FIDUCIENT Advisors

2025 Financial Planning Guide

Investing in Your Financial Wellness

FIDUCIENT
Advisors

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FIDUCIENT
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Fiducient Advisors: Firm At-A-Glance

Fiducient Advisors at a Glance

200+ Associates

31% Investment Consultants
38% Research & Analytics
18% Operations & Compliance
13% Client Service

Total Assets

$330+ billion

Business Lines

- Individuals & Families
- Defined Contribution
- Defined Benefit
- Financial Institutions
- Endowments & Foundations

Associate Ownership

40 Partners
>18% of firm associates have ownership

As of June 30, 2024, percentages are approximate. There may be overlap in responsibilities of some research professionals.

Assessing Your Financial Wellness

Assessing Your Financial Wellness

The New Year provides a great opportunity to assess areas which may require updates. As you navigate through this guide, we suggest utilizing the scorecard below to evaluate your overall "financial wellness."

	Up-to-Date *No Action Needed*	**Review** *Action May Be Needed*	**Revise** *Action Needed*	**N/A** *Not Applicable*
Tax Planning	○	○	○	○
Charitable Planning	○	○	○	○
Investment Planning	○	○	○	○
Retirement Planning	○	○	○	○
Executive Compensation Benefits	○	○	○	○
Social Security & Medicare	○	○	○	○
Estate Planning	○	○	○	○
Beneficiary Designations*	○	○	○	○
Insurance Planning*	○	○	○	○
Cybersecurity & Fraud Protection	○	○	○	○

** Be sure to review upon major life events such as marriage, divorce, birth/adoption of a child, etc.*

Key Updates for 2025

Quick Takes for the New Year (2025)

Extending the 2017 Tax Cuts?

With majorities in the House and Senate, Republican lawmakers will likely look to extend the 2017 tax cuts from the Tax Cuts and Jobs Act ("TCJA"), which were set to expire at the end of 2025. Individuals should follow legislative updates to evaluate whether to adjust planning strategies in light of any proposed changes.

Additional Opportunities for Gifting

The lifetime gift tax exemption increases in 2025 by $380,000, to a new limit of $13,990,000 per person.[1] Individuals who had previously exhausted their lifetime gifting exemption may now find capacity to remove additional assets from their taxable estate. The elevated exemption amount is scheduled to "sunset" at the end of 2025; however, a Republican-controlled Congress may look to extend the current exemption beyond December 31, 2025.

"Super Catch-up" Contributions for 401(k) / 403(b) / 457

SECURE Act 2.0 includes a new provision for 2025 which allows older individuals (age 60-63) to make a "super" catch-up contribution up to $11,250 to their 401(k)/403(b)/457 retirement plan. Individuals must be age 60-63 by the end of the calendar year; otherwise, the age-50+ catch-up limit is $7,500.[2]

Corporate Transparency Act (CTA) ….on hold

The Corporate Transparency Act was intended to curb illicit activities such as money laundering and tax evasion, with a requirement for beneficial owners of businesses, LLCs and other entities to file a report by January 1, 2025, with the U.S. Financial Crimes Enforcement Network (FinCEN). On December 3, 2024, a Texas-based federal court issued a nationwide injunction, blocking the U.S. Treasury Department from enforcing the provisions of the CTA.[3]

[1] *Source: IRS releases tax inflation adjustments for tax year 2025*
[2] *Source: USA Today – "IRS raises 401(k) contribution limits, adds super catch-up for 60-63 year olds in 2025" (November 3, 2024)*
[3] *Source: Varnum LLP – "Federal Court Enjoins Enforcement of the CTA Nationwide; Reporting Companies "Need Not Comply" with January 1 Deadline" (December 4, 2024)*

Quick Takes for the New Year (2025)

Charitable "Bunching" Remains Effective	Given the sharp increase in the standard deduction under the Tax Cuts and Jobs Act (TCJA), charitably inclined taxpayers who itemize deductions should review the net tax savings from their charitable giving and should consider whether "bunching" a higher proportion in a single tax year could be beneficial.[1] Utilizing a donor-advised fund or private foundation for this purpose can be an effective strategy.
Still-Elevated Interest Rates Provide Planning Opportunities	Advanced planning strategies such as Charitable Remainder Trusts (CRT) and Qualified Personal Residence Trusts (QPRT) may be viable planning opportunities amid still-elevated interest rates. With a CRT, a higher discount rate reduces the present value of the income to be received by the non-charitable beneficiary, which results in a greater tax deduction. With a QPRT, a higher discount rate lowers the gift value of the future remainder interest. As of December 2024, the Section 7520 rate (set by the IRS) stood at 5%.[2]
Intra-Family Loans Remain Popular	Given the significant difference between traditional mortgage rates and the applicable federal rate (AFR), intra-family loans remain popular. The national average rate for a 30-year fixed conforming mortgage stood at 6.73% as of December 11, while the long-term AFR (for loans longer than nine years) stood at 4.53% as of December.[3,4]

[1] *Source: Schwab Charitable – "Bunching Charitable Contributions"*
[2] *Source: IRS – "Section 7520 Interest Rates"*
[3] *Source: Bankrate.com – "Rates go down | Mortgage rates for December 11, 2024"*
[4] *Source: National Family Mortgage – "IRS Applicable Federal Rates"*

SECTION 1

Tax Planning

2025 Federal Tax Provisions

Federal Income Tax Brackets[1]

Marginal Tax Rate	Single Filers	Head of Household	Married Filing Jointly	Trusts and Estates
10%	0 – 11,925	0 – 17,000	0 – 23,850	0 – 3,150
12%	11,926 – 48,475	17,001 – 64,850	23,851 – 96,950	
22%	48,476 – 103,350	64,851 – 103,350	96,951 – 206,700	
24%	103,351 – 197,300	103,351 – 197,300	206,701 – 394,600	3,151 – 11,450
32%	197,301 – 250,525	197,301 – 250,500	394,601 – 501,050	
35%	250,526 – 626,350	250,501 – 626,350	501,051 – 751,600	11,451 – 15,650
37%	626,351+	626,351+	751,601+	15,651+

Alternative Minimum Tax (AMT)[1]

	AMT Exemption	AMT Exemption Phaseout
Single and Head of Household	88,100	626,350
Married Filing Jointly	137,000	1,252,700

The AMT exemption is reduced by $0.25 for each dollar that a taxpayer's Alternative Minimum Taxable Income (AMTI) exceeds the phase-out threshold

Long-Term Capital Gains Tax Rates[1]

Taxable Income:

Rate		Taxable Income	Filing Status
0%	<	48,350	Single
		64,750	Head of Household
		96,700	Married Filing Jointly
		3,250	Trusts & Estates
15%	*between*	48,350 – 533,400	Single
		64,750 – 566,700	Head of Household
		96,700 – 600,050	Married Filing Jointly
		3,250 – 15,900	Trusts & Estates
20%	>	533,400	Single
		566,700	Head of Household
		600,050	Married Filing Jointly
		15,900	Trusts & Estates

[1] Source: Forbes – "IRS Announces 2025 Tax Brackets, Standard Deductions and Other Inflation Adjustments" (October 22, 2024)

2025 Federal Tax Provisions

Standard Deduction vs. Itemized Deductions[1]

Taxpayers may take the greater of the standard deduction or total itemized deductions

Standard Deduction

- $15,000 Single
- $22,500 Head of Household
- $30,000 Married Filing Jointly

Itemized Deductions

- Medical expenses greater than 7.5% of adjusted gross income are deductible
- SALT Deduction capped at $10,000 for *__the sum of__*: 1) property taxes *and* 2) *greater of* state and local income taxes *or* sales taxes
- Home mortgage interest on mortgages up to $750,000. (*Note: Mortgages before December 15, 2017, up to $1 million grandfathered.)*
- Charitable contributions (subject to AGI limits based on contributed property and receiving charity)

"Must Know" Healthcare Taxes[2]

Net Investment Income Tax (NIIT):

3.8%

On the *lesser of* net investment income *or* Modified AGI above threshold:
$ 200,000 for Single/Head of Household
$ 250,000 for Married Filing Jointly
$ 125,000 for Married Filing Separately

Note: These threshold amounts are not indexed for inflation.

Investment income includes, but is not limited to:

- Interest
- Dividends
- Capital Gains
- Rental/Royalty Income
- Taxable Portion of Non-Qualified Annuity Payments
- Business Income from Financial Trading
- Passive Activities

Medicare Surtax:

0.9%

On *earned* income above:
$ 200,000 for Single
$ 250,000 for Married Filing Jointly
$ 125,000 for Married Filing Separately

Note: These threshold amounts are not indexed for inflation.

[1] Source: Forbes – "IRS Announces 2025 Tax Brackets, Standard Deductions and Other Inflation Adjustments" (October 22, 2024)
[2] Source: IRS – "Find Out if Net Investment Income Tax Applies to You"

Monitor and Manage Your Taxable Income

Planning Tip
Consider how your current tax picture compares to prior years, as year-over-year variability may provide valuable planning opportunities.

Higher-than-Normal Taxable Income

- Accelerate itemized deductions (in particular, charitable deductions)
- Defer certain income items (e.g., bonus payout, sale of a business, stock option exercises)
- Manage realized capital gains; harvest tax losses, where available
- Maximize contributions to retirement accounts

Lower-than-Normal Taxable Income

- Defer itemized deductions (in particular, charitable deductions)
- Accelerate certain income items (e.g., bonus payout, sale of a business, stock option exercises, etc.)
- Realize capital gains, up to a certain threshold
- Consider a Roth conversion

"Charitable Bunching"
Taxpayers who are charitably inclined and who have higher-than-normal income in a given year might consider bunching multiple years' worth of charitable gifts into a single tax year to produce a higher itemized deduction total. Pairing this planning strategy with a donor-advised fund or a private foundation can be particularly effective.

Optimize Your Portfolio for Tax-Efficiency

Planning Tip

- The taxation of portfolio income varies by asset class. Taxable bond and REIT income is taxed unfavorably at ordinary income rates, while equity dividends are typically taxed favorably at lower qualified dividend rates.
- An investor who has a combination of taxable and tax-deferred investment accounts can optimize a portfolio’s allocation to minimize tax drag, thereby enhancing long-term after-tax returns.

More Tax-Efficient

Municipal Bonds	Income is federally tax-exempt and may be state tax-exempt
Equities, Low-Turnover	Qualified dividends with limited capital gains
Equities, High-Turnover	Qualified dividends but may produce higher capital gains
REITs	Non-qualified dividends with capital gains
Taxable Bonds, Low Yields *(TIPS, Global Bonds, Core US Bonds)*	Lower yields but taxed as ordinary income
Taxable Bonds, High Yields *(High Yield & Dynamic Bonds)*	Higher yields and taxed as ordinary income

Less Tax-Efficient

Asset classes/investments such as broad real assets, hedge funds, etc. may be harder to quantify for tax efficiency.

The Importance of Asset Location

Thoughtfully allocating your portfolio can greatly enhance after-tax returns.

