



Accumulating Interest

DECEMBER 2019 | VOLUME 8 | ISSUE 4

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THE OFFICE WILL BE CLOSED ON THE FOLLOWING DAYS:

January 20
Martin Luther King, Jr. Day

February 17
President's Day

April 10
Good Friday

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A Word from the Investment Department

The SECURE Act – Impacting Retirement Planning by Sean Guldi, CFP®

The SECURE (Setting Every Community Up for Retirement Enhancement) Act was signed into law by the president on December 20, 2019. This act incorporates some of the largest changes to retirement savings since the Pension Reform Act of 2006. The bill will be effective January 1, 2020. The act makes sweeping changes to the Required Minimum Distributions (RMD's), Stretch IRAs (created when an original IRA owner dies and leaves the account to non-spouse beneficiary), and Traditional IRA Contribution age. Below is a breakdown of these changes.

Required Minimum Distribution Start Age Changed to 72

Prior to 2020, the law stated if you had assets in an IRA, you would be required to begin withdrawing a portion of those assets over your life expectancy, beginning in the year in which you turned 70.5 – sounds confusing right? The good news is you can now defer those mandatory (and taxable) distributions another year and a half to the year in which you turn 72. Those who turn 70.5 in 2020 will not be required to take RMDs, but those who turned 70.5 in 2019 after 7/1/2019 will be required to do so. Effectively, the change allows for increased planning opportunities with respect to IRA distributions and pushes back the correlating tax liability for an additional 1-2 years.

Traditional IRA Contribution Age Limit Eliminated

Prior to the new law's passing, anyone over the age of 70.5 was prohibited from contributing to a traditional IRA, even if they had earned income. The new law allows for anyone of any age with earned income to contribute to a traditional IRA (subject to other income restrictions same as before). This is great news for those who are working and do not have access to an employer-sponsored retirement plan.

The Stretch IRA is Dead

The new law eliminates the ability to stretch beneficiary distributions over their life expectancy, instead forcing the inherited IRA (or ROTH IRA) to be distributed by the 10th year. This eliminates the ability to leave your IRA or retirement accounts to younger children (or grandchildren) to allow them to withdraw the balance over their lifetimes. In the new version of the law, the beneficiary doesn't have to take a distribution every year, but they must distribute all assets from the account by the end of the 10th year. There are several categories of beneficiaries not subject to the ten year rule: spouses, disabled (IRC Section 72(m)(7)) beneficiaries, those who are chronically ill (IRC Section 7702Bc(2)), individuals not more than 10 years younger than the decedent, and certain minor children (until reaching age of majority).

(continued on next page)

Other Provisions

There are a few other notable changes to the retirement plan landscape:

- 1) Simplified process to offer Multiple Employer Plans (MEPs) (ideal for smaller businesses to provide a 401(k) plan at a lower cost)
- 2) Inclusion of “lifetime income” products (i.e. annuities) in 401(k) plans
- 3) Taxable non-tuition fellowship and stipend payments treated as compensation for IRA purposes (allows graduate students to make IRA contributions)
- 4) Changes to auto-escalation feature in 401(k)s allowing for auto-escalation up to 15% of pay (vs. 10% before change)
- 5) Allowing use of 529 plan funds to pay off up to \$10,000 in student loan debt per beneficiary
- 6) Reversion of the Kiddie Tax rules to tax any income of child subject to tax at parent’s marginal rate as opposed to the trust tax rates

As with all changes to tax and retirement laws, the impact to your personal situation may be different than discussed above. We look forward to discussing the impact on your plan as needed. We will work with Pershing to ensure proper calculation of all RMDs for 2020. Please call our office or e-mail your advisor to set up a time to review these changes.

New Additions to B&C Team



Caitlin Howard provides administrative support to B&C’s advisors and staff. She is committed to providing excellent customer service and looks forward to getting to know each client.

