



Accumulating Interest

OCTOBER 2017 | VOLUME 6 | ISSUE 3

Take B&C Out to the Ballgame!

This August, Jacksonville's hottest sports team played host to B&C Financial Advisors! Our staff and guests enjoyed watching the Jacksonville Jumbo Shrimp play the Birmingham Barons from a Sky Deck at the Baseball Grounds of Jacksonville.

From a delicious buffet dinner to a beautiful fireworks display, we had a great night at the ballpark. To top it off, the Jumbo Shrimp won a double header against the Barons. The night was the perfect way to celebrate the end of summer with our families, clients and guests.

Never miss a chance to attend an event with B&C Financial Advisors – email events@bandcfinancial.com to stay up to date with our upcoming events in 2018!



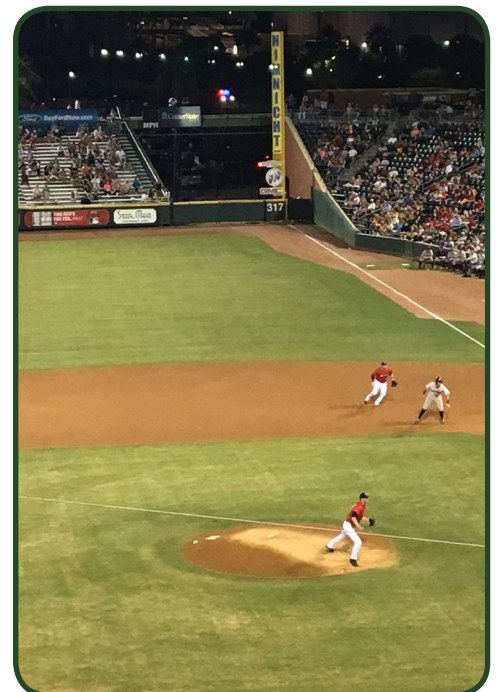
Sean, Mallory and Maisie Guldi take in Maisie's first baseball game.



Investment Manager Adam Oerther (middle), Sarah Pillsbury and Josh Oerther.



Client Relationship Manager Stephanie Lyman-Robinson (left) and Assistant Investment Managers Adam Howard and Jessica Schmidt.



The Jacksonville Jumbo Shrimp in action against the Birmingham Barons.

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THE OFFICE WILL BE CLOSED ON THE FOLLOWING DAYS:

November 23
Thanksgiving Day

November 24

December 25
Christmas Day

CONTACT US

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Office Hours:

Mon-Thurs 8:30am - 5:00pm
Friday 8:30am - 4:00pm
Sat-Sun CLOSED

 [Facebook.com/BandCfinancial](https://www.facebook.com/BandCfinancial)

 Follow our company on LinkedIn

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

Contact us:

info@bandcfinancial.com

A Word from the Investment Department

Get Ready for Open Enrollment

by Sean Guldi, CFP®

It's that time of year again – Open Enrollment Season. Many of you work for larger companies who provide cafeteria-style plans with a plethora of options. Some of you may be self-employed individuals finishing up your tax filings on extension and reviewing insurance options for the coming year. Those of you who are retired may be getting notices from different companies regarding your Medicare enrollment options. Regardless of where you are in life, the fall is a great time to do a checkup of all health insurance options.

Those of you who are not on Medicare are faced with a gauntlet of options for Health Insurance during enrollment season. You have Preferred Provider Organizations (PPO), Health Maintenance Organizations (HMO), and High-Deductible Health Plans. Be sure to understand the maximum deductible and out of pocket maximums for each plan. Your emergency fund should be large enough to cover a large portion of this deductible. If you elect a high-deductible plan, make sure you are combining it with a Health Savings Account (HSA), which is triple-tax-advantaged, meaning you can save money pre-tax, can invest the funds while deferring any gains, and can utilize those funds for qualified medical expenses tax-free. Be sure to let us know of any assets within HSAs so we can help advise you on investing strategies and incorporating these into your overall financial plan.

