



Accumulating Interest

OCTOBER 2018 | VOLUME 7 | ISSUE 3

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A Word from the Investment Department

Qualified Charitable Distributions

by Sean Guldi, CFP®, Chief Investment Officer

As 2018 comes to a close, the discussion of Required Minimum Distributions (RMD) will start to intensify. There is a unique option for people who don't necessarily need the funds from their RMD. If you are in the habit of giving to charity, it may be in your best interest to use your RMD funds as a charitable donation. In short, your RMD can be satisfied by a technique called a Qualified Charitable Distribution (QCD).

Let's begin by understanding what a QCD is. A QCD is a direct transfer of funds from an IRA to a qualified charity and can be a powerful tool with retirement and tax planning. The funds from your required minimum distribution must be directly donated to an approved charity in order to meet the criteria. However, any funds distributed to you, the IRA owner, and then given to charity do not qualify as a qualified charitable distribution.

Requirements for a QCD:

1. The RMD would have been a taxable event if it were not a QCD.
2. The IRA owner must be age 70 ½ or over to qualify.
3. The RMD must be paid directly from the IRA to the charity.
4. Annual limit of \$100,000 may be excluded from gross income (Spouses can each make up to \$100,000 of QCDs).
5. Funds must come out of your IRA by the deadline, December 31st, for the QCD to count towards your RMD.
6. The charity must be a 501(c)(3) organization to qualify for a QCD.

The standard deduction for tax years beginning January 1st, 2018, is now nearly double the previous amount (\$6,350 for the 2017 tax year to \$12,000 in 2018 for individuals, and \$12,700 to \$24,000 for couples). This doubling of the standard deduction may limit the amount any person is able to itemize for charitable deductions, which is where a QCD strategy may come into play. Due to the higher standard deduction, total itemized deductions may not exceed the standard deduction. If a QCD strategy is taken, the taxpayer would receive an income exclusion. What does this mean? QCDs are not deductible as a charitable contribution but could potentially keep you in a lower tax bracket, as the RMD is not treated as income.

B&C believes in partnering with your tax advisor to provide you with the best advice. Please consult your tax advisor and reach out to us if you have any questions in regards to your RMD and the characteristics of QCDs. You can reach us at 904-273-9850 or send us an e-mail at taxes@bandcfinancial.com.

READ FURTHER INTO THE NEWSLETTER FOR MORE INFORMATION REGARDING OUR HOLIDAY HOURS.

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Sat-Sun CLOSED



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Is there a specific topic you would like for us to discuss? Don't be shy.

Contact us:

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A Word from the Investment Department

Workplace Retirement Plans

by Sean Guldi, CFP®, Chief Investment Officer

As we come to the end of the year, many of us review our employee benefits, our retirement accounts, and begin planning for 2019. According to research from several leading plan providers, the average balance of 401(k) accounts is \$100,000, with the median account size closer to \$25,000. Studies show 70% of the working population has access to a retirement plan at work, and of the working population, but only 54% participate in those plans. B&C Financial Advisors works with clients in the various phases of their careers – from those just starting out to those near retirement. When we view the retirement plan landscape, there are really two categories – those who work for larger organizations with access to a retirement plan, and those who work for or own small businesses that may (or may not) have access to retirement plans. We are adept at advising in both situations.

For those who work for larger organizations, often with “cafeteria-style” benefits available to them, autumn is typically “open enrollment” period, when you are provided numerous tax-advantaged options regarding not only retirement plans, but also insurance, FSAs, HSAs, and often much more. We encourage you to take advantage of the ability to not only save for retirement but also plan for medical expenses. In the case of retirement planning, we want to



ensure your overall asset allocation across all accounts is aligned with your goals. We are able to manage these retirement plans on your behalf using technology from Black Diamond and other providers. It is best to review your contribution amount annually, and if you are over age 50 and contribute to your 401(k), you can make additional contributions of \$6,000 beyond the 2018 limit of \$18,500.

People who own or work for small businesses don't often have the extensive benefit plans larger organizations do, but that shouldn't stop you from participating in the plans available to you. The most common types of small business plans include: SIMPLE 401(k)s, SIMPLE IRAs, and SEP IRAs. These can be effective tools for aiding the owner in saving for retirement and also provide an additional employee benefit that may improve employee recruitment and retention. These plans are often less expensive than “traditional” retirement plans such as 401(k)s, profit-sharing plans, and defined benefit plans. They provide the ability for both highly and non-highly compensated employees to participate without the costly testing necessary for full-fledged retirement plans.