Caitlin graduated from The University of Alabama at Birmingham with a degree in Communications Management and a minor in Marketing. At UAB, she was a member of the women’s golf team where she won the Belmont Invitational and currently holds the lowest individual 18-hole scoring record of 67.

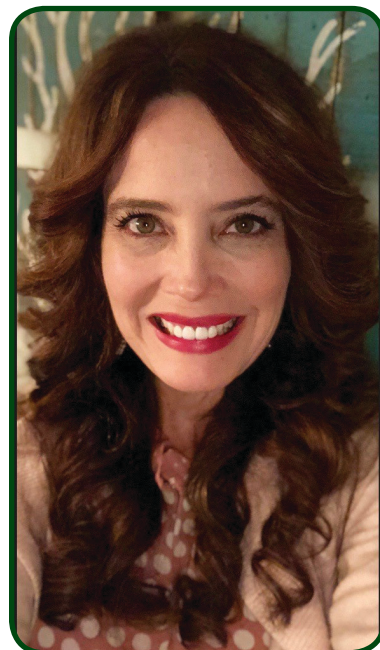
In her spare time, Caitlin enjoys spending time with family and friends, playing golf, and going to the beach with their chocolate Labrador, Paisley.

Robin Phillips recently joined B&C Financial Advisors team as their Client Relationship Manager. Prior to working at B&C she worked for a Florida based Homeowners Insurance Company for over 11 years where she held her 5-20 Company Adjuster license as well as a 4-40 Customer Representative license. Robin understands how essential client relationships are to the firm and is eager to get acquainted with each client.

As B&C’s Client Relationship Manager, Robin is passionate about providing the highest level of customer service, operational, and administrative support to each and every client.

Robin has been involved in Cystic Fibrosis Foundation Tailgate for a Cure in the past and contributes to St. Jude Children’s Research Hospital. She is excited to be involved in the charities that B&C supports.

Robin is the mother of 25 year old twin boys who live out of state. Robin recently got married in 2018 and she and her husband Randy enjoy traveling together. Robin also enjoys cooking, crafting, and spending quality time with family and friends.



Pershing's Phased Mailing Schedule for 2019 Tax Reporting

The mail dates for IRS Form 1099 (B, DIV, INT, OID and MISC) tax statements for the 2019 tax year are below. By taking a phased approach, clients receive their tax forms as early as possible with complete information. Pershing will evaluate each account to determine whether they have received final tax information for each security. This method accelerates the issuing of original 1099 forms and reduces the publishing of revised forms.

Due to possible revisions to your 1099 form(s), B&C advises waiting until April to file your taxes in order to avoid filing an amended return.

Mailing Phase	Mailing Date	Mailing Event
1	January 31	<ul style="list-style-type: none"> Form 1099 will be mailed for accounts with holdings and income that typically do not require reclassification or additional information from issuers. Generally, this includes accounts holding stocks, bonds and options.¹
2	February 15	<ul style="list-style-type: none"> Form 1099 will be mailed for accounts holding mutual funds, certain unit investment trusts (UITs), real estate investment trusts (REITs) and certain equities, because the issuer provided their final tax information after the January 31 mailing was prepared.¹ Pending 1099 Notices will be mailed for accounts where we are awaiting data from issuers or in cases where we have not completed processing and review of all information. The notice will list investments that are awaiting information from issuers or trustees or final review and will indicate the possible mail date of an investor's 1099. This notice, which will be in e-Document Suite, will be mailed when information is not finalized before the February 15 mailing is prepared. Revision mailing for 1099s sent in Phase One, as required.
3	February 29 ²	<ul style="list-style-type: none"> Form 1099 mailing will occur for accounts for which we can now include information that was previously pending income reclassifications from issuers of mutual funds, REITs and certain equities, because the issuer or trustee has provided Pershing with final tax information. Generally, this includes remaining mutual funds, REITs and certain equities.¹ Revision mailing for 1099s sent in Phases One and Two, as required.
4	March 15 ²	<ul style="list-style-type: none"> Form 1099 mailing will occur for all remaining accounts, regardless of whether pending income reclassifications for the account's income have been received from issuers. Generally, this includes accounts holding complex non-equity securities, such as real estate mortgage investment conduits (REMICs), widely held fixed investment trusts (WH-FITs) and some UITs. Revision mailing for 1099s sent in all previous phases, as required.

