate tax purposes. However, if your retirement benefits consist of annuity payments for life that end at your death, there is nothing remaining to include in your gross estate. There is an unlimited marital deduction for property you leave to your surviving spouse, and an unlimited charitable deduction for property you leave to charity. You have an applicable exclusion amount that can protect some or all of your taxable estate from estate tax.

Income taxation of retirement plan distributions after your death

After your death, your beneficiaries will generally be required to take distributions from your retirement plans over their life expectancies. The rules may be more favorable if your surviving spouse is the beneficiary of your retirement plan.

Generally, property that is included in your gross estate receives an income tax basis that is stepped-up (or stepped-down) to fair market value at your death. However, your retirement plan benefits do not receive such a step-up (or step-down) in basis. In general, for income tax purposes, your beneficiaries will include distributions from the retirement plan as income when received. Distributions made after your death from a Roth 401(k) plan or a Roth IRA will generally be qualified distributions that are not taxable income to your beneficiaries (as long as certain five-year holding periods are met).

State taxation of retirement benefits

Your retirement benefits may also be subject to state estate, inheritance or income taxes.

2016 Charity Giving

- Compassion International
- JDRF
- Zuhrah Shrine Circus
- Focus Minnesota
- MS Society
- Doctors w/o Borders
- Campus Outreach
- Kingdom Advisors
- Village Schools Foundation
- NFIB—SAFE
- Animal Human Society
- Alzheimer's Association
- Leukemia Society
- Alex's LS Foundation
- Susan Komen Foundation
- Eagan Foundation
- Salem Covenant Church
- University of Minnesota

Every year we donate to many great charities, foundations and causes.

All of us at
Webb Financial Group
wish you a healthy and
prosperous New Year!

In compliance with the SEC rules and regulations, we would like to offer you the most recent copy of our ADV II brochure. Please call if you would like a copy.

Webb Financial Group provides comprehensive wealth management solutions to individuals and businesses. For over thirty-five years, we have helped our clients achieve financial security.

Michael Bischoff, *CFP® & COO*
Gary Webb, *RFC® & CEO*
Dave Verbeke, *Financial Advisor*
Tim Greife, *Financial Advisor*
Leslie Webb, *Investment Advisor*
Michelle Brennan, *Registered Paraplanner, RP®*
Kristi Mattiuz, *Controller*
David Gau, *Intern*

New Service—Health Savings Account (HSA) Management


Dave Verbeke
Financial Advisor

Health savings accounts (HSA) were created to help create a savings pool to help with paying higher health deductibles and are one of the best tax advantaged savings accounts that are available today. You can contribute to an HSA if you have a high deductible health care insurance plan and you are employed or self-employed. A high deductible health care plan is one that has a deductible of $1300 or more. For family coverage the minimum deductible is $2600. Your maximum contribution for 2017 is $3400 for single coverage and $6750 for family. There is an additional catch up contribution of $1000 once you reach age 55. Additionally, spouses can also make a catch up contribution once they reach age 55.

Webb Financial works with Health Savings Administrators to provide this service to our clients. An HSA is an individual account similar to an IRA. Even though your employer may offer a vendor through payroll deduction, you can select and use your own vendor. We've selected Health Savings Administrator because it allows us to create model portfolios to manage your account. They also provide a lineup of low cost Vanguard funds to keep investment costs low.

One of the best ways to utilize an HSA is to grow your balance in the account as much as possible and delay using those funds until retirement. This will allow you to reduce the amount of money you need to take out of your IRA to pay for medical costs in retirement. Out of pocket health care costs for a couple retiring in 2017 are estimated to be over $200,000. Using pretax dollars from your HSA is a great way to get an advantage to help pay for those expenses. If you would like to hear more about HSA investing, please contact your advisor.

Announcing Our New & Improved Website

Check us out at: www.webbfinancial.com

Specializing in Wealth Management & Financial Planning

- **Web Portal Login**
- **Newsletters & Blogs**
- **Financial Calculators**

****Coming Soon****

Online Meeting Scheduling

OUR VISION

As a comprehensive Wealth Management Firm, we work to provide solutions for our clients financial needs. We are dedicated to providing solutions that are in the best interest of our clients. We professionally support, educate and provide informed direction to each and every client. Our goal is to be the resource our clients need to help them achieve their short, mid and long term goals.

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