



Accumulating Interest

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THE OFFICE WILL BE CLOSED ON THE FOLLOWING DAYS:

January 15
Martin Luther King, Jr. Day

February 19
President's Day

May 27
Memorial Day

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Friday 8:30am - 4:00pm
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:

info@bandcfinancial.com

A Word from the Investment Department

What's New in 2024

by Sean Guldi, Chief Investment Officer

Happy New Year!

As we begin 2024 it is customary for us to make New Year's Resolutions (e.g., get in shape, save more, diet, etc.), and set goals for the new year. We are highlighting some of the meaningful changes for 2024 and will provide a more detailed breakdown on our website.

The IRS continues to work to implement the provisions of the Secure Act. As a reminder for anyone born between 1951 and 1958 your Required Minimum Distribution (RMD) will start in the year you turn 73 and for anyone born 1959 or later your RMD will begin in the year you turn 75. This presents an opportunity to do some advanced tax planning for those individuals who have lower income in the years between retirement and their RMD years.

Qualified Charitable Distributions (QCD's) are another popular tax and retirement planning tool. Qualified Retirement Plan (IRA, 401k, etc.) owners aged 70 ½ or older can elect to make QCDs from their accounts to qualified charities for up to \$105,000 in 2024 (a \$5,000 increase from 2023). These are terrific tools for anyone who takes the standard deduction to take funds out of a qualified account, avoid taxes, and contribute to a charity of their choice.

While inflation has started to abate there are adjustments to several important figures for 2024. Those of you who receive Social Security Payments will see another increase in your monthly check of 3.2%. Medicare premiums will increase approximately 6%. The IRS also considers inflation with respect to more than 60 tax provisions, including but not limited to: the federal income tax brackets, the standard deduction, the Earned Income Tax Credits, child tax credits, capital gains tax brackets, and the annual exclusion for gifts (from \$17,000 to \$18,000). Additionally, the IRS increased a few of the retirement plan limits – mainly the employee deferral limit for 401(k) is raised by \$500 to \$23,000, and the IRA/ROTH contribution phaseout limits were increased. The tables below outline a few of these changes:

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2024 Tax Rate	For Single Filers	For Married Individuals Filing Joint Returns	For Heads of Households
10%	\$0 to \$11,600	\$0 to \$23,200	\$0 to \$16,550
12%	\$11,600 to \$47,150	\$23,200 to \$94,300	\$16,550 to \$63,100
22%	\$47,150 to \$100,525	\$94,300 to \$201,050	\$63,100 to \$100,500
24%	\$100,525 to \$191,950	\$201,050 to \$383,900	\$100,500 to \$191,950
32%	\$191,950 to \$243,725	\$383,900 to \$487,450	\$191,950 to \$243,700
35%	\$243,725 to \$609,350	\$487,450 to \$731,200	\$243,700 to \$609,350
37%	\$609,350 or more	\$731,200 or more	\$609,350 or more

Source: Internal Revenue Service

2024 Standard Deduction	
Filing Status	Deduction Amount
Single	\$14,600
Married Filing Jointly	\$29,200
Head of Household	\$21,900

Source: Internal Revenue Service

2024 Capital Gains Bracket			
	For Unmarried Individuals, Taxable Income Over	For Married Individuals Filing Joint Returns, Taxable Income Over	For Heads of Households, Taxable Income Over
0%	\$0	\$0	\$0
15%	\$47,025	\$94,050	\$47,025
20%	\$518,900	\$583,750	\$518,900

Source: Internal Revenue Service

2024 IRA Phaseout Ranges		
Filing Status	Low End	High End
Single / Head of Household	\$77,000	\$86,999
Married Filing Jointly (spouse covered by workplace plan)	\$123,000	\$143,000
Married Filing Jointly (spouse not covered by plan married to someone who is)	\$230,000	\$240,000
Married Filing Separately (married to someone eligible for workplace plan)	\$0	\$10,000

Source: Internal Revenue Service

2024 ROTH Phaseout Ranges		
Filing Status	Low End	High End
Single / Head of Household	\$146,000	\$160,999
Married Filing Jointly	\$230,000	\$239,999
Married Filing Separately	\$0	\$10,000

Source: Internal Revenue Service

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Employer Retirement Plans	
Maximum elective deferral to retirement plans, e.g., 401(k), 403(b)	\$ 23,000.00
Catch-up contribution limit for 401(k), 403(b), and certain 457 plans	\$ 7,500.00
Maximum elective deferral to SIMPLE plans	\$ 16,000.00
Catch-up contribution limit for SIMPLE plans	\$ 3,500.00
Maximum elective deferral to 457 plans of government	\$ 23,000.00
Limit on annual additions to defined contribution plans	\$ 69,000.00
Limit on annual additions to SEP plans	\$ 69,000.00
Maximum annual compensation taken into account for contributions	\$ 345,000.00
Annual benefit limit under defined benefit plans	\$ 275,000.00
Limitation used in definition of highly compensated employee	\$ 155,000.00
Source: Internal Revenue Service	

Employee for a Cause

Making Strides Against Breast Cancer Walk

Jonathan Bottaro, Assistant Investment Manager



Jonathan's family and friends walked to support his mom, Lisa, and her defeat against breast cancer. They joined the Ackerman Cancer Center Team, Making Strides Against Breast Cancer Walk for the American Cancer Society at EverBank Stadium.

