

December 2019

HARWOOD

FINANCIAL GROUP



CHANGES THAT MAY AFFECT RETIREMENT SAVINGS IN 2020

HERE ARE THE NUMBERS YOU NEED TO KNOW

With a New Year comes a new start, and your retirement is no exception.

New retirement savings plan limits mean that individuals under age 50 will be able to put away up to \$19,500 in a 401(k) plan and up to \$6,000 in an individual retirement account in 2020. If you're on Social Security, your monthly checks will be 1.6% bigger starting in January, thanks to a cost-of-living adjustment.

But Medicare premiums could be more expensive based on your income.

For those of us that are not yet retired the limits for pretax saving have gone up. For those already in retirement will see a modest boost to their Social Security retirement benefits, along with increased Medicare Part B premiums. Savers who are age 50 and over will be eligible to put away up to \$6,500 more in their 401(k) plans or another \$1,000 in their IRAs.

Social Security benefits

If you are receiving Social Security benefits, you can expect a modest increase to your checks next year.

That extra 1.6% for 2020 is less than the 2.8% boost retirees received in 2019. It is in line with the average 1.4% cost-of-living adjustments over the past decade. Unfortunately, the same formula they use to give you a raise on your Social Security they use to increase your Medicare

premiums. They are making adjustments based on their interpretation of inflation.

IRS retirement savings contribution limits

Account	2019 Limit	2020 Limit
401(k), 403(b), Thrift Savings Plan, most 457 plans	\$19,000	\$19,500
Catch up contributions for those accounts for those 50 and over	\$6,000	\$6,500
SIMPLE retirement accounts	\$13,000	\$13,500
IRAs	\$6,000	\$6,000
Catch up contributions for IRAs for those 50 and over	\$1,000	\$1,000

Medicare premiums

As mentioned above, you may need to brace yourself for higher costs next year if you are on Medicare.

Standard monthly Part B premiums will increase to \$144.60 in 2020, up from \$135.50 in 2019, but how much you will pay depends a lot on your income.

Many individuals will pay more for their premiums based on income-adjusted amounts.

The chart below shows how much coverage will cost you if you have income in excess of \$87,000 individually, or \$174,000 if you're married and filing joint tax returns.

I am sure that we will see additional changes as we work our way through 2020.

It is amazing how time flies! As always we are happy to review your accounts with you at any time. Please call the office to schedule your review. 727-524-1427

Medicare Part B premiums 2020

Individual and joint filers

Individual tax filers	Married, file jointly	Adjustment amount	Monthly premium
Up to \$87,000	Up to \$174,000	\$0.00	\$144.60
\$87,000-\$109,000	\$174,000-\$218,000	\$57.80	\$202.40
\$109,000-\$136,000	\$218,000-\$272,000	\$144.60	\$289.20
\$136,000-\$163,000	\$272,000-\$362,000	\$231.40	\$376.00
\$163,000-\$500,000	\$326,000-\$750,000	\$318.10	\$462.70
\$500,000 or more	\$750,000 or more	\$347.00	\$491.60

Married but filing separately

Married, filing separately	Adjustment amount	Monthly premium
Up to \$87,000	\$0	\$144.60
\$87,000-\$413,000	\$318.10	\$462.70
\$413,000 or more	\$347.00	\$491.60

SOURCE: Center for Medicare & Medicaid Services



CHANGES WITH TD AMERITRADE

As advisors, we “custodian assets” with several different custodians, our two primary custodians are Fidelity and TD Ameritrade. Your investments are bought, sold, and held at these custodians. Recently Schwab announced the acquisition of TD Ameritrade, which was approved by both of their boards. What is exciting for us is that we intended to add Schwab as an additional custodian this coming year, not to replace TD Ameritrade or Fidelity, only to allow more choices to our customers.

If you are currently using TD Ameritrade, what will this change mean? Thus far, the benefits have been positive, Schwab had removed most costs to buy or sell a stock or bond, and TD Ameritrade has followed suit. This is positive and provides a distinct benefit. The combination of Schwab and TD Ameritrade will be a powerhouse; they will be huge, which should give us access to additional investments and resources, and in the end, I believe this could be beneficial to all.

