B&C FINANCIAL ADVISORS

Accumulating Interest

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THE OFFICE WILL BE CLOSED ON THE FOLLOWING DAYS:

May 27
Memorial Day

June 19
Juneteenth

July 4
Independence 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.

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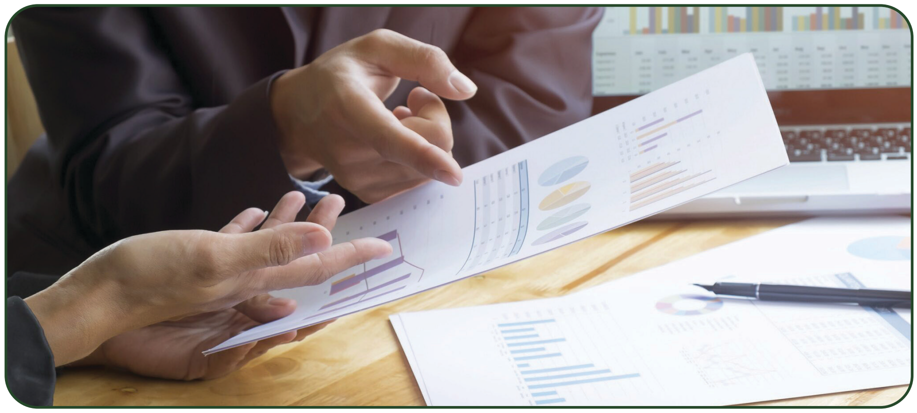
info@bandcfinancial.com

A Word from the Investment Department

Navigating an Inheritance

by Jessica Schmidt, Investment Manager



In life, there are two guarantees: death and taxes. Unfortunately, people often do not think about what happens to their estate after they are gone, leaving behind personal items, bank accounts, investments, etc. for their loved ones to sort on their own. This can be an overwhelming task for people who have never been in that position before and are unfamiliar with the process, all while dealing with their grief. At B&C Financial Advisors, we have unfortunately seen this happen, which is why we encourage our clients to establish an estate plan, which can make things much simpler to deal with for a grieving family. In this article, we will explain some of the steps involved to help you gain an understanding of what can be expected if you receive an inheritance that is not so cut-and-dry.

Most people have a will in place, which outlines their final wishes. However, if they did not have all their assets in a trust, you will need to go through the probate process. Probate is the judicial process of administering the will and making sure the decedent's wishes are being honored. Each state is a little different, but the general process is to:

1. File the petition of administration with the circuit court in the county where the decedent lived at the time of death. The will is needed, and a personal representative will be appointed for the estate.

2. Notify all creditors and any claims must be paid before distribution of assets from the estate.

3. Take inventory of the estate to get a valuation. This will include all bank accounts, investments, homes, cars, artwork, etc. Sometimes this can be easy to value, such as bank accounts, but valuing certain items, such as artwork, may take a specialist to help.

(continued on next page)

4. After a certain time, depending on the state, the claims period will end, and the estate must pay all valid claims. After this period, if a claim comes in it is considered invalid and does not need to be paid.

5. Get a final accounting of the estate to distribute the assets per the will of the decedent. This will need to be filed with the court and approved.

One of the most common inheritances people receive is in an individual retirement account, or IRA. Depending on your relationship with the decedent, there are certain rules with respect to distributing these assets. For example, if you are a non-spouse heir, you must distribute the entire IRA by the end of the 10th year following death. This can be intimidating when you think about the taxes you will be paying if the IRA has a substantial amount of assets in it, since every dollar that is distributed becomes taxable income to you. You must then plan for these required minimum distributions (RMDs) to determine the amount and timing of the distributions based on your personal income and tax situation.

If you believe your income is going to be higher in the future, it may make sense to take more funds out of the IRA earlier. However, if you are close to retirement yourself, it may make more sense to wait until you are in retirement with a lower taxable income. Planning for these distributions is different for every individual, so what works for someone else may not apply to your own financial situation.

Another consideration to make is whether you would like to reinvest the funds that are distributed. You may find, at the time you inherit or distribute funds from the IRA, you do not need the money to cover your living expenses. If so, you could decide to transfer the assets into a taxable account (e.g. brokerage or joint account). You also have the option of paying the taxes to the IRS directly from the IRA at the time you make a distribution, or you can pay them when filing your taxes the following year.

A Roth IRA is another very common inheritance. This type of account has the same 10-year rules as a traditional inherited IRA for a non-spouse beneficiary (a spouse who inherits either type of IRA can treat the account as if it was their own). Because distributions from a Roth IRA are not a taxable event, it is usually best to keep the funds in the Roth IRA until year ten. This allows you to have tax-free growth for ten years. Again, if you do not need the funds at the time of distribution, you also have the option to move the funds to a taxable account to keep the account invested.