Allocate higher-growth strategies to Roth retirement accounts (if available)

- Allocate primarily to global equities and other high-growth strategies
- Additional consideration should be given to actively managed, higher-turnover equity strategies

Allocate tax-inefficient asset classes to Traditional retirement accounts (Traditional IRA / 401(k) / 403(b))

- Focus on asset classes which produce income taxed as ordinary income
- Tier 1: High Yield Bonds, Dynamic Bonds
- Tier 2: U.S. Core (Taxable) Bonds, REITs
- Tier 3: Global Bonds, TIPS

"Round out" the portfolio allocation

- Determine whether to allocate to tax-exempt (municipal) bonds based on federal tax bracket
- Allocate to global equities which produce income typically taxed at favorable qualified dividend rates
- Additional consideration may be given to lower-turnover strategies

Questions to Ask a Fiducient Advisor

Are my itemized deductions providing significant tax savings?

A thorough analysis of a tax return should include an evaluation of itemized deductions (if applicable).

For example, charitably inclined individuals who itemize deductions might benefit from a “bunching” strategy – giving a higher proportion of charitables in a single tax year to produce a sizable itemized deduction, while opting for the standard deduction in subsequent years. This strategy can be effective when paired with a donor-advised fund or private foundation.

Is my portfolio allocated for tax-efficiency?

An individual with assets spread among taxable and tax-deferred investment accounts has the ability to optimize the portfolio allocation in order to minimize tax drag.

Investments may produce qualified dividends, non-qualified dividends, and/or capital gains. Careful consideration should be given as to which investments are held among certain investment accounts.

How might my tax picture change after retirement?

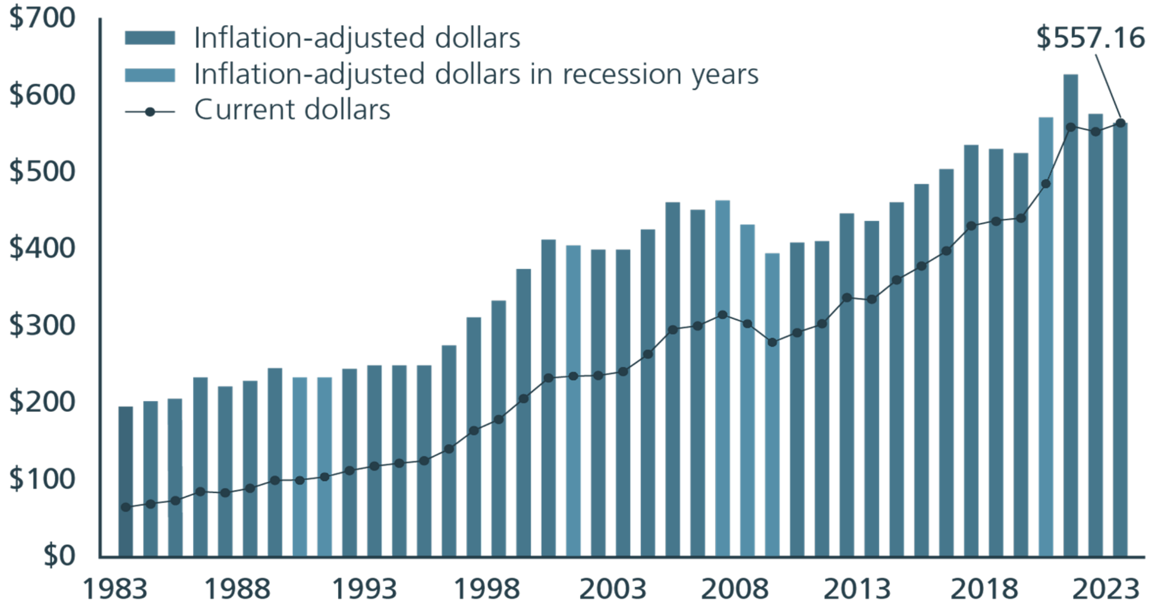
In the years leading up to retirement, a tax advisor should be consulted for comparison of pre- and post-retirement income, in anticipation of any notable changes.

Individuals who may find themselves in a much lower income tax bracket after retirement might consider accelerating charitable gifts while still actively employed, as doing so would allow the charitable gifts to provide a greater tax savings.

Charitable Planning

Trends in Philanthropy

Charitable giving continues to increase[1]



Larger, more flexible gifts
Families are giving more money, for longer periods of time, and with more flexibility.

Non-cash donations
The value of non-cash charitable contributions, like stocks, securities, vehicles and land, increased 135% between 2013 and 2021.[1]

Strong giving traditions
People who grew up with strong giving traditions may be more likely to donate and volunteer.

Democratization of giving
The proportion of charitable donors has remained consistent, but there are fewer older donors and more younger donors.[1]

[1] *"Giving USA 2024 Study," Lilly Family School of Philanthropy, data as of June 20, 2024.*

2025 Trends in Family Foundations

Foundation Trends

Legacy as a Priority

- Over half of families choosing a foundation as their primary philanthropic vehicle did so to create a long-term legacy (55%), while a significant portion relied on advice from legal or estate planning professionals.

Shift Toward Issue Focus

- Foundations with an issue-based focus increased from 54% in 2015 to 74% today, though geographic focus remains steady at 64%.

Active Founders

- Founders continue to play a key role, with 56% remaining active in their foundations. Donor intent remains influential, with 63% of foundations adhering closely to their founders' original goals.

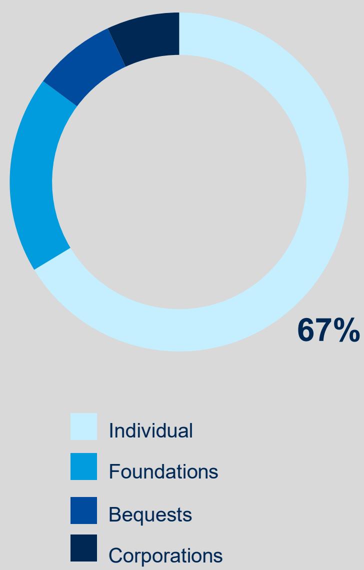
Growth in Assets

- The proportion of foundations with $10 million or more in assets has grown significantly, from 30% to 47%, reflecting strong market performance over the past decade.

Evolving Lifespan Decisions

- More foundations are opting to limit their lifespan (9% in 2015 to 13% in 2025) or periodically reevaluate their approach to perpetuity (20% to 26%), though those committed to operating indefinitely remain steady at about 30%.

An overwhelming majority of giving is done by individuals[1]



Grantmaking Trends

Increasing Payouts

- Over 70% of foundations now exceed the 5% minimum distribution requirement, with one-third raising their payout rates in the last five years. Larger foundations are more likely to increase payouts.

Grantee-Centric Practices

- Foundations are streamlining application processes (40%), offering multi-year grants (20%), and providing non-monetary support (23%). Most anticipate expanding these practices.

Community-Centered Giving

- Grantmakers increasingly prioritize their mission (72%), community needs (42%), and grantseeker needs (43%). Historic funding patterns and board member interests are less influential than in prior years.

General Operating Support

- Support for general operating grants has declined to 66%, down from 83% in 2015. However, 20% of respondents plan to expand this type of funding.

Impact Investing Decline

- The use of impact investing has dropped from 28% in 2020 to 19%, matching 2015 levels.

Evolving Impact Assessment

- While grant outcomes remain a key metric, more foundations now gather feedback from grantees and communities to evaluate their impact.

Source: National Center for Family Philanthropy's Trends 2025, October 2024

Charitable Giving Options

	Donor-Advised Funds[2]	Private Foundations	Charitable Lead & Remainder Trusts	Check, Cash or Credit
Organizations supported	IRS-qualified public charities	Many organizations and individuals, as long as the grant is made for a charitable purpose	IRS-qualified public charities and generally, private foundations	Public charities
Growth potential	☑	☑	☑	☒
Donations of non-cash items	☑	☑	☑	☒
Income tax deduction[1]	60% for cash 30% for appreciated assets[3]	30% for cash 20% for appreciated assets[4]	Depends on the type of charity supported by the trust and the type of trust	60% to qualifying charities
Tax on investment income	None	1.39% of net investment income	Depends on the nature of the trust	N/A
Option to support charities anonymously	☑	☒	☑	☒
Ability to name successors	☑	☑	☑	☒
Consider this when you want…	A turn-key giving solution with low costs and the potential to grow tax-free over time	To operate a charitable organization; potentially employ a staff; hire investment managers; actively manage grant-making; sponsor charitable events	A trust that can generate income for, and eventually pass on a remainder interest to, heirs and charities	To make one-off donations and manage your own donation receipts at tax time

Options are presented for illustrative purposes.

[1] Percentage of adjusted gross income (AGI).

[2] At a 501(c)(3) public charity.

[3] Appreciated assets held over a year are generally deductible at fair market value (this applies to both publicly and non-publicly traded assets).

[4] Appreciated, publicly traded assets held for over a year are generally deductible at fair market value, while non-publicly traded assets are generally deductible only at basis

Questions to Ask a Fiducient Advisor

Where should I start?

Before embarking on the path of philanthropy, you may benefit by taking a step back to consider the motivations and personal values you want to reflect through your giving.

This can often be achieved by looking back at your past volunteer and giving activities to identify certain values and themes.

This approach can make your donations more personally fulfilling and often helps to sustain a continued pattern of philanthropy.

What type of assets should I consider gifting?

Using your wallet (cash or credit cards) often seems like the path of least resistance; however, it is worth considering alternatives.

By using long-term appreciated securities from a taxable account or possibly making a Qualified Charitable Distribution (QCD) from an IRA, you may be able to provide a larger contribution to charity while also possibly enhancing the tax benefit for you and your family.

Which charitable giving vehicle is the right for me?

While a direct contribution to charitable organizations is the most common method for donations, there are a variety of giving vehicles which can help you achieve your philanthropic goals.

Tax benefits are an important component in choosing a charitable vehicle, but it is also important to consider the complexity and administrative burden associated with each option.

Taking the time and energy to find the approach which best fits your situation can maximize the effectiveness and efficiency of charitable gifts.

SECTION 2

Retirement Planning

How Much Will You Need for Retirement?

Longevity

Age 82
Age 84

- Average life expectancy for age-65 biological males and females[1]
- How does your current health and family health history influence your expectations for longevity?

Healthcare Costs

$165,000

- Estimated total healthcare costs in retirement for an age-65 individual[2]
- Have you factored in additional savings for future healthcare costs? Have you thought about Medicare coverage options?

Savings

> 80%

- Monte Carlo simulation target probability of having enough money at age-65 to last 30+ years
- Have you reviewed a retirement simulation to gauge the sufficiency of your savings?

Income Needs

75% - 85%

- Recommended income replacement ratio for estimating future retirement expenses[3]
- Do you have a current budget? Do you have an estimate for what you might need in retirement?

[1] *Source: Social Security Administration, Period Life Table 2019 (as published in the 2022 OASDI Trustees Report)*
[2] *Source: Fidelity Investments – "2024 Retiree Health Care Cost Estimate as Americans Seek Clarity Around Medicare Selection" (August 8, 2024)*
[3] *Source: T. Rowe Price – "How to Determine the Amount of Income You Will Need at Retirement" (February 2024)*

SECURE Act 2.0 – Updates for 2025

The initial goal of the SECURE Act 2.0 was to improve retirement savings by expanding access to retirement plans, increasing contribution limits and offering more flexibility for individuals and small businesses. Below are the key updates taking effect in 2025.

Automatic 401(k) Enrollment[1]

- Employers will be required to automatically enroll employees in new 401(k) and 403(b) plans. Employees will be enrolled at an initial contribution rate of 3%, which will increase by 1% annually until it reaches at least 10%, but not more than 15%. This auto-enrollment provision is intended to increase retirement plan participation rates, especially for employees who may not opt into the plan on their own.