Breast Cancer Awareness is key to finding a cure. Each year in the United States, about 300,000 cases of breast cancer are diagnosed in women, which equates to 1 in 8 and 2,800 in men, which equates to 1 in 833. Thanks to organizations such as the Ackerman Cancer Center, many of these individuals will get the help they need during recovery.

Lisa is in recovery and breast cancer free. She has nothing but positive things to say about the doctors, their team, and staff that took care of her during her breast cancer journey and continue to be there for her on this Journey.

Lisa is a survivor of breast cancer. Her message is never skip a mammogram, do your breast self-exam, get an advocate to help navigate, and explore your options.

Keeping up with B&C



Clients George & Ellen Rubens and Jeff & Penny Marks joined President/CEO Allan Cohen and his wife Kathy at the River Garden Foundation Gala, an annual fundraising event for River Garden Hebrew Home.



Chief Investment Officer with friends Richard Brooks II, Patrick Higgins, & Daniel Forbes.



Administrative Assistant Genny Stephenson celebrated her birthday!



CCO Jacque Bos at the Acropolis of Athens in Greece!



Chief Investment Officer Sean Guldi, Vice President Adam Oerther, & Client Service Manager Caitlin Howard volunteered for the Hunger Fight.



President/CEO Allan Cohen and his wife Kathy in Japan!

IRS Raises Tax Brackets & Standard Deduction Due to Inflation

by Adam Oerther, Vice President



In a surprising twist amid persistent inflation, there's a silver lining: a larger portion of your income will face lower tax rates in the upcoming year.

The Internal Revenue Service (IRS) recently unveiled its annual adjustments to federal income-tax brackets for 2024. This adjustment, slightly outpacing the current inflation rate, carries the promise of reduced taxes for some Americans.

These adjustments, rooted in formulas outlined in the tax code, serve the purpose of preventing inflation from causing a surge in taxes. Noteworthy among these adjustments is the 5.4% increase in both the standard deduction and the thresholds for each tax bracket. This marks the second-largest adjustment in the past three decades, following last year's substantial 7.1% hike.

Looking specifically at the top federal income-tax bracket for 2024, the threshold is set to climb by nearly \$40,000 for a married couple. In the coming year, the 37% income-tax rate will be applicable to income exceeding \$731,200, while for individuals, the top tax bracket commences at \$609,350.

It's essential to understand that your effective tax rate is lower than your top rate. This is due to the tiered structure of taxation, where the initial portion of income is taxed at 10%, the subsequent portion at 12%, and so forth. Consequently, your effective tax rate is essentially a blended rate.

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Many individuals tend to equate their tax rate with their bracket. For instance, being in the 24% bracket does not translate to paying 24% on the entirety of their income. This nuance underscores the importance of comprehending both the tax brackets and your marginal tax rate.

Understanding these nuances becomes particularly crucial for effective year-end planning. To illustrate, consider a married couple with an income of \$300,000, taking the standard deduction. In this scenario, they would have a marginal tax rate of 24%. Importantly, they would still have over \$100,000 within that bracket before transitioning to the 32% rate.

This strategic understanding of the remaining portion within their current bracket can guide decisions about potential financial moves. For example, if they have little or no investment income, they might contemplate converting part of a traditional individual retirement account into a Roth IRA, also known as a Roth Conversion. This strategic move could secure the favorable 24% rate for the conversion, leveraging the remaining available space in their current tax bracket.

Therefore, while inflation may cast a shadow over economic considerations, the adjustments in federal income-tax brackets for 2024 bring a glimmer of relief for taxpayers. A nuanced understanding of these adjustments and their implications empowers individuals to make informed financial decisions, optimizing their tax liabilities and making the most of available opportunities.

Here at B&C Financial Advisors, we work closely with our clients and their CPAs/tax preparers when planning for the upcoming year. We provide valuable information regarding capital gains, investment income, IRA distributions, and more to ensure they are equipped to make informed decisions in pursuit of their overall financial goals.

Save the Date!



Mark your calendars – the B&C Holiday Party is back!

We will be hosting our clients, friends and family on Thursday,
December 5, 2024.

Keep an eye out for more information. We look forward to eating,
drinking and celebrating with all of you.

Pershing E-Delivery Reminder

If you would like to avoid fees for receiving paper statements/documents from Pershing, please enroll in e-delivery at investor.pershing.com.



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