REBY ADVISORS
WEALTH REDEFINED

President's Letter

Happy New Decade! The last time the twenties kicked off, Americans, not having the benefit of hindsight, had no idea that it would later be named the Roaring Twenties for a booming economy that grew by 42%.

Nor did Americans know, in January of 1920, how the events of the next 10 years would alter the course of history. For example:

- the 19th Amendment granted women the right to vote (1920);
- Ford Motor Company reached a market capitalization of $1 billion (1924);
- Charles Lindbergh completed the first solo transatlantic flight (1927);
- Mickey Mouse was born (1928); and
- the stock market collapsed (October 1929), foreshadowing the Great Depression that defined the following decade and changed our politics and consciousness forever.

> 'The more things change, the more they stay the same.' Accordingly, I believe that planning will continue to be the key to thriving in the coming decade.

Talk about an eventful decade!

Fast forward 100 years, the world has never been freer, healthier, safer, more educated or less likely to suffer from starvation or oppression. That may be hard to believe, given the challenges society faces and the problems we see in the world today, but it's true. More information can be found at OurWorldInData.org. It is a great website with a ton of interesting research and data on these matters.

Like our predecessors from 100 years ago, we cannot predict with any precision what the next 10 years will look like, but I think it's clear that we remain on the precipice of history-altering events. Will the longest bull market in history conclude with a mild correction or with a crash? How will cryptocurrency, virtual reality, and artificial intelligence change the way we live and work?

Despite the inevitability of change, as the saying goes, "the more things change, the more they stay the same." Accordingly, I believe that planning will continue to be the key to thriving in the coming decade: address the risks we know, embrace calculated risk as being essential to success, and plan for unforeseen breakthroughs and setbacks through diversification.

As always, we value our relationship with you and look forward to working with you in the 2020s!

All the best,

Bob

RETIREMENT CORNER

The SECURE Act is changing retirement — here are the most important things to know

The Setting Every Community Up for Retirement Enhancement (SECURE) Act is now law. With it, comes some of the biggest changes to retirement savings law in recent years. While the new rules don't appear to amount to a massive upheaval, the SECURE Act will require a change in strategy for many Americans. For others, it may reveal new opportunities.

LIMITS ON STRETCH IRAS

The legislation "modifies" the required minimum distribution rules in regard to defined contribution plans and Individual Retirement Account (IRA) balances upon the death of the account owner. Under the new rules, distributions to non-spouse beneficiaries are generally required to be distributed by the end of the 10th calendar year following the year of the account owner's death.[1]

It's important to highlight that the new rule does not require the non-spouse beneficiary to take withdrawals during the 10-year period. But all the money must be withdrawn by the end of the 10th calendar year following the inheritance.

A surviving spouse of the IRA owner, disabled or chronically ill individuals, individuals who are not more than 10 years younger than the IRA owner, and child of the IRA owner who has not reached the age of majority may have other minimum distribution requirements.

Let's say that a person has a hypothetical $1 million IRA. Under the new law, your non-spouse beneficiary may want to consider taking at least $100,000 a year for 10 years regardless of their age. For example, say you are leaving your IRA to a 50-year-old child. They must take all the money from the IRA by the time they reach age 61. Prior to the rule change, a 50-year-old child could "stretch" the money over their expected lifetime, or roughly 30 more years.

IRA CONTRIBUTIONS AND DISTRIBUTIONS

Another major change is the removal of the age limit for traditional IRA contributions. Before the SECURE Act, you were required to stop making contributions at age 70½. Now, you can continue to make contributions as long as you meet the earned-income requirement.[2]

Also, as part of the Act, you are mandated to begin taking required minimum distributions (RMDs) from a traditional IRA at age 72, an increase from the prior 70½. Allowing money to remain in a tax-deferred account for an additional 18 months (before needing to take an RMD) may alter some previous projections of your retirement income.[2]

The SECURE Act's rule change for RMDs only affects Americans turning 70½ in 2020 or later. For these taxpayers, RMDs will become mandatory at age 72. If you meet this criterion, your first RMD won't be necessary until April 1 of the year after you reach 72.[2]