While death is an unfortunate part of life, it is likely you or someone you love will find themselves dealing with these types of decisions. Understanding the process and getting a team of people who can help you facilitate this is one of the best things you can do for your mental health during this emotional time. Each person’s estate is different and unique to them. Honoring your loved one’s decision and making sure the estate is distributed per their will is the best way to let their memory live on for the people who were most important to them.

Once you receive an inheritance, it is up to you to make the decisions about what you would like to do with the money. Everyone has different financial goals in their life, and making the right decisions for you with the right people on your side will make a difference in the longevity of the money and achieving your goals. Knowing these rules and the process will hopefully help alleviate some stress during an emotional time.

Client with a Cause

MaliVai Washington
YOUTH FOUNDATION

The MaliVai Washington Youth Foundation (MWYF) has been providing after school and summer youth development programs in the urban core of Jacksonville, FL for the past 28 years. With a mission to 'develop Champions in classrooms, on tennis courts and throughout the community', MWYF's vision is to provide the youth with the resources they need to rise to their full potential and become contributing members of society.

Founded by former tennis pro MaliVai Washington (world #11, Wimbledon finalist and Olympian), the program initially introduced youth to the nontraditional urban sport of tennis. Through tennis, life skills including confidence, hard work, teamwork, individual effort were taught.

The organization quickly expanded to include homework assistance with mentor volunteers; life skills classes such as cooking, health, and multiple other areas; community service; enrichment activities; health risk avoidance including field trips to Duval County jail, gang avoidance classes given by Duval policemen and more. Many Champions have gone on to college with financial assistance from the MWYF Scholarship Fund, rewarded for excellent grades plus participation in sports and other activities.

As part of the life skills classes, MWYF donor, Champion Sponsor and B&C Financial Advisors client, Monica Heseman annually teaches middle and high school leadership classes in personal health and sex education, including teenage pregnancy and STD prevention. In a zip code (32209) with the highest teen pregnancy and std transmission rates, this education is more than necessary and Ms. Heseman, a retired nurse anesthesiologist, supports MWYF's efforts to keep teens on the path to success.

Additional information about the MaliVai Washington Youth Foundation can be found by visiting www.malwashington.com

Keeping up with B&C

CCO Jacque Bos and her fiancé Paul at the Panamanian transportation building in Panama!

Chief Investment Officer Sean Guldi with his family at TASK's Chocolate and Beyond event.

Happy Birthday

Client Relationship Manager Robin Phillips with her husband Randy and grandson Tristan in front of George Washington's Mount Vernon home.

Executive VP Thomas Ellis celebrated a birthday!

Employee Outing

B&C held its annual Employee Outing on December 2nd at Topgolf.
We had a great night enjoying each other's company, and even enjoyed a little bit of competition.

Defending champion VP Adam Oerther with the new champion Client Service Manager Caitlin Howard.

Housekeeping

Capital Loss Carry Forward

In order to best manage your account we would like a copy of your 2023 tax return. Please make sure to include any capital loss carry forward information as well.

If you are unsure where to get this information, your tax preparer should be able to provide you with it. If you did your own taxes, it can be found on Schedule D Capital Loss Carryover Worksheet.

Please either email us at taxes@bandcfinancial.com or call the office with this information so we can update our records.

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.

Changes to your Personal Information

If you have any changes to your address, email, phone number, etc. please let us know so that we can update our records and Pershing's records.

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.

Options for Paying Your Long-Term Care Costs in Retirement

by Adam Oerther, Vice President

As you approach retirement, you may be wondering how you will pay for long-term care costs if you or a loved one needs it. Long-term care can be expensive, and Medicare typically doesn't cover it, so you'll need to have a plan in place to cover these costs. Here are some options for paying for long-term care costs in retirement.

Option 1: Long-term Care Insurance

Long-term care insurance is a type of insurance policy that pays for long-term care expenses. It can cover the cost of care in a nursing home, assisted living facility, or in-home care. Long-term care insurance can help protect your savings and assets, and it can also provide peace of mind knowing that you have a plan in place for potential long-term care needs.

One thing to keep in mind is that long-term care insurance premiums are expensive, especially if you wait until later in life to purchase a policy. It's important to do your research and shop around for the best policy and premium for your needs.

Option 2: Life Insurance with Long-term Care Rider

Some life insurance policies offer a long-term care rider, which allows you to access a portion of your life insurance death benefit to pay for long-term care expenses. This can be a good option if you already have a life insurance policy and want to add long-term care coverage without purchasing a separate policy.

However, keep in mind that accessing your life insurance death benefit to pay for long-term care expenses will reduce or eliminate the amount of the death benefit that your beneficiaries will receive. Additionally, the cost of the long-term care rider can be expensive, so it's important to carefully consider whether this option makes sense for you.

To read more, please visit our blogs on our website.

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