For those clients who are self-employed, this may be a good time of year to review your prior year's taxes (assuming you filed an extension) and plan for the current year. Your medical coverage may be purchased on the exchange or via other avenues (member groups, religious organizations, etc.). The health insurance premiums (including any dental and long-term care premiums) for you, your spouse and your dependents are 100% deductible as business expenses. This offers you a greater tax advantage than the general working population. Be sure to review the high-deductible options you might have which may allow you to contribute to an HSA as well.

Clients over 65 have enrollment season for Medicare Part C & D from October 15 – December 7th. These types of plans are sometimes called "Advantage" plans and offer differing deductibles, co-insurance, and rules than the original Medicare Plans (A&B) and often cover prescription drug coverage. There are many more facets to the types of plans you can choose, and suffice to say you should take time to review options. One important item to note with Medicare premiums is certain individuals or couples may be forced to pay an Income Related Monthly Adjustment (IRMA) when their income from their tax return from two years ago (2015 for what you pay in 2017) exceeds \$85,000 (single) or \$170,000 (married filing jointly). Let us know how we can help you plan alongside your CPA to minimize the impact of IRMA on your premiums.

Decisions about insurance and any other benefits available to you can be daunting. Please be sure to reach out to us if you wish to review the impact of these decisions on your financial plan.

A Word from the Investment Department

End-of-Year Tax Planning Strategies

by Adam Oerther, CFP®

No matter your political leanings, paying taxes is a fact of life and an integral part of modern society. However, the federal government recognizes many different tax-advantaged strategies that lower your tax bill when the time to file comes around each year. This article will focus on a few of the more popular of these strategies: tax loss harvesting, increasing retirement plan contributions, and Roth IRA conversions.

Tax Loss Harvesting

If you own investments within a brokerage (non-retirement) account, you can offset taxes on both capital gains and income by selling a security that has experienced a loss. This is called tax loss harvesting, and it is a very common strategy used by investors to either save incrementally on their tax bills or receive a larger refund. If you are fortunate enough to find yourself in the highest marginal tax bracket (i.e. the 39.6% bracket), this strategy may be an important part of your tax planning, as the taxes on dividends and capital gains are higher for this group of investors.



While tax loss harvesting offers some tax advantages, you should be aware of some limitations that come with it. First, if you sell an asset for a loss, you must be careful not to be in violation of the “wash sale rule,” which states the tax advantage of a realized loss will be disallowed if you purchase a substantially identical asset within 30 days of selling the asset (e.g. selling one S&P 500 ETF and buying another S&P 500 ETF within 30 days). Next, only \$3,000 of losses can be used to reduce your taxable income (or \$1,500 each if married filing separately) in a given year. However, you can carry losses forward to be used to offset income in future years. Finally, you should consider the costs associated with selling one asset and buying another, such as the trading fee for each transaction. If the tax benefit of taking the loss exceeds the costs of doing so, you should take the loss.

Increasing Retirement Plan Contributions

Even if you do not have investments in taxable accounts, you can still take steps to either lower your taxable income or make use of tax advantages available, including contributing more to available retirement plans, either through your employer (401(k), 403(b), SEP IRA, etc.) or individually (Traditional or Roth IRA). Every pre-tax dollar you are able to contribute to an employer-sponsored plan, such as a 401(k), reduces your taxable income by the same amount, and these plans typically have higher contribution limits (you can currently contribute up to \$18,000, or \$23,000 if over 50 years old, in a 401(k) plan).

If you participate in a 401(k) or other employer-sponsored plan, you can still contribute to either a Traditional IRA or Roth IRA, but not both. The contribution limits for both of these types of retirement plans are \$5,500, or \$6,500 if over 50 years old. With a Traditional IRA, however, the tax deductibility of your contributions may be limited by your income and your participation in an employer-sponsored plan. Also, while contributions to a Roth IRA are not tax-deductible, the earnings are not taxable, and all withdrawals are tax-free and penalty-free if you are over 59 ½ years old. However, you may not be allowed to contribute to a Roth IRA if your income is above a certain level. Thus, it is important to check with your tax preparer about which strategy makes the most sense for your particular situation.

(continued on next page)

A Word from the Investment Department

End-of-Year Tax Planning Strategies (continued)

by Adam Oerther, CFP®

Roth IRA Conversions

If you own a Traditional IRA, there are certain times when converting that IRA into a Roth IRA (a.k.a. a “backdoor Roth”) for the tax benefits makes sense.

