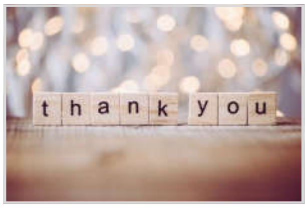
BUILDING AND PRESERVING WEALTH

INVESTMENTS | TAX | RETIREMENT | INSURANCE | ESTATE

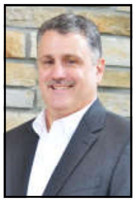
Quarterly Update
October 2021

30 Day Gratitude Challenge

1. Send a card to someone
2. Do a random act of kindness
3. Thank a family member
4. Look in the mirror and say what you are grateful for about yourself
5. Write about a meal you're grateful for
6. Bake a treat and give some to others
7. Try a gratitude meditation
8. Share something you're grateful for that money can't buy
9. Write a glowing review to a company you love
10. Send a thank you to someone who inspired you
11. List five things you're grateful for using your senses
12. Write something you are looking forward to
13. Share how you're grateful for a gift you received
14. Thank a friend/neighbor
15. Write a memory you cherish
16. Share a goal you achieved
17. Go one day without complaining
18. Take time to care for your mind, body & soul
19. Find a photo you are grateful for
20. Think of an amazing thing that happened in the last month
21. Donate items you no longer need
22. Cook a meal for someone that's tired or stressed
23. Thank the author of a book you loved
24. Really savor one meal
25. Spend time with loved ones today
26. Write about what made you smile or laugh
27. Take a photo of something you are grateful for
28. Write down something you are good at
29. Call or text someone and tell them why you are grateful for them
30. Start a gratitude journal



It's OPEN Enrollment Time



Dave Verbeke
Financial Advisor

This time of the year can be very stressful because it's time to make your benefits decisions for the coming year. It can be difficult to know which decisions are right for you and your family. Here are a few helpful hints to get you through open enrollment and ready for 2022.

High deductible health care plan (HDHP) or not? Most companies have gone to HDHP to reduce the cost of providing health insurance to their employees. If you have a choice between a HDHP and a copay plan, you should look at your annual health care costs to see how a change will impact your budget. The idea of the HDHP is to have you self-insure for the small claims and have the plan pay for large expenses. If you chose a HDHP, a health savings plan (HSA) is a great tax advantaged way to save for health care expenses. Contributions to an HSA are triple tax free when used for health expenses! Contributions are pre-tax so you avoid State, Federal and FICA taxes. You do not have to use all of the money in the plan each year. If your employer does not offer HSA payroll deductions, contact us to open an account.

Contributions and Out-of-Pocket Limits	2022
HSA contribution limit (employer + employee)	Self-only: **$3,650** Family: **$7,300**
HSA catch-up contributions (age 55 or older)	**$1,000**
HDHP minimum deductibles	Self-only: **$1,400** Family: **$2,800**
HDHP maximum out-of-pocket amounts (deductibles, co-payments and other amounts, but not premiums)	Self-only: **$7,050** Family: **$14,100**

Source: IRS, Revenue Procedure 2021-25.

401k contribution amount - Your 401k plan at work is one of the most convenient ways to save for retirement. If your employer offers a match, you should make sure you contribute at least enough to receive the full matching funds. In order to replace your income in retirement, you should reach for the savings goal of 10% to 15% of your income. If you're not at that level yet, work to increase your current contribution amount by 1% per year until you hit the goal. If Roth (post-tax) contributions are offered in your plan, it may make sense for you to make after-tax contributions now, in exchange for tax free withdrawals in retirement. This is most effective for people with 10 or more years until retirement and in the lower tax brackets. Contact your advisor for more information.