MULTIPLE EMPLOYER RETIREMENT PLANS FOR SMALL BUSINESS

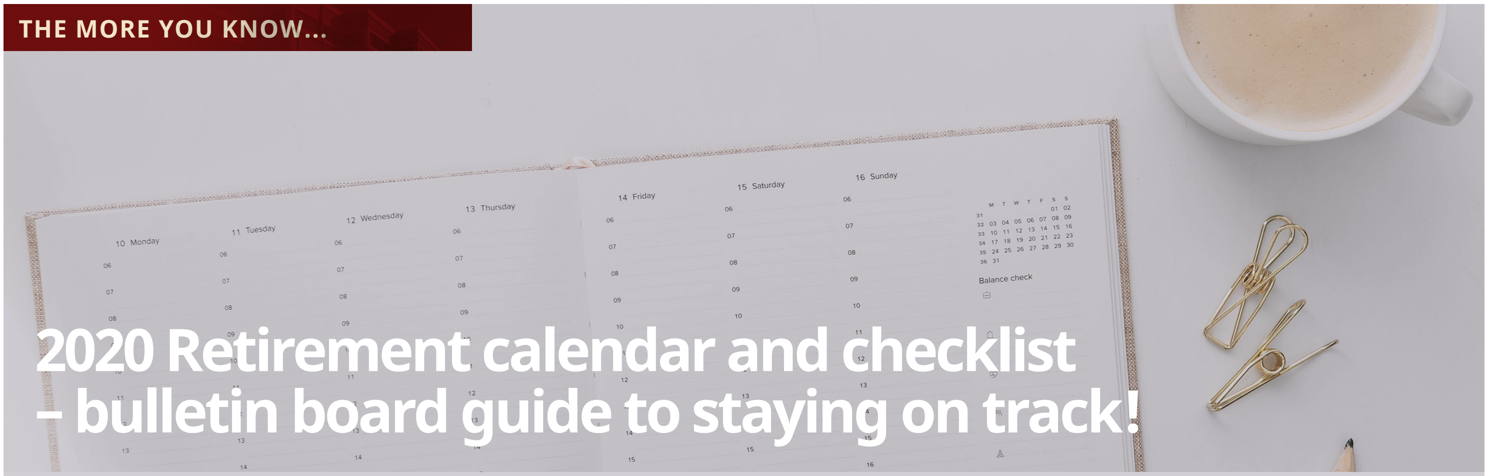
In terms of wide-ranging potential, the SECURE Act may offer its biggest change in the realm of multi-employer retirement plans. Previously, multiple employer plans were only open to employers within the same field or sharing some other "common characteristics." Now, small businesses have the opportunity to buy into larger plans alongside other small businesses, without the prior limitations. This opens small businesses to a much wider field of options.[1]

Another big change for small business employer plans comes for part-time employees. Before the SECURE Act, these retirement plans were not offered to employees who worked fewer than 1,000 hours in a year. Now, the door is open for employees who have either worked 1,000 hours in the space of one full year or to those who have worked at least 500 hours per year for three consecutive years.[2]

While the SECURE Act represents some of the most significant changes we have seen to the laws governing financial saving for retirement, it's important to remember that these changes have been anticipated for a while now. If you have questions or concerns, reach out to your trusted financial professional.

[1]Waysandmeans.house.gov, 2019
[2]Marketwatch, 2019

THE MORE YOU KNOW...



2020 Retirement calendar and checklist – bulletin board guide to staying on track!

JANUARY

- 1st Medicare Advantage open enrollment period begins. This enrollment period allows you to test drive your Medicare Advantage plan before deciding to keep it, switch plans or select Original Medicare.
- 1st Medicare general enrollment period begins. If you missed your initial enrollment period, or special enrollment period, use this opportunity to sign up for Medicare Parts A & B. Coverage for these begin July 1st.
- 15th Pay your estimated taxes for Q4 of 2019 by this date.

FEBRUARY

- Medicare Advantage open enrollment continues
- Medicare general enrollment period continues
- Begin organizing your 2019 taxes

MARCH

- 31st Deadline Medicare Advantage open enrollment period.
- 31st Deadline Medicare general enrollment period.
- 8th Turn your clocks ahead!

CFP MAILBAG

Q I understand that the SECURE Act changed the rules on Required Minimum Distributions.

A The SECURE Act will increase the age at which Required Minimum Distributions (RMDs) must begin. Prior to the SECURE Act, individuals with IRA accounts or qualified employer-sponsored retirement plans were required to take RMDs beginning in the year in which they turned 70 ½ with a deadline (for the first RMD only) of April 1 of the following year. Beginning in 2020, the new age at which RMDs must start is age 72 (also with a deadline of April 1 of the following year).

Q If I turned 70½ in 2019, can I discontinue the RMD's until I turn 72?

A RMDs for individuals who turned 70 ½ in 2019 are not delayed, and instead, such individuals must continue to take their RMDs under the same rules prior to passage of the SECURE Act, despite the delay in the starting age for RMDs.

Q I'm turning 70 ½ in 2020. I was planning to use income from my IRA for charitable gifting. Does the delay to age 72 for RMD's disallow Qualified Charitable Distributions?

A Qualified Charitable Distributions (QCDs) from IRAs will not be affected by the SECURE Act; accordingly, QCDs may still be taken from IRAs as early as age 70 ½.

Price is what you pay. Value is what you get.
— Warren Buffet

Because family matters...

Are any members of your family struggling with personal finance issues or simply have questions about the best course of action to achieve their goals? If you are a Reby Advisors' client, the start of the year is a great time to take advantage of our Family Matters™ program.

Your parents, children, grandchildren or other loved ones can get advice from your financial planner on a complimentary basis. We advise family of clients on nearly all personal finance topics – including, but not limited to – life changing events (job loss, divorce, etc.), debt management, credit issues, education funding, 401(k) selections, long-term care decisions or nearly anything else related to their finances.

We promise to always keep matters confidential and will not solicit family. Please do not hesitate to take advantage of this valuable program, as many of our clients have already.

Must-See Video on Medical Breakthroughs

Emerging medical research and cutting-edge technology will dramatically increase human life expectancy and quality of life in the near future, according to a recent fireside chat titled How Do We Make 100 Years Old Our New 60? hosted by Bob Reby with special guest Sam Gandy, MD, Ph.D., a prominent internationally recognized expert in neurology and psychology.

The discussion marked the first event for the Fairfield-Westchester Chapter of Singularity University. The full video is available at **www.rebyadvisors.com/live-events-videos**

We are proud to recognize our employees celebrating anniversaries:

Beth Campbell
Executive Assistant
January 31
15 years

George Koeltl
CFP®
January 3
15 years

Gregg Ruais
Marketing
March 18
6 years

Rudy Weiss
CFP®
March 1
5 years

Chris Gatty
Associate
March 1
5 years

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