First, because withdrawals from a Traditional IRA are fully taxable in the year they are taken, it may be prudent to convert it to a Roth IRA in a year you expect your income to put you into a lower marginal tax bracket, saving you from having to pay a higher tax on the money in a later, higher-income year.

You may also consider converting to a Roth IRA if your income level excludes you from making a Roth IRA contribution directly. Single filers’ ability to contribute directly to a Roth IRA phases out between income levels of \$118,000 and \$133,000, and joint filers’ ability to contribute phases out between \$186,000 and \$196,000. Thus, if you and/or your spouse find yourself at these income levels but still want to partake in the tax advantages offered by a Roth IRA, a “backdoor Roth” is the only way to do so.

Finally, a conversion may make sense if tax rates are set to become higher, due to a change in the tax code by legislators. This is especially true if you are nearing the point when you will have to take Required Minimum Distributions from your Traditional IRA (at age 70 ½). By doing the conversion in the year in which the withdrawals will be taxed at the lower amount, you will ultimately pay fewer taxes come tax season.

Although these tax planning strategies are commonly used, it is important to discuss them with a tax or investment professional under the context of your individual financial situation. Please contact us to discuss how these strategies can be implemented for your financial plan.

The information presented in this article is for educational purposes only and is not meant to provide individual advice to the reader. There is no guarantee the information provided above relates to your personal situation. All financial situations are unique and should be advised as such.

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

Thursday, November 23 - CLOSED

Friday, November 24 - CLOSED

Christmas

Monday, December 25 - CLOSED

New Year’s Day

Monday, January 1 - CLOSED

Please mark your calendars and let us know if there is anything we can help you with before 2017 comes to an end.

Recovering from Hurricane Season

by Sean Guldi, CFP®

We hope everyone has weathered Hurricane Irma and made it through with minimal impact. As you evaluate any damage you may have, please keep in mind the following:

- Make sure to document everything via pictures/video, prepare a list of all contents of your home that were damaged.
- Notify your insurance company as soon as possible as your policy requires notice within a certain time-frame.
- Keep receipts for any expense you incur in securing your property to limit any additional damage as these may be reimbursed by your insurer
- Never assign benefits over to a third party. This may leave you with little recourse if repairs aren't done up to your standards and may result in additional cost to you if your insurance company does not pay for the work done.

This is also a great opportunity to review all of your property and casualty insurance policies. A few things to review:

- Your homeowners coverage limit for property may not keep up with the actual value of your house, resulting in being under-insured.
- Flood insurance is only mandatory if you have a government backed mortgage and your property lies in a flood zone. If you have paid your mortgage off or are not in a flood zone, you may not have a policy. This may be an opportunity for you to review adding coverage. The limits for Federal Flood Insurance Program residential property are \$250,000 for property and \$100,000 for contents.
- Auto insurance coverage for flooding falls under "comprehensive coverage" which you must elect and is beyond the "standard coverage" that is required for automobiles
- Your liability limits may or may not be high enough to cover you in the event you have a serious accident. You should review the addition of an umbrella insurance policy to go over and above the liability limits of your home and auto policies.

As with any financial decision, B&C Financial Advisors encourages our clients to reach out to review any of these items with us to discuss the impact of these decisions your overall financial plan. Give us a call at (904) 273-9850.



Assistant Investment Manager Jessica Schmidt and CEO Allan Cohen cleaned up and got the B&C office back up and running after Hurricane Irma.

Client for a Cause

JULIE FIRESTONE | THE ADVOCATES FOR HUMAN RIGHTS

The Universal Declaration of Human Rights puts forth that all people are entitled to a life with dignity, justice, freedom, equality and peace. These unalienable rights serve as the basis for many international, national and local laws. Unfortunately in today's world, there are many human rights violations both in the United States and across the globe. That's where The Advocates for Human Rights comes in.