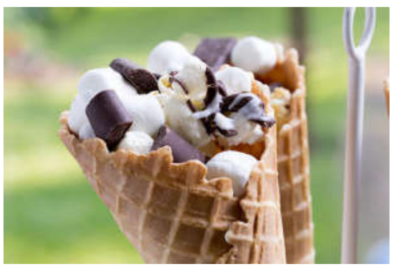
Group life or disability plans - These plans offered by the employer can be a low cost way to add insurance coverage. Group plans usually have minimal underwriting requirements so it is easy to get coverage even if your health isn't perfect. Disability insurance is frequently overlooked and group plans can be very cost effective. If you need additional life insurance, we have an online pricing tool to check for competitive pricing on term policies. Contact your advisor for a comparison.

Medicare Advantage and Supplemental policies - Medicare decisions for retired clients are complex and require an experienced, trusted professional to guide them through the process. New to our Strategic Alliance Group is Matt Kern from Kern Financial. He specializes in Medicare insurance and offers plans from multiple carriers. Please contact us for a referral to Matt.

Campfire S'mores WAFFLE CONE

Step 1:
Place chocolate chips and marsh-mallows in a waffle cone.
Step 2:
Wrap waffle cone with aluminum foil.
Step 3:
Heat in a campfire for 3-5 minutes.

Remove with tongs and allow to cool for a few minutes.



New twist on an old campfire treat makes for happy campers!

Attention Snowbirds:

Be sure to contact us with your winter address so you are able to receive your mail.

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

Michael Bischoff, *CFP® & COO*
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Taxes: One of Life's Certainties

Tim Greife
Financial Advisor

As our government continues to take on debt, we need to work on paying it back. One of the ways to pay it back is through taxes. Currently some taxes are at all-time lows. That could change in the near future creating complications. How might this affect you?

Currently, House Democrats are proposing an increase from 20% to 25% on long-term capital gains rates for investors in the highest tax bracket. In addition, the Democratic proposal includes top corporate tax rates of 26.5% (currently 21%) and top individual tax rates of 39.6% (currently 37%). This is significant for business owners with high incomes.

These potential increases to long-term capital gains would apply to asset sales occurring after September 13th, 2021, leaving no forward looking grace for investors to make adjustments. This would affect investors with taxable income above $400,000 (single filers), $425,000 (head of household filers), and $450,000 (married filing joint). At this time, the proposal doesn't include changes to the 15% long-term capital gains rate for investors with incomes below the above thresholds. Short-term capital gains (sales of capital assets held less than one year) are taxed as ordinary income and will also remain the same.

How can we strategize to minimize the impact of these potential changes?

Hold your long-term investments even longer: Tax changes, both increases and decreases, happen all the time. A shift in who controls the House and Senate could lead to a repeal in future years. Remember, capital gains are not taxed until they are realized.

Leverage tax-advantaged accounts: Maximizing contributions to retirement accounts (401(k)s, Roth IRAs, IRAs, etc.) and Health Savings Accounts (HSAs). Another option would be to consider a non-qualified annuity in the right circumstances.

Municipal bonds could be another option to consider: Income from a muni-bond is a tax free event. Depending on the bond, it could be tax-free for both federal and state.

While the proposed changes will not affect the majority of taxpayers, those that could be affected should take a proactive stance. Other tax measures are making their way through Congress, and we will continue to monitor the developments as they unfold.

A Long Way From Becoming Law

Michael Bischoff, CFP®

With new tax proposals on the table in Washington, it may include the following array of provisions:

- Paid family leave and medical leave
- New auto IRA program for small businesses
- Tax increases for high-income Americans
- Changes for Roth IRAs and conversion rules
- An increase to Capital Gain taxes for individuals

I'm not going to speculate on what all this means for future tax planning strategies but here are two ideas that make sense:

1. Roth Conversion in 2021 before tax rates increase
2. Consider a tax-deferred investment account if you are in the three highest federal tax brackets

The Ways and Means Committee discussions are a long way from becoming law and a senate bill may not include all the same tax provisions. The political balancing act continues to play out and it's going to take longer than expected. This tax bill is still going through many changes. The bottom line is that the current period of low tax rates is coming to an end. We will have more information available in 2022. Changes always bring new opportunities for effective tax planning strategies.

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