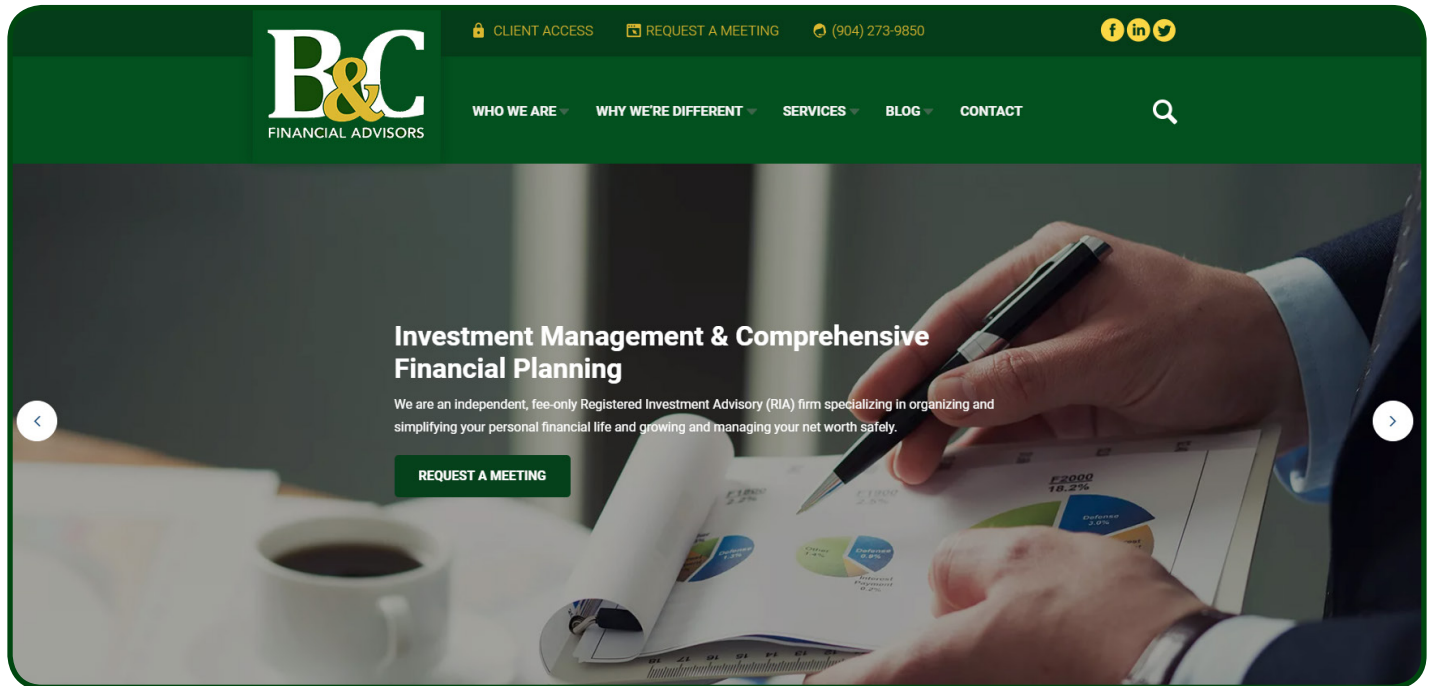
B&C Financial Advisors, through Pershing, is able to handle any type of retirement plan you may have. Please contact our office via phone, e-mail us at info@bandcfinancial.com, or visit our website to learn more.

New Website

We are excited to announce the launch of B&C Financial Advisors' newly-redesigned website! We have been working over the past few months to update our site to create a more user-friendly experience for our clients.

Our new website is cleaner, more modern, and clearly states who we are, what we do, and what our clients can expect when working with us. It is also more responsive, and can be viewed on desktops, laptops, phones and tablets.

Take a look at our website and let us know what you think - visit www.bandcfinancial.com to see what's new.



B&C Financial Advisors' new homepage.



Check out our Newsletter page (under the "Blogs" heading) where you can view digital copies of all of our newsletters.