Catch-Up Contributions for Workers Aged 60-63[1]

- New for 2025, workers between the ages of 60 and 63 will be eligible to make larger catch-up contributions to retirement accounts, such as 401(k)/403(b)/457. The increased catch-up contribution is $11,250 for those aged 60-63 (while $7,500 for those over age 50 but not age 60-63). This applies to employer-sponsored retirement plans (401(k)/403(b)/457), allowing older workers to save more as they approach retirement.

Roth Matching Contributions[1]

- Employers will be able to make matching contributions to employees' Roth 401(k) accounts in addition to traditional 401(k) accounts. Previously, employer contributions could only go into traditional (pre-tax) accounts. This change provides more flexibility for employees who want their retirement contributions to grow tax-free, even if the employer is contributing.

Looking Ahead to 2026…

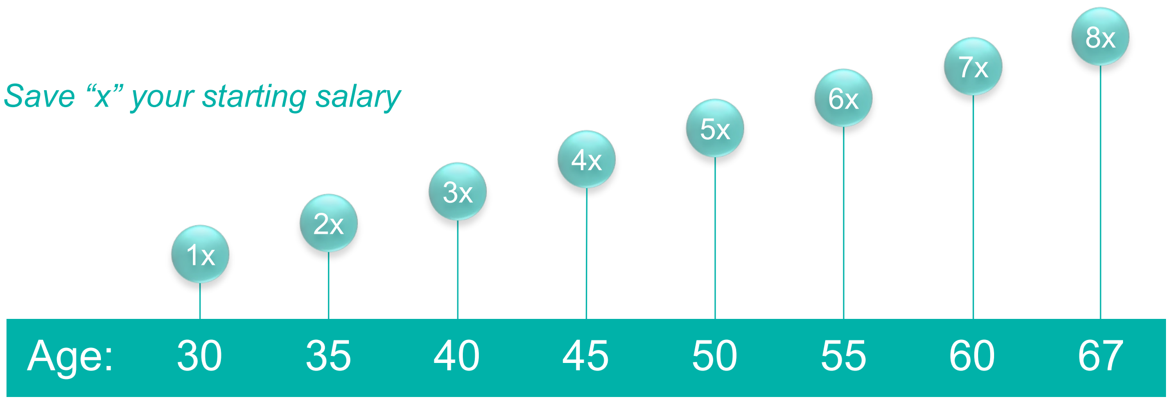
- Beginning in 2026, individuals age 50+ who earned at least $145,000 in the prior year will need to make catch-up contributions on a Roth basis, using after-tax money.
- This provision was originally slated for 2024; however, due to various problems implementing Roth catch-up contributions, the IRS announced this provision would be delayed until 2026.

[1] *Source: Kiplinger – "SECURE 2.0 Act Summary: New Retirement Savings Changes to Know" (October 19, 2024)*

Are You "On Track" for Retirement?

Retirement Savings Checkpoint

Save "x" your starting salary



Source: Fidelity – "How Much Do I Need to Retire?" (August 3, 2023)

Income Replacement Ratio

- General rule-of-thumb is at least 75% of pre-retirement income
- Why less than 100%?… Reduced expenses in retirement, savings no longer needed for retirement, and, in general, a reduction in income taxes
- High-income earners will be more reliant on investment savings for retirement income, as Social Security will only provide for a small portion of income need

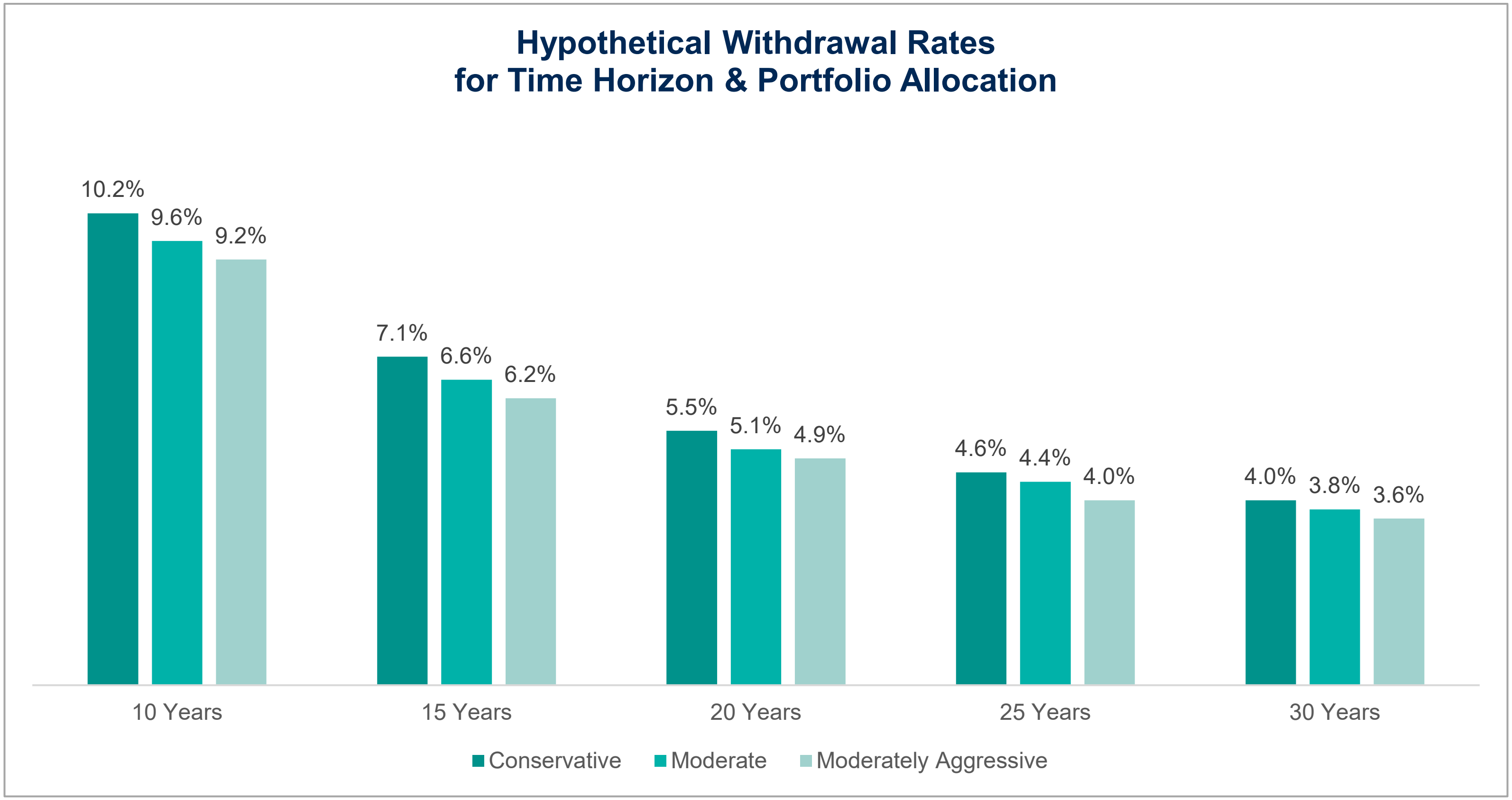
Avoid These Common Retirement Mistakes

- Saving too little and/or starting too late
- Retiring too early
- Assuming maximizing 401(k)/403(b) contributions will fully provide for future retirement income needs
- Underestimating lifestyle
- Underestimating longevity and future healthcare expenses
- Assuming too much risk to "catch up" for a savings shortfall
- Holding too large of an allocation to a few securities and/or company stock
- Filing for early (reduced) Social Security benefits despite expected longevity

[1] Source: Fidelity – "How Much Should I Save for Retirement?" (October 2024). Fidelity's suggested total pre-tax savings goal of 15% of annual income (including employer contributions) is based on our research, which indicates that most people would need to contribute this amount from an assumed starting age of 25 through an assumed retirement age of 67 to potentially support a replacement annual income rate equal to 45% of preretirement annual income (assuming no pension income) through age 93.

Choosing a Prudent Spending Rate

The “4% spending rule” is well-known but may **not** be applicable for all retirees. Ideally, a sustainable spending rate should be built on: time horizon, portfolio allocation and risk tolerance.



Source: Schwab – “Beyond the 4% Rule: How Much Can You Spend in Retirement?” (February 27, 2023).
Source: Schwab Center for Financial Research, using Charles Schwab Investment Advisory's (CSIA) 2023 10-year long-term return estimates and volatility for large-cap stocks, mid/small-cap stocks, international stocks, bonds and cash investments. Spending rates target a 90% confidence level for time horizon. Distribution rates are hypothetical and should be reviewed for an individual’s personal goals and risk factors.

How Can You Save for Retirement?

While contributing to a 401(k)/403(b) retirement plan is a great first step, it may not be sufficient in adequately providing for retirement needs, particularly for high-income earners. Aim to maximize contributions to retirement plans, and, whenever possible, seek additional savings opportunities.

Account Examples	Individual, Joint, Trust accounts	Traditional 401(k)/403(b) Plans, Traditional IRAs	Roth 401(k)/403(b) Plans, Roth IRAs
Taxable Income	Interest, dividends and capital gains	Account withdrawals	Earnings not taxable Qualified Withdrawals not taxable
Tax Deductions	Contributions not tax-deductible	Contributions tax-deductible (AGI limits for IRAs)	Contributions not tax-deductible
Contribution Limits	None	Yes, specific to type of account	Yes, specific to type of account

Maximizing Your Savings: Traditional vs. Roth?

Review objectives and marginal income tax bracket to evaluate whether to contribute to a Traditional retirement account, a Roth retirement account or a combination of both.

	Traditional IRA [1]	Traditional 401(k)/403(b) [2]	Roth IRA [1]	Roth 401(k)/403(b) [2]
Tax Benefits	Tax-deferred growth		Tax-free growth and tax-free qualified withdrawals	
Tax Deduction	Contributions may be tax-deductible depending on AGI	Yes, for current year contributions	No, funded with after-tax contributions	
Taxation of Withdrawals	Taxed as ordinary income		Qualified withdrawals are tax-free	
Early Withdrawal Penalties	With limited exceptions, withdrawals prior to age 59½ result in a 10% penalty (in addition to the distribution being treated as ordinary income)		Contributions can be withdrawn penalty-free while earnings are taxable and may be subject to a 10% penalty	The earnings portion of a non-qualified distribution will be taxable and may be subject to a 10% penalty
Income Limits for Contributions	No, but deductibility is subject to income limits	None	Yes	None
Age Limits for Contributions	As of 2022, none	None	As of 2022, none	None
Eligibility to Contribute	Must have earned income	Actively employed	Must have earned income	Actively employed
Deadline to Contribute	April 15 of the following tax year	December 31	April 15 of the following tax year	December 31

Tax Diversification: Individuals may consider utilizing a combination of both Traditional and Roth retirement plan accounts as a 'tax hedge' given uncertainty over future income tax rates.