¹ Holding only these types of securities does not guarantee that your clients' tax statements will be mailed on the indicated date.

² Pershing's 30-day extension to the mailing requirement will accommodate these phases of the mailing.

B&C Annual Holiday Party

On December 5, 2019, B&C was proud to once again host our much-anticipated annual Holiday Party. By all measures, the party was a huge success. We would like to thank Mai Oui for catering the event with a variety of delicious food and friendly service, as well as our guests for the pleasant company and conversation. Most importantly, we would like to thank each and every one of our valued clients, without whom none of this would be possible—this party is for YOU! We hope to see you all again at next year's event.



*From left: Kathy & Allan Cohen
and Barry & Allyson Newman*



*From left: Diane Ellis, Sherry Williams,
Kevin Brandenburg, Alana & Thomas
Ellis, and Catherine & Celio Cedeno*



*Charles Fields &
Karen Weimar*



*From left: Michael & Janice Newton and John &
Patricia Steen*



*From left: Donna & Dan Maruniak, Allan
Cohen, & Adam Oerther*

B&C in the Community

Dreams Come True

128 players enjoyed a great golfing event made possible by the support of DCT's wonderful sponsors, like B&C. But even more important, approximately \$30,000 was raised for the charity which is going to make it possible for several special local children to experience a wonderful dream come true. They now have exceeded \$100,000 in money raised over the last four years.



Investment Manager Adam Oerther with the Riverwood Men's Golf Club celebrating the money they raised for DCT.

Keeping Up with B&C



Investment Manager Adam Oerther at a Packer's game!



CCO Jacqueline Bos went to Chicago to see Hamilton!



Investment Manager Adam Oerther celebrated his 30th birthday!

Allan's African Safari

This November, B&C's Co-Founder, CEO & President Allan Cohen and his wife Kathy went on a trip of a lifetime to Africa. They started in Cape Town, South Africa where they saw penguins and whales, and went on a cable car ride up to Table Mountain.

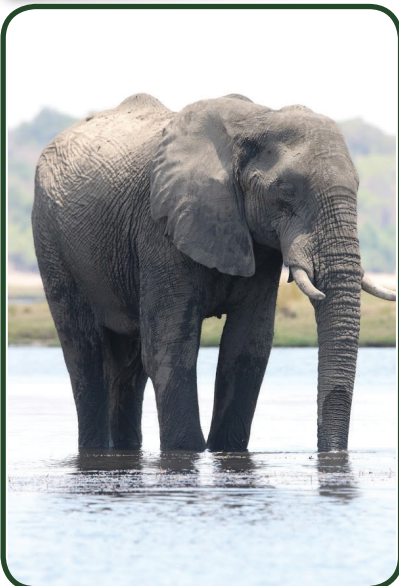
From there they explored 6 different national parks: Chobe National Park in Botswana, Hwange National Park in Zimbabwe, Kruger National Park, Amboseli National Park, Ngorongoro & Serengeti National Park!

Their special adventure wasn't just viewed from the lens of a camera on a jeep or boat... OR hot air balloon, they also got to have a meal or two in the national parks, where they were in awe from the beauty of the land.

A few of Mr. Cohen's favorite moments were visiting Nelson Mandela's and Desmond Tutu's houses. He even met Nelson Mandela's jailor. His favorite animal moments were hearing a lion roar and watching a family of elephants rescue a baby elephant that was stuck in a trench. He also really enjoyed meeting the locals and visiting schools, where Kathy taught the kids the Hokey Pokey!



"I really had a great time, it is my favorite trip we have ever been on... and can you imagine if I even liked animals?!" - Mr. Cohen





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