



## Seven ways we have helped our clients recently

We view ourselves as a financial advocate for our clients. Those of you who have been our clients for any length of time know we do a lot more than manage investments. Here are seven ways we have helped our clients in the last month.

**Medicare/SHIP** – Diane and Elizabeth in our office are certified SHIP counselors. What is SHIP? The Senior Health Insurance Information Program provides unbiased advice regarding Medicare supplement plans. During open enrollment (October 15<sup>th</sup> through December 7<sup>th</sup>), Diane and E helped 35-40 clients analyze their Medicare and drug plan options. In the vast majority of cases, they were able to save our clients money on one or both. If you're a current client coming up on your 65<sup>th</sup> birthday or retiring and planning to go on Medicare, schedule an appointment with Diane and E to review your options. There's no cost, and our only incentive is saving you money.

**Establishing 529 plans to leave a legacy** – Two new clients, who are in their mid-70s, have a deal with their grandkids to fund any graduate degrees. Of the two grandkids, one likely won't reach grad school until her grandparents have passed. With this in mind, we helped these clients open a 529 plan for the younger grandchild that allows our clients to pre-fund her graduate degree. For the older grandchild, we also helped her set up her own 529 plan funded by a gift from her grandparents. This maximizes everyone's ability to take the state income tax deduction for contributions.

**Donor-advised funds** – Earlier this year, Trey wrote about [a tax planning strategy called bunching](#). Due to changes in the tax laws, it is now advantageous to double up charitable gifts in one tax year and take the following year off. This presents a planning problem for charities who rely on a steady stream of donations to support their efforts. The solution is a donor-advised fund (DAF), which allows you to gain a tax deduction for your charitable contributions in the year made and also allows you to spread out your grants to charities over time. For example, you could contribute \$25,000 of appreciated securities to your donor-advised fund in year 1 (your bunching year), then nothing the following year. Once the monies are *in* your donor-advised fund, you could grant \$12,500 in year 1 and \$12,500 in year 2 to your favorite charitable organizations, then repeat this process going forward. We've helped numerous clients set up these DAFs and will continue to encourage clients to utilize this planning tool.

**Custodial accounts for children** – Continuing with the gifting theme, we helped a client set up two custodial accounts for his daughters as he wanted to begin gifting money to them. By establishing electronic links between his checking account and these custodial accounts, money can be transferred easily and securely. We also walked our client through the P&A and Schwab apps so that he can use the daily fluctuations of the accounts as a teaching tool for his kids.

**Consolidation of retirement accounts** – We helped a client, who recently retired, to consolidate five old 401(k) accounts from five previous employers. By putting all of these funds into a Schwab IRA rollover account, the ongoing management of these monies will be simplified and ensure a cohesive investment strategy that works in conjunction with their financial plan. Consolidating retirement accounts simplifies required minimum distributions (RMDs) beginning when a client turns 70.5 years old. It's far easier to take one RMD than five!

**Business sale** – We have helped several new clients handle the aftermath of selling their businesses recently. There are many financial decisions that spill out of a business sale, including:

- How to create a roadmap to the future the client desires.
- How to invest the proceeds in a way that helps the client achieve their long-term goals.
- How to recreate an income stream that mimics a paycheck.
- How to fund charitable commitments in a way that helps reduce the client's tax burden.
- How to plan for leaving a legacy and taking care of family members.

**Dream home** – A big part of working hard and saving over the years is to put yourself in a position to have options. Recently, some clients approached us to see if they could build the house of their dreams. We helped them to analyze and understand the following:

- How much house they could afford.
- What a potential down payment and monthly payment would look like.
- How the structure of a mortgage that exceeds the conventional limits would work.

As a result of our conversation, the clients left feeling empowered and ready to build the house of their dreams. They have since purchased a lot and are working on house plans as we speak!

While all of these examples fall into the financial planning category of what we do, financial life management might be a better term. Our goal is to help you reach your goals. Get as much work out of us as you can.

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