[1] *Source: T. Rowe Price – "Roth IRA vs. Traditional IRA"*
[2] *Source: Nerdwallet – "Roth 401(k) vs. 401(k): Which Is Best for You?" (December 2024)*

Retirement Contribution Limits

Retirement Benefit Limits[1,2,7]

	2024	2025
Contribution Limits for 401(k)/403(b) Plans	23,000	23,500
Age 50+ Catch-up (not age 60-63)	7,500	7,500
Age 60-63 “Super Catch-up”	N/A	11,250
Contribution Limits for SIMPLE IRA Plans	16,000	16,500
Age 50+ Catch-up (not age 60-63)	3,500	3,500
Age 60-63 “Super Catch-up”	N/A	5,250
Contribution Limits for IRAs	7,000	7,000
Age 50+ Catch-up	1,000	1,000
Contribution Limits for Defined Benefit Plans	275,000	280,000
Contribution Limits for SEP IRA and Solo 401(k) Plan	69,000	70,000

Modified Adjusted Gross Income (MAGI) Limitations for IRA Contributions[2,3,4]

	2024	2025
Traditional IRA:		
Single, Head of Household	77,000 – 87,000	79,000 – 89,000
Married Filing Jointly	123,000 – 143,000	126,000 – 146,000
Roth IRA:		
Single, Head of Household	146,000 – 161,000	150,000 – 165,000
Married Filing Jointly	230,000 – 240,000	236,000 – 246,000
Married Filing Separately	0 – 10,000	0 – 10,000

Beware of the 5-Year Rule for Roth IRAs:

Earnings cannot be withdrawn tax-free unless it has been at least five years since contributions were first made to the Roth IRA.

Converted funds must remain in the Roth IRA for at least five years, regardless of an individual’s age.

A separate five-year period applies for each Roth conversion. Failure to do so may result in a 10% early withdrawal penalty.[5,6]

[1] Source: Fidelity – “IRA contribution limits for 2024 and 2025” (November 1, 2024)
[2] Source: Fidelity – “Roth IRA contribution limits for 2024 and 2025” (November 4, 2024)
[3] Source: Fidelity – “SIMPLE IRA contribution limits for 2024 and 2025” (September 19, 2024)
[4] Source: The Motley Fool – “Roth IRA 5-Year Rule” (January 2023)

Questions to Ask a Fiducient Advisor

Do I have enough savings to retire?

Before deciding to retire, an evaluation should be completed comparing current savings to future income needs.

Reviewing a Monte Carlo simulation can be a helpful exercise to gauge the sufficiency of current retirement savings, while also estimating what might be left for beneficiaries.

Does my portfolio allocation reflect my longer-term goals and needs?

Given the potential for a retirement which could last 30+ years, it is imperative to have a portfolio allocation which is anchored to longer-term goals, risk tolerance and time horizon.

Some retirees may think retirement signals a time to "de-risk" the portfolio, but one cannot overlook the importance of continuing to grow portfolio assets during the retirement years.

How long might my savings last relative to my income needs?

Periodically revisiting a retirement plan can be helpful to alleviate any concerns of running out of money.

Your goals and needs may change over time; your retirement plan should have the flexibility to adjust accordingly.

Stock Compensation Planning

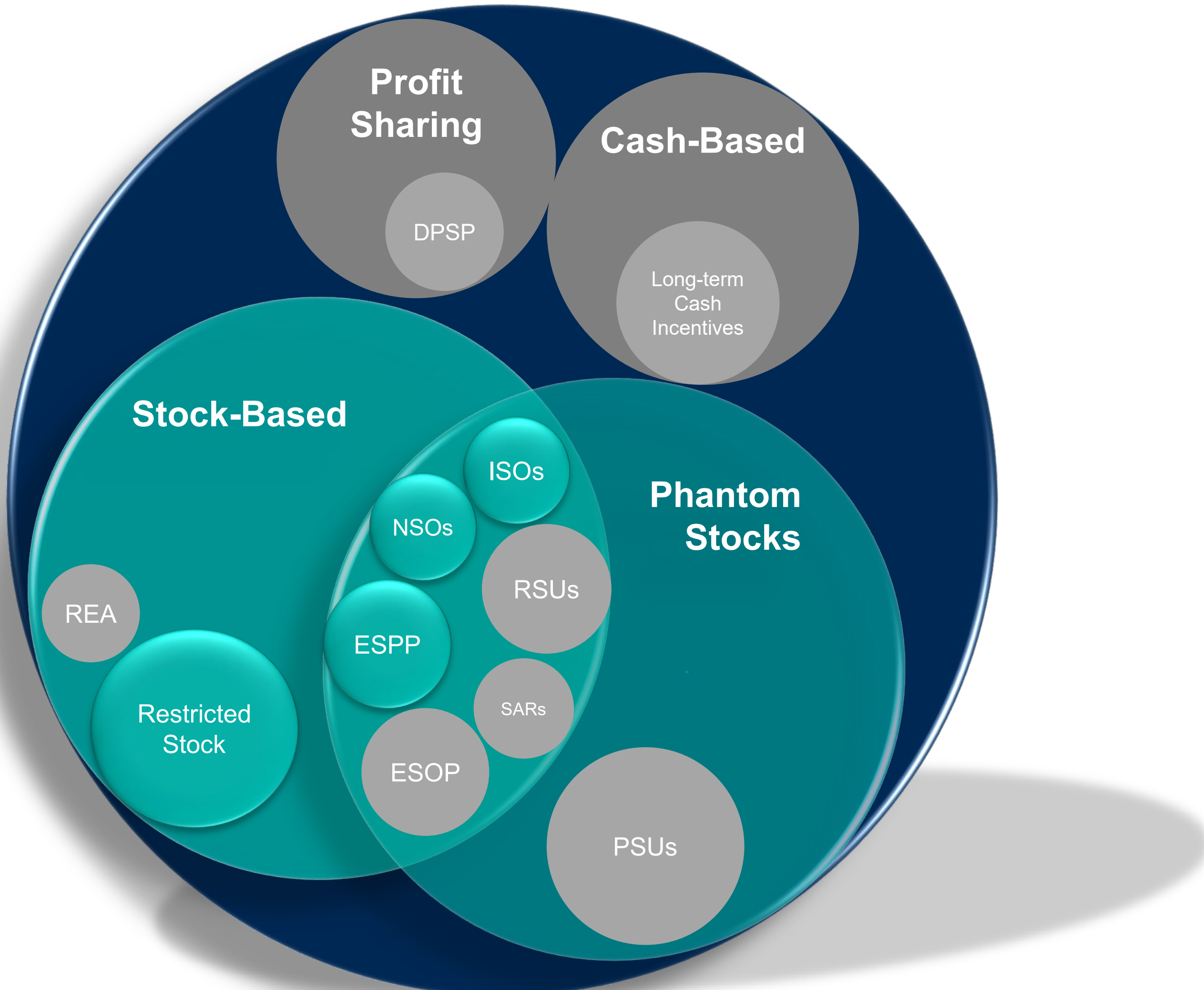
Why Should I Pay Attention to My Stock Compensation?

Stock compensation, if managed correctly, can potentially help in achieving long-term financial success.

On average, equity compensation comprises **59%** of an executive's total compensation.[1]

Most publicly traded companies offer their senior executives long-term incentive awards that rely heavily on equity-based components such as restricted stock (**88%**), performance stock (**71%**), and stock options (**40%**).[2]

However, only **45%** of executives end up exercising all granted options before expiration.[3]

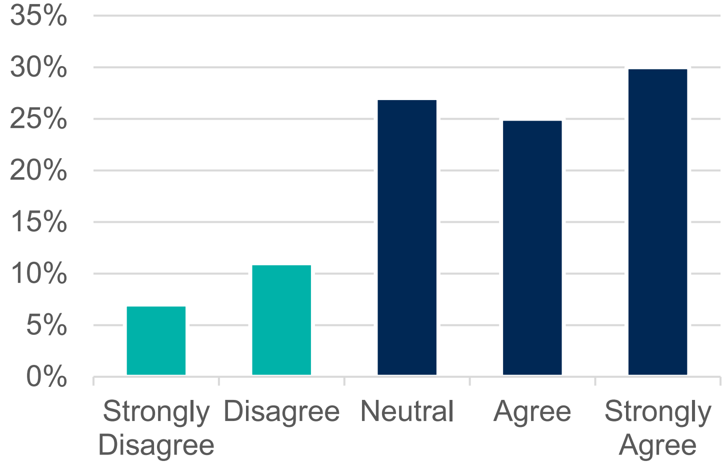


[1]Source: Harvard Business Review, "Compensation Packages That Actually Drive Performance." 1 January - February 2021
[2]Source: J.P. Morgan Chase. "Executive Equity Compensation", April 10, 2024
[3]Source: Carta "2022 Employee Stock Options Report", 6 Feb. 2023

The Difficulties to Managing Stock Compensation

Is my company a prudent, long-term investment? How much should I own?

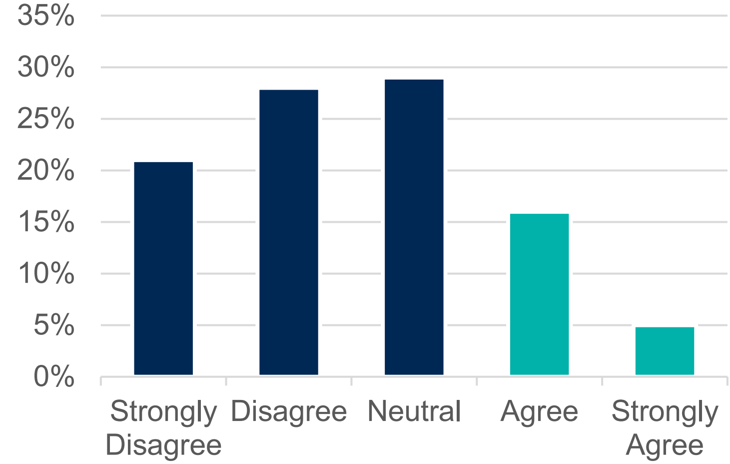
It's stressful deciding when to exercise or sell my equity



46% of in-the-money options expired without being exercised in 2022. Main reasons cited were:

1. Too much of a financial risk
2. Couldn't afford the cost to exercise or associated taxes
3. Worried about making a mistake

I know how to determine the best time to exercise or sell my options



28% of options are exercised during a company's post-termination period (PTEP), which is typically 90 days.

This truncated timeline creates issues for those who have not planned appropriately for liquidity needs for exercising options / purchasing shares. This could potentially <u>leave meaningful value on the table</u>.

Source: Carta "2022 Employee Stock Options Report", 6 Feb. 2023

Unique Considerations to the Most Common Stock Compensation

Use it or Lose It ---- Beware of Expiration!

Restricted Stock

- Restricted Stock Awards (RSA) vs. Restricted Stock Units (RSU)
- Understand Taxation Timing
- (RSA) – Should you make an 83(b) election?

Employee Stock Purchase Plan

49%

- 49% of S&P 500 companies offer ESPP[1]
- Typically Provides a Discount to Market Price
- Windows to Buy & Windows to Sell (Pre-Planning Is Essential)

Phantom Stock

- No Actual Transfer of Stock Takes Place
- Value Usually Tied To Company Stock Price or Certain Key Benchmarks
- Vesting Schedule Considerations Are Important

Incentive / Non-Qualified Stock

- Bargain Element / ‘No Free Lunch’
- Cashless Exercise: *Do I Need Outside Cash to Buy Stock?*
- Understand Your Taxation Timeline

[1]Kapinos, Dan, et al. “How Common Are Employee Stock Purchase Plans? It Varies Widely by Demographics.” Human Capital Solutions Insights, Apr. 2020, humancapital.aon.com/insights/articles/2020/how-common-are-employee-stock-purchase-plans-it-varies-widely-by-demographics.