Since 1983, The Advocates for Human Rights has worked tirelessly to "promote and protect human rights worldwide." Staff, volunteers, the Board of Directors and many more work to fight for victims of human rights violations; educate lawyers, the public and law enforcement on how to recognize and stop abuses of human rights; and support the efforts of foreign governments, lawyers and law enforcement in protecting the rights of their citizens. The Advocates is a 501(c)(3) charitable organization that focuses on a wide range of issues, including women's rights, human trafficking, refugees/immigrants and LGBTI rights.



Julie Firestone

B&C client Julie Firestone has been involved with The Advocates for over a decade, first volunteering as a pro-bono attorney and then joining The Advocates Board of Directors in 2014. Julie's work with The Advocates enhances an already illustrious law career. As an attorney with Briggs and Morgan, P.A., in Minneapolis, Julie serves as a shareholder and a member of the firm's Financial Markets Group, representing companies and individuals in legal matters involving the financial markets. Julie has argued cases before the Minnesota Supreme Court and the United States Court of Appeals, and was also named Attorney of the Year in 2014 by the *Minnesota Lawyer*.

As a pro-bono attorney volunteering with The Advocates, Julie represents persons who have been persecuted in their home countries and are seeking asylum in the United States. While this is hard work, it is also full of rewarding moments. Julie's favorite part about being involved with The Advocates is working with clients who have faced discrimination, persecution and/or terror in their home countries. Being able to tell a client that they have been granted asylum in the United States and they no longer have to fear harm makes all the work worthwhile.

For those who want to take an active role in solving injustices in the world, The Advocates is the perfect way to get involved. By addressing human rights abuses on both an individual and systemic basis, The Advocates can help those immediately affected by human rights violations as well as help close any gaps in political systems that allow abuses to occur in the first place. However, working to change laws in both the United States and abroad isn't always enough. The Advocates also works to implement and enforce these laws.

Luckily, there are multiple ways for others to help The Advocates for Human Rights advance their mission. There is always a need for funding – visit <http://www.theadvocatesforhumanrights.org/donate> to contribute. The Advocates can also use volunteers from all walks of life – whether you're a lawyer, doctor, write, interpreter, artist or just someone who wants to get involved, The Advocates can use your skills and gifts. If you are interested in getting involved with an organization with a documented and successful history of making changes to the law in the US and across the world, The Advocates is always looking for new volunteers.

Are you interested in learning more about The Advocates for Human Rights? Visit <http://www.theadvocatesforhumanrights.org/> or call (612) 341-3302.

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

Keeping up with B&C



Maisie Grace Galdi, Sean's daughter, loves her first season of Gator football!



We celebrated Assistant Investment Manager Adam Howard's birthday with a lunch at the office!



Kathy Cohen joined us to celebrate CEO Allan Cohen's birthday!

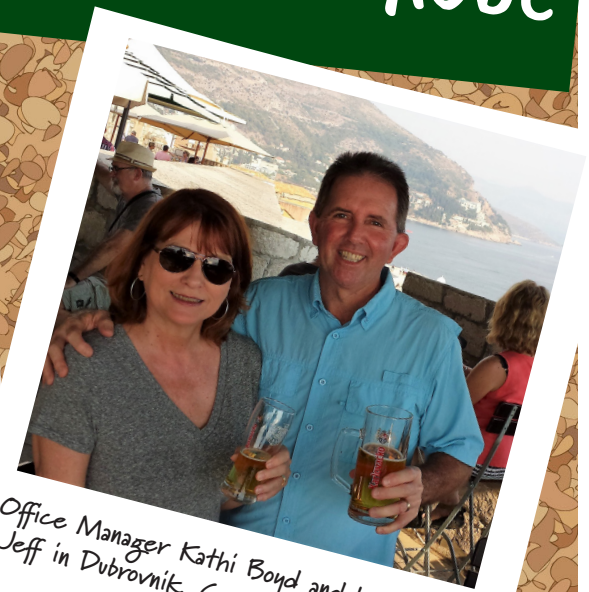
B&C Around the Globe



CCO Jacque Bos (left) travelled to beautiful San Miguel de Allende, Mexico.



CEO Allan Cohen and his wife Kathy in Killarney, Ireland with B&C clients Dorit & Ezi Tokman and Barbara & Michael Schneider.



Office Manager Kathi Boyd and her husband Jeff in Dubrovnik, Croatia - a stop on their European cruise.



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