Jessica Schmidt, President of Toastmasters

B&C Financial Advisors' very own Assistant Investment Manager Jessica Schmidt has been elected as the 2018-2019 President of the Ponte Vedra Beach Toastmasters Club #5199.

Toastmasters International is a worldwide organization that "empowers individuals to become more effective communicators and leaders" (Toastmasters website). This is primarily achieved by giving speeches on a variety of topics to club members and also giving and receiving feedback.



B&C Assistant Investment Manager Jessica Schmidt, third from the right, and her fellow 2018-2019 Ponte Vedra Beach Toastmasters Club officers.

Jessica has been a member of Toastmasters for two years, and credits the club with helping her develop skills that also benefit her career. Jessica adds, "Toastmasters gives me the opportunity to advance my public speaking skills in a safe environment with friendly members. I was thrilled to become the President-elect of Ponte Vedra Toastmasters. This position will help enhance my public speaking and leadership skills to escalate my career at B&C Financial."

To learn more about Toastmasters, visit www.toastmasters.org. Congratulations again Jessica!

Holiday Hours

It's hard to believe, but the holidays are fast approaching! We know the end of the year tends to be a busy time for everyone, so we want to make you aware of our upcoming scheduled office closings:

Thanksgiving

Wednesday, November 21 - Closed at 4 PM EST

Thursday, November 22 - CLOSED

Friday, November 23 - CLOSED

Christmas

Monday, December 24 - Closed at 1 PM EST

Tuesday, December 25 - CLOSED

New Year's

Monday, December 31 - Closed at 4 PM EST

Tuesday, January 1 - CLOSED



Please mark your calendars and let us know if there is anything we can help you with before 2018 comes to an end.

Client for a Cause

BETTY METZ | BOOKS-A-GO GO

"Reading should not be presented to children as a chore, a duty. It should be offered as a gift." -- Kate DiCamillo

For most children in the United States, having books they can read at their home is a given. However, there are many children who do not have any books to enjoy at their home. That's what BOOKS-A-GO GO is trying to change.

Founded in Jacksonville, FL, in 2007, BOOKS-A-GO GO's mission is to encourage children's love of reading by collecting new and used children's books and distributing them to children from low-income families. BOOKS-A-GO GO is a 501(c)(3) organization that has given over 1 million books to children nationwide and in 25 countries. The organization focuses on collecting books for children aged from Pre-K to fifth grade, and has also been successful in serving homeless children as well as children in pediatric hospice and their siblings. By providing children with books, BOOKS-A-GO GO hopes to foster a lifelong love of reading and change the world by improving literacy.

BOOKS-A-GO GO President and B&C client Betty Metz was inspired to start the non-profit after recognizing the need for children in low-income families to have books. She realized that there were thousands of unused children's books currently available, whether in private homes or recycled by schools and libraries. The first BOOKS-A-GO GO community book drive in 2007 has led to over 11 years of working with schools and community organizations to provide children with books.

Betty and the rest of the Board of Directors of BOOKS-A-GO GO come from a wide range of backgrounds, including literacy specialists, business people and teachers. The organization is all-volunteer who are all united under the belief that they can change the world, one book at a time!

Are you interested in furthering BOOKS-A-GO GO's mission? For Jacksonville-based readers, there is a donation bin in the children's section of the Ponte Vedra Beach branch of the St. Johns County Public Library. To learn more about volunteering, donating children's books, want to find out about the needs in your community, or want to donate to BOOKS-A-GO GO, please contact us at BOOKSAGOGO@aol.com. You can also visit <http://www.booksagogo.org/>.

Do you have a B&C client you'd like to spotlight for "Clients for a Cause"?
Email emma@bandcfinancial.com with your suggestions!



Betty Metz, B&C client and President of BOOKS-A-GO GO



Betty at a BOOKS-A-GO GO event

Keeping up with B&C



Assistant Investment Manager Adam Howard (second from right) enjoyed the opening of the red snapper season!



CEO & President Allan Cohen (right) and his wife Kathy visited B&C clients & friends Michael & Loretta Kahn.



CEO & President Allan Cohen & his wife Kathy celebrated B&C client & friend Howard Rose's birthday (below).



Jacqueline Bos, CCO & COO, took in the sights during her trip to Paris!

"The desire to perform all the time is usually a barrier to performing over time."
--Robert Olstein



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