Questions to Ask a Fiducient Advisor

How Do I Create a Plan to Manage My Stock Compensation?

Understanding your cash flow is a critical in identifying when you can initiate transactions.

Analyzing the distinctive characteristics of your employer's plan mitigates missing deadlines or leaving money on the table.

Features like a lookback period on an ESPP and the type of vesting schedule for your options (graduated or cliff) provide opportunities to maximize value.

How Much Exposure to My Company Stock is Too Much?

Before you can determine a diversification plan, identifying the proper proportion of company stock for your portfolio is a crucial exercise.

With the right allocation size determined, you can create a pacing model to either move to or maintain that size over time, accounting for future cash flows and tax liabilities.

When Should I Get My Tax Adviser Involved in Option Planning?

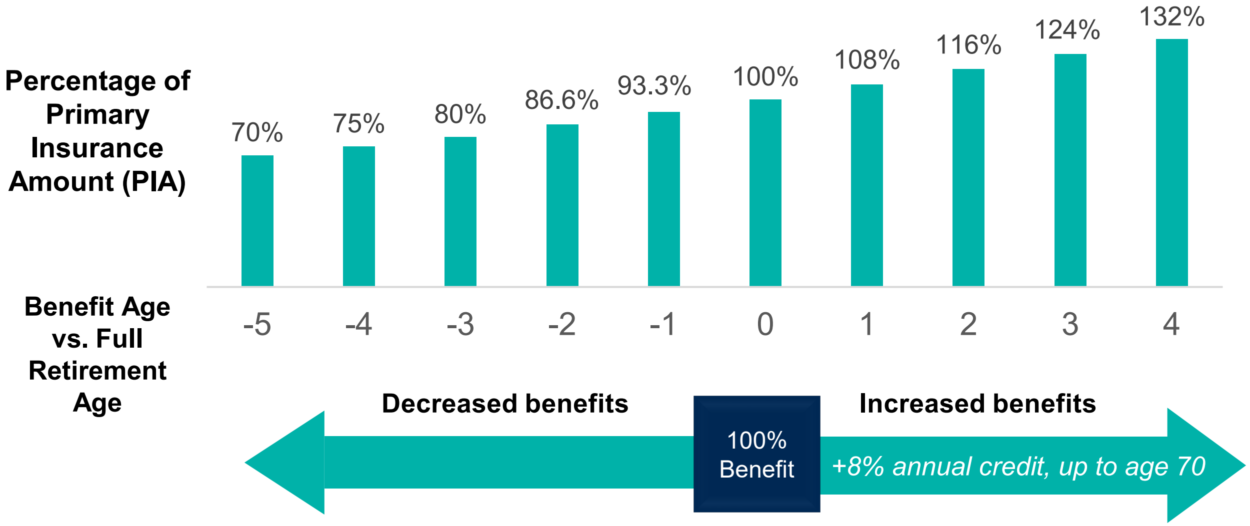
Immediately! There are many unique tax considerations associated with stock compensation for which your tax adviser can provide guidance.

Implementing the optimal strategic time to incur tax (it's when, not if) should be the result of an intentional process rather than an afterthought.

Social Security & Medicare

Choosing When to Begin Social Security Benefits

Claiming Age Makes a Difference



You can apply for retirement benefits or spousal benefits directly online at https://www.ssa.gov/benefits/forms/

Check your Social Security statement for a current estimate of your benefits at https://www.ssa.gov/myaccount/retire-calc.html.

Source: Charles Schwab: "Guide on Taking Social Security: 62 vs. 67 vs. 70" (August 14, 2024)

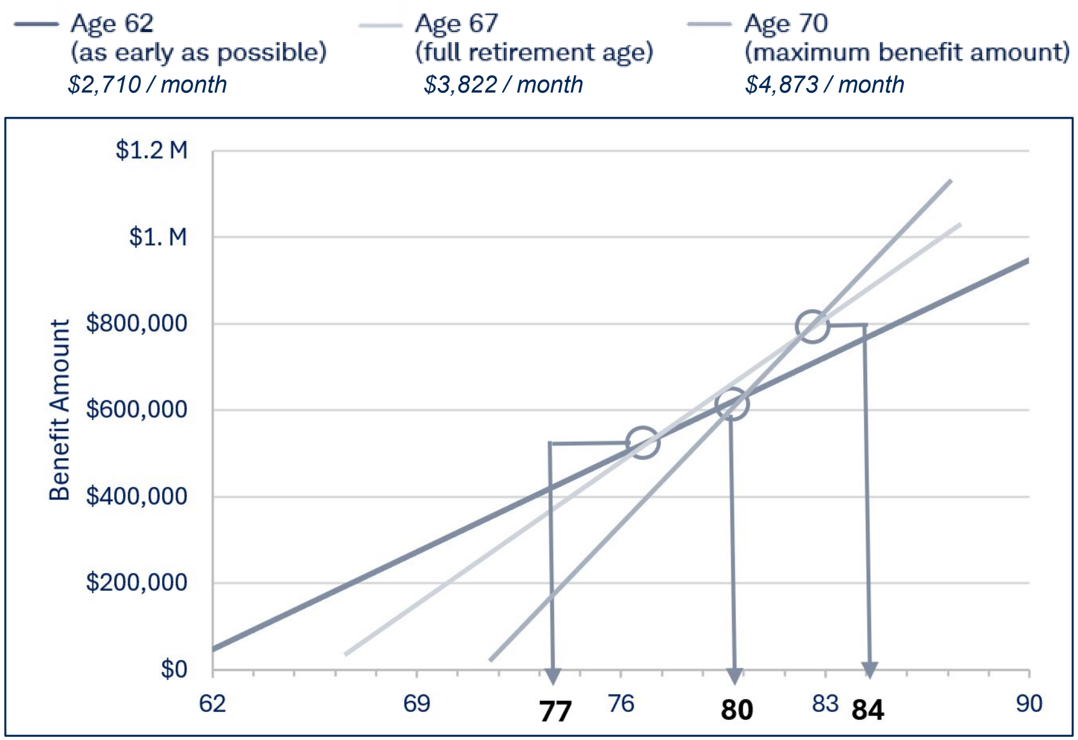
Key Considerations

- You may start receiving your Social Security retirement benefits as early as age 62 or as late as age 70.
- Benefits are permanently reduced if you begin before your "full retirement age (FRA)." FRA can be ages 65-67 depending on when you were born.
- Conversely, monthly benefits will increase if you start after FRA, with delayed retirement credits up to age 70 (+8% *per year*).
- Given that FRA is age 67 for anyone born in 1960 or later, delayed credits can only be accrued up to three years.

6 Key Factors

- Life expectancy (single or joint)
- Income needs
- Health Insurance
- Spousal benefits
- Changes in employment
- Family benefits

Evaluating a "Breakeven Age" with a Hypothetical Illustrative Scenario



Key Takeaways:

- **Deferred Benefit:** If the individual believes, based on current health and family health history, that there is a strong chance of living well beyond age 84, then they may benefit from delaying benefits until age 70.
- **Normal Retirement:** If the individual instead believes that age 84 is unlikely but living past age 77 is probable, then they should consider collecting benefits at full retirement age.
- **Early Retirement:** If the individual believes reaching age 77 to be very unlikely, then they should consider collecting benefits early.

Conclusions:

- **Age 77:** The cumulative benefit of collecting at age 67 would surpass the cumulative benefit of collecting at age 62
- **Age 80:** The cumulative benefit of collecting at age 70 would surpass the cumulative benefit of collecting at age 62
- **Age 84:** The cumulative benefit of collecting at age 70 would surpass the cumulative benefit of collecting at age 67

Hypothetical cumulative benefits assume the retiree was age 62 in 2023, age 67 in 2028, and age 70 in 2031 and began collecting a monthly benefit in January of each year. This example is hypothetical and provided for illustrative purposes only. Monthly benefit at any age varies widely by individual based on their earning history.

Social Security: Common Misconceptions

Social Security is going broke	Without any changes, the Social Security trust fund is estimated to be depleted by 2035; however, Social Security is a pay-as-you-go system and, as such, will continue to collect revenue from payroll taxes. Even if Congress were to enact no changes (which seems rather unlikely), based on incoming payroll tax collections, Social Security would still be able to pay an estimated 83% of scheduled benefits.[1]
Full Retirement Age (FRA) is 65 for everyone	Full Retirement Age (FRA) depends on birth year and varies from age 65 to 67. For individuals born in 1960 and later, FRA is age 67.
Social Security will replace most of a retiree's income needs	The program was never intended to be the sole source of income for retirees. The general rule of thumb is Social Security will replace around 37% of pre-retirement income for an individual who retired at age 65 with average lifetime earnings, though the replacement ratio is far lower for individuals with high lifetime earnings.[2]
Earned income is not allowed while collecting Social Security benefits	Individuals can continue to work after receiving Social Security benefits. If an individual collects benefits before full retirement age (FRA) and has income which exceeds the earnings limit, then a portion of benefits will be reduced; however, any benefits which were reduced due to the earnings limit will later be credited back. [There is no earnings limit upon reaching FRA.]

[1] *Source: AARP – "Social Security Report Projects Trust Fund Shortfall in 2035" (May 7, 2024)*

[2] *Source: The Motley Fool – "Social Security Replaces Less of Your Income Now Than It Did Before. Here's Why." (February 18, 2024)*

Medicare Basics

- **Part A (Hospital Insurance)**
  - Free for people 65+ who paid payroll tax for ~10 years
  - Covers care in hospitals, skilled nursing facilities, hospice and home healthcare

- **Part B (Medical Insurance)**
  - Helps cover physician services, outpatient care, home healthcare, therapy services, ambulance services, preventive services and durable medical equipment

- **Part C (Medicare Advantage)**
  - The private health insurance alternative to ‘Original Medicare’ (Parts A & B), which might also include Part D coverage
  - If enrolling in Medicare Advantage, you must still enroll in Parts A & B and pay the Part B premium; will need to sign up and pay for the chosen Medicare Advantage plan

- **Part D (Prescription Drug Coverage)** ***** Big changes for 2025 *****
  - Helps cover the cost of prescription drugs
  - The coverage gap has now been eliminated (donut-hole provision). In 2025, out-of-pocket costs are now capped at $2,000 for deductibles, copays and/or coinsurance (cumulative)[2].
  - Many plans are merging or ending. Review your Annual Notice of Change (ANOC) carefully to see if your plan has been affected. Updates must be made during open enrollment[2].

Original Medicare (Parts A&B) vs. Medicare Advantage (Part C):
“Think of it as choosing between ordering the prix fixe meal (Medicare Advantage) at a restaurant where the courses are already selected for you or going to the buffet (Original Medicare) where you must decide for yourself what you want.”[3]

[1] Source: AARP - Understanding Medicare’s Options: Parts A, B, C and D” (October 9, 2024)
[2] Source: NerdWallet – “5 Big Changes to Medicare Part D for 2025 (And What to Do About Them)” (October 14, 2024)
[3] Source: AARP – “The Big Choice: Original Medicare vs. Medicare Advantage” (June 29, 2023)

Medicare: Important Dates to Remember

Medicare benefits generally do not require annual enrollment. Key dates for enrollment and changes are highlighted below.