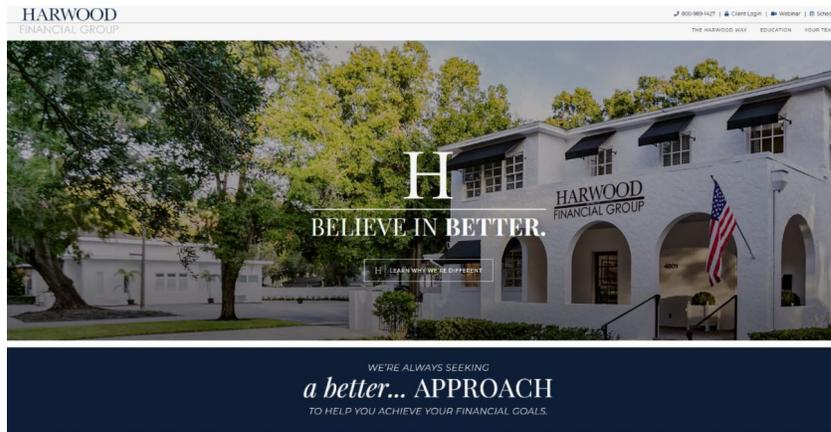
TD Ameritrade was best known for its quality of customer service. Schwab is unknown to us, but... the good news is we typically interact with the custodians on your behalf so you will be isolated from any of these changes.

As far as timing, this is a significant acquisition in an industry that really only had a few players. Although both companies approved the purchase, it still has to pass the regulators. This could take a significant amount of time. I suspect we will not see any significant changes for our customers utilizing TD Ameritrade for 1 or 2 years. The most significant changes I expect are new statements, and format of their website access. I believe everything else will remain pretty much the same. There really wasn't a significant difference between Schwab and TD Ameritrade to begin with, and I am hoping that the end result will be that Schwab will blend in the

NEW WEBSITE

To better serve you we have updated our website. You will find it packed with information about The Harwood Way. You will also find a place at the bottom of each page to schedule an appointment. At the top left you will find a link to attend a webinar appointment as well. You will find all of our employees on the Your Team page.

We hope you enjoy the enhancements.



PODCAST

We have started a new podcast series and would love to have your feedback. You can find these online at our new website under the media tab. We will post new podcasts weekly. You can follow them on LinkedIn as well if you are connected with Robert Harwood.



GOODBYES ARE HARD

WHEN YOU LOVE WHAT YOU DO

Nine years ago, I was a single mother of three children, working my way through college, struggling to make ends meet. I worked for a small financial advisory practice in Sebring, Florida. There was no one to train me on how to work in this industry. My employer at the time gave me several books and videos to use to teach myself how to work in financial services. The materials came from successful financial practices across the country. Robert Harwood and his firm were featured in one of the videos, and I really liked what I heard. Little did I know at the time what a profound impact he would have on my life.

I finished my college degree in 2013, and it was time to start looking for a new job. The school's career services department told me about a job opening in Financial Services in the Tampa Bay area. I didn't want to uproot my family, but thankfully I remained open-minded and decided to explore the opportunity. It turned out that the job opportunity was with "The Robert Harwood." I was intrigued by the idea of interviewing with his firm. When I scheduled the interview, I immediately panicked because I knew my car would not make the 200-mile trip to go to the meeting. I was able to borrow a car to drive over and meet with Robert.

We had a great interview, and he introduced me to his staff. I remember thinking that this was the longest interview I had ever had. A few weeks later, I sent him an email asking if I could come over for a second interview. At the end of that interview, he offered me a position working for his firm. At that point, he was offering to double my current salary to come and work for him. I was so excited, but there was one more hurdle. I knew that I couldn't afford to move my family to this area. I certainly didn't want to tell him that, but I did, and he made me a new offer. Robert gave me \$2500 to help me with the move. That was and still is my relationship with Robert: if I tell him what is stopping me, he always removes the barriers to make me as successful as possible. I came to work for Robert in July of 2013. I was full of ideas for the future and armed with my loyalty and respect for him.

Since then, the firm has increased in size, my responsibilities have increased, and my salary as well. I have grown so much working here. I cannot tell you how much his support and leadership have meant to my career, my family, and how much this journey has enriched my life in ways that I could have never imagined.

Recently I have been presented a new opportunity, one that will require that I relocate my family once again. I will be moving to the Orlando area and taking a leadership position in an established firm in the Health Care Industry. I am looking forward to the challenge and new opportunities for growth. This has been a hard decision to leave my coworkers and all of the clients I have grown to love. I will be starting the new year in my new position and want to say thank you to everyone. I am excited about the opportunity that lies ahead, but I will miss all the wonderful people I have had the pleasure of meeting and getting to know.

Thank you all for helping to shape my journey. It has been a pleasure to grow with you.

With Love,
Tera

CLIENT EVENT



We hope you all enjoyed our Annual Client Appreciation Event. You can find your photos online on Facebook or Instagram. We are also mailing out copies of photos over the next couple of weeks. Please click on like on Facebook to stay up to date with us! You can also follow us on Instagram by clicking the icon below.

With your help this event raised \$5000 for LAMPLighters to support Metropolitan Ministries.
Thank you!



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If you have any questions, please contact us at
800-989-1427 or 727-524-1427.

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