Date	Notes
Initial Enrollment Period	Seven-month period: initial enrollment period begins three months prior to the month turning age 65 and ends three months after the month turning age 65 Individuals who do not sign up during the IEP may be subject to a late enrollment penalty
General Enrollment Period	January 1 – March 31 Those missing the Initial Enrollment Period can sign up during this period; coverage will subsequently start July 1
Medicare Advantage Open Enrollment	January 1 – March 31 (only for individuals who already have a MA plan) If enrolled in a Medicare Advantage plan, enrollee can: • Switch to a different Medicare Advantage plan • Drop Medicare Advantage plan and return to Original Medicare • Sign up for Medicare Part D (if returning to Original Medicare)
Annual Open Enrollment Period	October 15 – December 7 Individuals can join, switch, or drop a plan for coverage beginning January 1
Special Enrollment Period	Individuals with certain qualifying life events (losing health coverage, moving, getting married, having a baby or adopting a child) may be eligible to sign up during a Special Enrollment Period
January 1	New coverage begins; monthly premium adjustments go into effect

Source: Medicare.gov
Source: Aetna Medicare – "Unpacking Medicare: What you need to know about Medicare enrollment periods (and when you can change your plan)"

Questions to Ask a Fiducient Advisor

When should I start taking Social Security?

It is hard to predict an optimal age to begin collecting Social Security benefits, because it is dependent on so many different factors.

Understanding that every individual's situation is unique, weighing the pros and cons of early versus normal versus delayed benefits is an important consideration as part of an integrated retirement plan.

How can I check my estimated Social Security benefits?

You can go to the Social Security website to review your most recent estimated Social Security monthly benefits.

How do I apply for retirement or spousal Social Security benefits?

This information can also be found on the Social Security website, under the 'Benefits' section.

What Medicare plan makes the most sense for me?

This is another very important question which is top-of-mind for many retirees.

Understanding your health history and specific medical and drug coverage needs are important components to identify a plan best suited to you.

SECTION 3

Estate Planning

Why is Estate Planning Important?

Provide protection for you during your lifetime
- Durable power of attorney, living will and healthcare proxy

Distribute wealth in accordance with *your* wishes
- Without a will, assets are distributed according to state law and may not align with your intentions

Select responsible individuals to carry out your wishes
- Guardian for minor children, trustee (manages assets within trust), executor (handles the settlement of an estate)

Minimize transfer taxes and expenses
- Proper use of trusts and titling of assets can help mitigate tax implications and estate administration expenses

Philanthropic legacy
- Incorporate charitable causes within your estate plan

Protect family wealth
- Asset protection trusts and pre-nuptial agreements may help protect assets from litigation liability, creditors and divorce

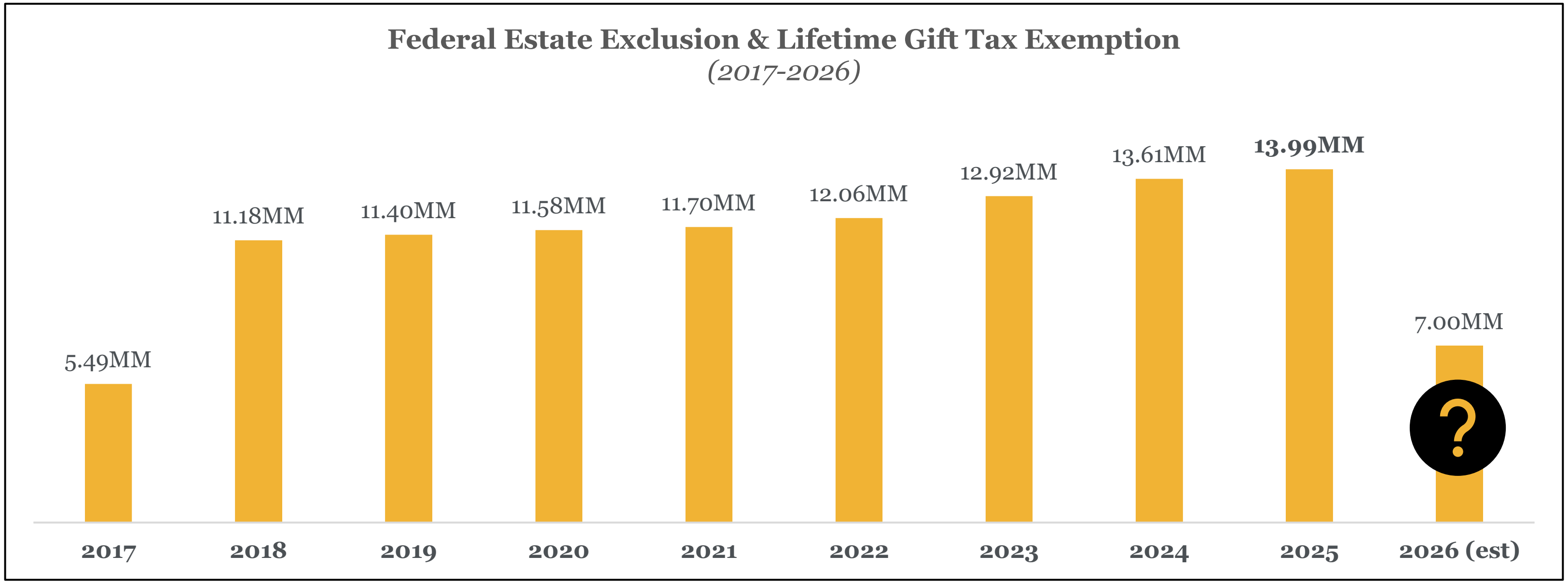
Prepare the next generation
- Facilitate dialog and understanding within the family and stewardship for the future

Guide to Estate Planning

Level One (Must Haves)	Level Two (Considerations)	Level Three (Advanced)
Planning for the transfer of assets with minimized tax and transfer cost. Review upon life events (marriage, divorce, birth, adoption, etc.)	***Further enhance the direction of assets, minimize Estate Taxes or increase Asset Protection***	***For Complex Estate Tax Issues or Liability Concerns***
• Will • Living Trust • Healthcare Power of Attorney • Financial / Property Power of Attorney • Proper titling of accounts and asset ownership • Beneficiary designations for IRAs, Life insurance and Annuities	• Spousal Lifetime Access Trust (SLAT) • Grantor Retained Annuity Trusts (GRAT) • Charitable Trusts, Private Foundation or Donor-Advised Fund • Irrevocable Life Insurance Trust (ILIT) • Qualified Personal Residence Trust (QPRT) • Intra-Family Loans • Special Needs Trusts	• Domestic and Offshore Asset Protection Trusts • Self-Cancelling Notes • Family Limited Partnerships and Family LLCs

Take Advantage of Favorable Exemption Amounts

Under the Tax Cuts and Jobs Act (TCJA), the federal estate exclusion and lifetime gift tax exemption are scheduled to drop significantly after 2025 (barring any action by Congress).



Key Takeaways

- The federal estate exemption has increased due to the inflation adjustment to $13,990,000, providing additional gifting opportunity to those who had previously exhausted the lifetime gift tax exemption.[1]
- The estate tax exemption is scheduled to decrease after December 31, 2025, unless Congress acts to extend current limits. Individuals with taxable estates over $7 million (adjusted for inflation) and sufficient retirement savings should monitor tax legislation and consider whether to make additional gifts before the end of 2025.

[1]*Source: IRS - "What's New- Estate and Gift Tax" (October 22, 2024)*

Advanced Estate Planning

Spousal Lifetime Access Trust (SLAT)

- Married couples exceeding the 2025 estate exclusion ($13.99M per person) can use this strategy to maximize their gift tax exemption while keeping indirect access to trust assets via their spouse.

Charitable Remainder Trust (CRT)

- A CRT can be appealing for individuals seeking both income *and* charitable impact. It provides lifetime (or term) income and supports charity afterward (trust remainder), potentially reducing income taxes during life or at death, based on its structure.

Qualified Personal Residence (QPRT)

- A Qualified Personal Residence Trust (QPRT) can help individuals transfer a family home to the next generation while minimizing gift and estate taxes. The owner transfers the home to a trust but retains use for a set term; afterward, the home passes to the trust's beneficiaries.

Grantor Retained Annuity (GRAT)

- A GRAT enables a grantor to "freeze" estate value by transferring assets to a trust in return for annual payments based on rates published monthly by the IRS. If the assets appreciate beyond these annuity payments, the excess passes to beneficiaries without additional estate taxes.

Questions to Ask a Fiducient Advisor

Are my current documents in alignment with my wishes?

Estate planning is very specific to a family's needs goals, needs and level of wealth.

We can review your current documents, summarize your plan and reconnect/connect you with an estate planning professional if adjustments are needed.

What can I do to reduce my taxable estate?

The estate tax exemption is set to sunset in 2025 absent a change in current law. This may result in a higher estate tax liability if proper planning is not implemented.

Being mindful of what assets you need to live on for the remainder of your life and other factors, we can recommend wealth transfer strategies that may enhance tax savings and benefit your family.

Is my family prepared to manage my assets when I'm gone?

Legal documents are not the only component of a successful estate plan. A team of professionals who is familiar with both you and your beneficiaries is key to protecting and preserving wealth.

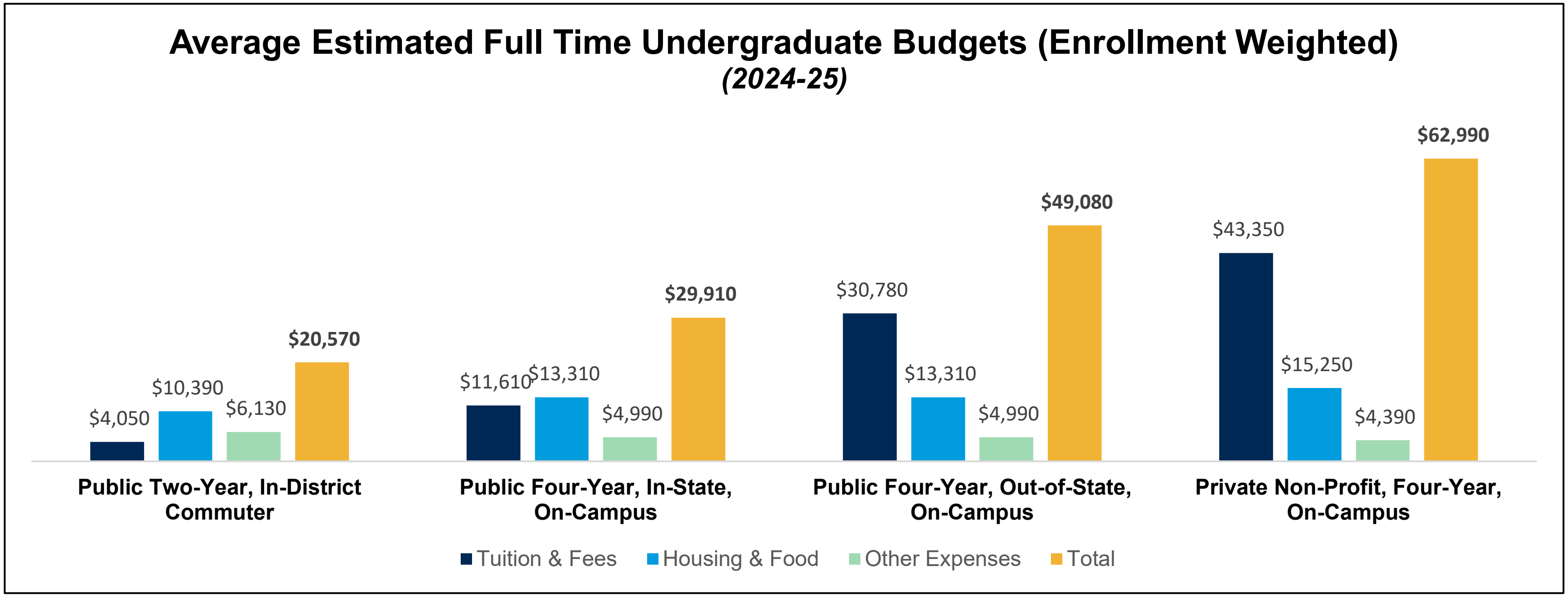
We can facilitate conversations and educate the next generation about managing family wealth.

Education Planning

The Rising Cost of a College Education

The cost of college tuition and fees – for four-year public and private colleges and for two-year colleges – has outpaced inflation for the past several decades.

It is impossible to predict the future cost of college though it is reasonable to expect that such costs will continue to increase, making the need for a 529 account more important.

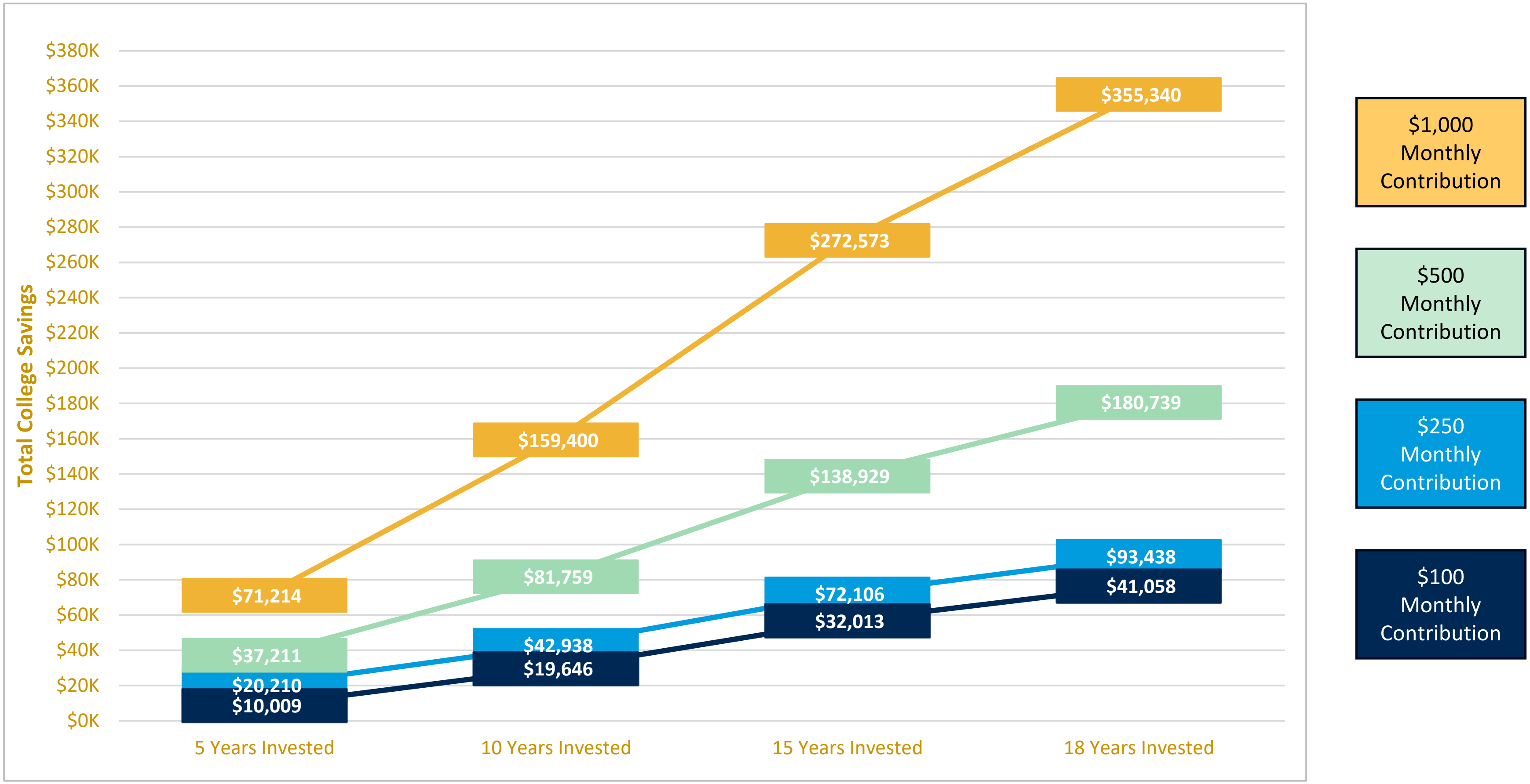


NOTE: Expense categories are based on institutional budgets for students as reported in the College Board's Annual Survey of Colleges. Figures for tuition and fees and housing and food mirror those reported in Table CP-1. Data for books and supplies, transportation, and other expenses are projected and reflect the average amounts allotted in determining the total cost of attendance and do not necessarily reflect actual student expenditures. Books and supplies may include course materials such as hardcopy textbooks, online textbooks, textbook rentals, and other supplies such as a personal computer.

Source: The College Board - "Trends in College Pricing" (October 2024)

Make Time Your Ally: The Earlier, The Better

Saving consistently over time can better prepare for future education expenses



* For illustrative purposes only. This hypothetical example illustrates the accumulation potential with a $2,500 initial investment and a monthly contribution plan at a 5% projected average annual return. The above example is based on projections and does not reflect an actual investment. If fees were included, the returns would be lower. Actual results may differ considerably from the illustration above. These results are hypothetical and do not represent results earned by clients of Fiducient Advisors.

Source: Bright Start - "How Much Will College Cost?" (2023)

Key Benefits of 529 Plans

Flexibility and Control

- Owned by the individual who opens the account, not the beneficiary. The beneficiary can be changed at any time.
- The new beneficiary must be a family member (sibling, step-sibling, spouse, or cousin are eligible).[1]
- Investment allocations can be changed up to twice per year for previously invested funds. New deposits can be changed at any time.[2]

Tax Benefits

- Tax-free investing and withdrawals for qualified education expenses, as well as up to $10,000 per child per year for K-12 expenses.
- May be eligible for a state income tax deduction depending on state of residence.
- For unused 529 funds, account owners can roll over up to a lifetime limit of $35,000 tax-free and penalty-free into a Roth IRA in the beneficiary's name. [1]

Favorable Financial Aid Treatment

- The value of an account owned by a dependent student or parent is considered a parental asset on the Free Application for Federal Student Aid (FAFSA.).
- 529 Plans owned by grandparents or anyone else besides a dependent student or one of their parents will have no impact on the student's FAFSA for the 2024-25 school year and beyond.[3]

Who Can Contribute?

- Accepts third-party contributions, regardless of who owns the account.
- While parents are the most likely to contribute to an account, anyone (including grandparents, aunts, uncles and friends) can contribute.[1]

[1] *Saving for College - "What is a 529 Plan?" (November 2024)*
[2] *Saving for College - "How Many 529 Plan Investment Changes can you Make a Year?" (February 2020)*
[3] *Saving for College - "How do 529 Plans Affect Financial Aid?" (November 2024)*

Questions to Ask a Fiducient Advisor

What is a 529 savings plan?

529 savings plans are flexible, tax-advantaged accounts designed specifically for education savings.

Earnings on contributions grow federal income tax-deferred, and qualified withdrawals taken to pay for qualified higher education expenses such as tuition, fees, books, computer expenses or room-and-board are free from federal income taxes.

Am I on track? How do I estimate higher education costs?

Given the high cost of a college education, saving early and often should be a priority for parents.

Periodically reviewing the cost of a four-year college education against current savings can be a helpful exercise to determine whether you are on track.

What can I do with the money left in the account?

The 529 account beneficiary can be changed to an eligible family member to use for their qualified education expenses.

Alternatively, you could take a non-qualified withdrawal. However, the portion of the non-qualified withdrawal attributed to investment earnings will be subject to federal and state income taxes plus a 10% federal tax penalty.

SECTION 4

Risk Management (Insurance)

Effective Strategies for Managing Personal Risk

A thoughtful risk management (insurance) plan requires periodic evaluations to reassess objectives and sufficiency of coverages

Life Insurance

Provides financial protection for beneficiaries through the replacement of income, the payoff of debt and the support of long-term goals, such as education or retirement, for beneficiaries after the insured's passing.

Property & Casualty

Essential financial preservation tool that safeguards assets and creates financial stability by covering losses from property damage, liability claims or unforeseen events.

Umbrella Insurance

Excess liability coverage to extend protection beyond standard homeowners and auto insurance policies to protect net worth against significant claims or lawsuits

Health Insurance

Provides financial coverage for medical expenses, reducing the burden of healthcare costs and helps ensure access to necessary treatments, preventative care and emergency services.

Disability Insurance

Helps to protect long-term goals during periods of incapacity caused by illness or injury by providing income replacement to individuals unable to work.

Long-Term Care

Helps to cover the cost of extended care services include nursing home or in-home assistance, protecting assets and helping ensure financial stability in later years.

Key Uses of Life Insurance

Personal use of life insurance focuses on protecting individuals and families, helping to ensure financial security and peace of mind.

Business use of life insurance addresses the unique needs of companies, offering solutions for risk management, continuity and long-term planning.

These two distinct approaches highlight the versatility of life insurance in supporting both personal and professional goals.

Personal Uses

- Income Protection
- Retirement Planning
- Debt Elimination
- Estate Planning
- Education Costs
- Wealth Transfer
- Charitable Planning
- Multigenerational Planning

Business Uses

- Buy / Sell Agreement
- Key Person
- Succession Planning
- Asset Protection
- Employee Benefits
- Debt Elimination
- Retirement Planning
- Estate Equalization

Property & Casualty Insurance: An Ever-Evolving Landscape

Property and casualty insurance is evolving amidst rising costs, elevated climate-related risks and ever evolving priorities. Those seeking insurance in today's marketplace are facing higher premiums and stricter policy terms, underscoring the need for careful evaluation and planning.

Changes In Marketplace

Reinsurance undergoing a hard reset

Capacity issues in CA and coastal states

Increased Inflation

7.6% home construction cost increase across various trades[1]

Average new vehicle prices 14% higher than in 2020[2] and repair costs are 17% higher than a year ago[3]

Recent Weather Trends

Unpredictable weather events are a key concern

28 separate $1 billion loss events from weather in 2023 alone[4]

Shifts In Priorities

The pre-owned luxury watch market is expected to grow by 75% by 2030[5]

Personal luxury goods are expected to continue accelerated growth[6]

Ultra Contemporary artwork has risen dramatically in value[7]

Umbrella (Excess Liability) Coverage = A Necessity
Provides additional liability coverage against judgments in lawsuits in excess of primary home and auto liability coverages; insurance experts often recommend policy coverage be a multiple (e.g., 2x or 3x) of your net worth.

[1] Chubb – "2024 Construction Cost Adjustment Factor Review" / [2] Kelley Blue Book – "When Will New Car Prices Drop?" (November 2024) / [3] Minneapolis Federal Reserve – "Despite Easing Inflation, Vehicle Repair Costs Soar" (October 2023) / [4] National Centers for Environmental Information – "Billion-Dollar Weather and Climate Disasters" (January 2024) / [5] Deloitte – "Swiss Watch Industry Study" (October 2023) / [6] Bain – "Long Live Luxury" (January 2024) / [7] UBS – "The Art Basel and UBS Survey of Global Collecting 2024" (November 2024)

Picking the Right Health Insurance Plan Matters

Types of Plans	Description
Health Maintenance Organization (HMO)	Typically, less expensive annual premiums, lower-to-no deductible, out-of-network doctors are not covered, and many plans require primary care physician to provide a referral to see a specialist
Preferred Point Provider (PPO)	Premiums tend to be higher, higher deductible, out-of-network doctors/hospitals may be covered, and specialists can generally be seen without a referral from a primary care physician
High-Deductible Health Plan (HDHP)	Lowest monthly premiums of the main plans, higher annual deductibles and out-of-pocket maximum limits and ability to contribute to a Health Savings Account

Medical Savings Plans

- ***Health Savings Account (HSA)*** [1]
  - Available only to individuals covered by a qualified High-Deductible Health Plan (HDHP)
  - Contributions limited to $4,300 self / $8,550 family; additional $1,000 limit for age-55+ catch-up contributions
  - Contributions are tax-deductible
  - Earnings grow tax-free and distributions for qualified medical expenses are tax-free
  - Unused balances roll over to the next year

- ***Flexible Savings Plan (FSA)*** [2]
  - Available to individuals with benefits package from employer
  - Pre-tax payroll deduction; contributions limited to $3,300
  - Unused annual balances are forfeited, unless employer offers rollover

Health Insurance

[1] *Source: Fidelity – "HSA contribution limits and eligibility rules for 2024 and 2025 (August 29, 2024)*

[2] *Source: IRS.gov – IRS: Healthcare FSA Reminder (November 7, 2024)*

Considerations for Long-Term Care Insurance

General Coverage & Benefits

- Skilled care – licensed therapists, nursing homes, rehabilitation services
- Custodial care – home health aides, companion services
- Assisted living and sheltered care
- Adult day care and hospice care
- Care coordination services

When To Buy

- You are more likely to qualify for coverage at a younger age when you are healthier. Pre-existing conditions can make it more expensive and difficult to get coverage
- Purchasing in your 50s allows planning ahead and helps ensure coverage is in place when you need it
- Insurance costs have risen over time. Purchasing earlier secures a policy before further price increases in the market.

When to Begin Benefits

- Qualifying for long-term care benefits generally involves assistance with two of the Activities for Daily Living (ADLs): dressing, eating, toileting, bathing, transferring and continence
- Policies can also require the completion of an elimination period, during which time the policy holder pays for care out of pocket
- Care setting eligibility requirements must be met

Other Considerations

- Premium payment amounts are not guaranteed and may increase significantly after purchase
- Most long-term care policies have a waiting period before benefits kick in (typically 90 days). All costs during waiting period are out-of-pocket

Questions to Ask a Fiducient Advisor

How do I know if I have enough life insurance to cover my family's financial needs if something happens to me?

Life insurance is essential to protect your loved ones' financial well-being in your absence.

Your advisor can help you calculate the appropriate amount based on your income, outstanding debts, and long-term goals, such as replacing income for a surviving spouse or funding a child's college education.

Am I adequately protected against unexpected health events or long-term care needs?

A major health crisis or need for long-term care can significantly impact your finances.

It is prudent to periodically review your health insurance policy's out-of-pocket maximums and to discuss whether disability, long-term care insurance or a supplemental Medicare policy is appropriate for your situation.

Are my property and liability insurance policies sufficient to protect my assets?

Underinsured property or insufficient liability coverage can leave you exposed to significant financial losses.

Review home, auto and umbrella liability policies to help ensure your coverage limits are aligned with current replacement costs and that aggregate coverage is sufficient to protect your total net worth.

Cybersecurity & Fraud Protection

Important Steps for Cybersecurity

PREVENT

1. **Strong Passwords:** Use a combination of numbers, symbols and letters to form a long, complex password. Use unique passwords for each online login and regularly change all passwords.
2. **Multi-Factor Authentication:** If available, enable two-factor authentication for email, social media, financial accounts, etc. This functionality sends a one-time code to a mobile device to verify access, thus preventing unauthorized parties from accessing your account without the code.
3. **Secure Wi-Fi Network:** Avoid unsecure access to public Wi-Fi networks, such as in coffee shops, airports, hotels, etc. A virtual private network (VPN) creates a personal, private network across public networks.
4. **Cautiousness with targeted telephone calls:** Avoid divulging any banking or personal information to a caller over the phone and do not give in to pressure to take immediate action. The IRS and law enforcement agencies will not call you. Beware of the question "can you hear me" which leads to the recording of you saying "yes" to authorize unwanted charges, etc.
5. **Safe Surfing:** Only open emails, attachments and links from people you know. Pay attention to a website's URL; hover over any links to see where they lead. Only visit trusted websites.

DETECT

1. **Account Review:** Open your credit card bills and bank statements right away. Check carefully for any unauthorized charges or withdrawals and report them immediately.

2. **Review Your Credit Report:** By law, you can obtain a free credit report every 12 months from www.annualcreditreport.com. According to the Federal Trade Commission, this is the only authorized source for the free annual credit report (though it will not include your FICO score). You should review your credit report for any discrepancies (unauthorized accounts, etc.).

REACT

If you have been a victim of identity theft:

- File a report with the local law enforcement agency.
- File Form 14039 (Identity Theft Affidavit) with the Internal Revenue Service.
- Contact one of the three credit bureaus (Equifax, Experian, TransUnion) to report the crime and freeze credit. Once one of the credit bureaus issues a fraud alert, the other two bureaus are automatically notified.

Source: BBB Scam Alert – "The 'Can You Hear Me?' Phone Scam is Still Ringing (Just Hang Up!) (March 8, 2024)

Practical Steps to Guard Against Fraud

Spot imposters	Scammers often pretend to be someone you trust, like a government official, a family member, a charity or a company you do business with. Don't send money or give out personal information in response to an unexpected request — whether it comes as a text, a phone call or an email.
Don't believe caller ID	Technology makes it easy for scammers to fake caller ID information, so the name and number you see aren't always real. If someone calls asking for money or personal information, hang up. If you think the caller might be telling the truth, call back to a number you know is legitimate.
Consider how you pay	Credit cards have significant fraud protection built in, but some payment methods don't. Wiring money is risky because it's nearly impossible to get your money back; that's also true for reloadable cards (like MoneyPak or Reloadit) and gift cards (like iTunes or Google Play). Government offices and honest companies won't require you to use these payment methods.
Be skeptical of free trial offers	Some companies use free trials to sign you up for products and bill you every month until you cancel. Before you agree to a free trial, research the company and read the cancellation policy. Always review your monthly statements for charges you don't recognize.
Opt out of solicitations	Discuss opting out of solicitations to limit interaction with scammers. Registering phone number(s) on the Do Not Call Registry[5] to eliminate unwanted phone calls and contact the Direct Mail Association[4] to opt-out of receiving unsolicited mail.

If you spot a scam, report it at ftc.gov/complaint. Your reports help the FTC and other law enforcement investigate scams and bring criminals to justice. If you or anyone you know has been a victim of exploitation, consider reporting this to the Department of Justice National Elder Abuse Hotline or to the FBI Internet Complaint Center.

[1]Source: Federal Trade Commission (FTC) – "How To Avoid a Scam" (July 2023)
[2]Source: Federal Trade Commission (FTC) – "What to Do if You Were Scammed" (July 2022)
[3]Source: Federal Trade Commission (FTC) – "Protect Your Personal Information from Hackers and Scammers" (November 2024)

Questions to Ask a Fiducient Advisor

How do I stay educated on trends in fraud?

Follow reputable news sources that report on fraud and cybersecurity issues, as these sources provide valuable insights into emerging scams and fraud trends.

Subscribe to newsletters or blogs from organizations which specialize in fraud prevention. Examples include newsletters from government agencies, financial institutions or cybersecurity companies.

What steps should I take if I suspect fraudulent activity?

Carefully review all bank and credit card statements for any unauthorized transactions.

Reach out to a credit bureau to verify your credit report is accurate. If you find any fraudulent activity, file a police report. Remember to keep a copy of the report as it may be needed when disputing charges.

After reporting to the police, contact your financial institution to report the activity.

How can I protect my personal information from being stolen?

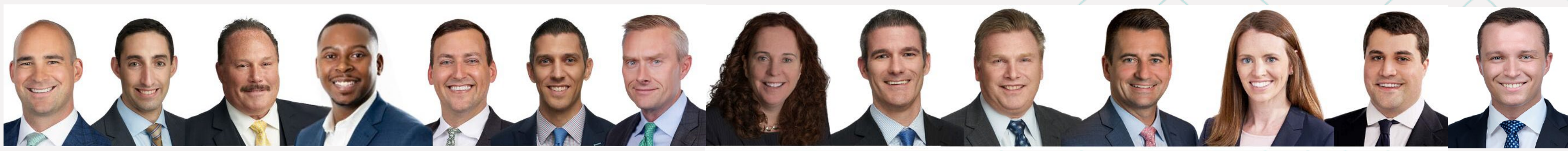
Update passwords regularly, only visit safe and secure websites, and avoid giving out any personal information unless required.

Do not click on links or attachments sent from an unknown sender.

If you suspect fraudulent activity on your account or would like more information on what you can do to prevent it, reach out to your financial advisor.

Additional Resources

A Dedicated Wealth Office® Team to Service 400+ Clients Nationwide



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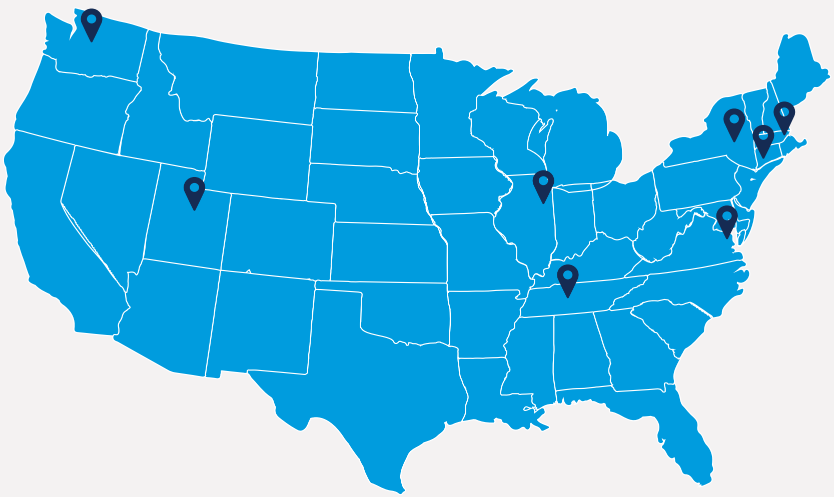

$29+ Billion
Assets under Advisement

National Presence
Clients in 40 States

Credentialed
5 CFA Charterholders, 13 CFPs, 1 JD

16:1
Client-to-Employee Ratio

All approximate as of June 30, 2024

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