

# THRIVE TIMES



## HAPPY NEW YEAR!

The new year is here and it's a great time to start planning for the rest of the year and for your future. Set your goals for the new year and work towards making them a reality.

Get started by downloading our free tax reference sheet!

[CLICK HERE](#)

## WE WANT TO HEAR FROM YOU

Our New Year's Resolution is to hear what you would like to see from us! Because you are important to us and we want to make sure we keep providing you with the best financial information, we would like feedback regarding the way we communicate with you. Tell us how to improve!

[CLICK HERE](#)

# BUDGETING FOR HEALTH CARE IN RETIREMENT:

If you're like most Americans, after housing and transportation expenditures, one of your biggest retirement expenses is likely to be health care. But unlike the generation before you, you probably won't have access to retiree health benefits provided by employers or unions. As a result, you should prepare for the possibility that healthcare expenses will account for a bigger amount of your retirement budget.

This growing problem with retirement healthcare costs has several causes. People are generally living longer, health care costs continue to rise faster than overall inflation, and the typical retirement age in the United States is 62, which is three years before you can sign up for Medicare. According to the Fidelity Retiree Health Care Cost Estimate, an average retired couple aged 65 in 2022 may need approximately \$315,000 saved (after tax) to cover health care expenses in retirement.

Health care expenses are doled out throughout time, think of it as your cable bill; if you pay \$250 a month for cable and premium channels, that will total \$75,000 throughout a 25-year retirement, that's a pretty daunting number, but since you pay it in monthly installments, it's manageable.

Two strategies retirees should consider that addresses budgeting for health care:

The first is to shop and compare Medicare health plans each year during open enrollment. To help with this assessment, keep a running tab of your out-of-pocket expenses each year. Then compare your total spent on Medicare premiums and out-of-pocket costs each year with different coverage options.

A second strategy to help budget for retiree health care is to fund a savings account with enough money to pay out-of-pocket expenses for the year, based on prior year spending. Then, replenish this account each year from other funding sources. If you are fortunate, some years you may only need to "top off" that savings vehicle.

The bottom line, you must make sure you are budgeting for these expenses in retirement. While most individuals focus on paying off the mortgage before retirement, very few know that the cost of health care in retirement may be equal to or greater than your mortgage payment.

Contact us today to get in touch with one of our Financial Advisors to talk about your retirement future!

[CLICK HERE](#)

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# SECURE ACT 2.0

Written by *Erik Schuster, CFP® Financial Planner*

One of the only guarantees in life is that things will always change. As we look at the new spending bill that passed towards the end of 2022, we find ourselves with several changes to the retirement system in America. Being touted as the Secure Act 2.0, this new legislation immediately impacts those preparing for or already in retirement.

## **6 Big Takeaways from Secure Act 2.0:**

- It increases the age from 72 to 73 in 2023 (and 75 in 2033) for required minimum distributions (RMDs). In 2022, RMDs are the minimum amount of cash a retirement plan account holder is required to withdraw annually before they reach the age of 72. Any IRA or retirement account holder who has not reached the age of 72 by the end of 2022, will not have to take an RMD until the year they turn 73.
- Under current law, you can put an extra \$6,500 annually in your 401(k) once you reach age 50. Secure 2.0 would increase the limit to \$10,000 (or 50% more than the regular catch-up amount) starting in 2025 for savers ages 60 to 63.
- While Roth IRAs come with no RMDs during the original account owner's life, that's not the case for Roth 401(k)s. Starting in 2024, the pre-death distribution requirement would be eliminated.
- Employees can elect to treat employer-matching contributions as Roth contributions. This optional treatment is available for contributions made after December 29, 2022.
- The current penalty for missing a required minimum distribution is 50% of the amount of the missed RMD. It will now drop to 25% and if corrected in a timely fashion, the penalty would be reduced to 10%.
- The current \$100,000 limit for qualified charitable distributions will be indexed by inflation. Qualified charitable distributions, or QCDs, allow taxpayers over age 70 1/2 to contribute to charity from their IRA and avoid the recognition of income on the donated amount. The Act will also permit one-time gifts of \$50,000 through a charitable trust or gift annuity.

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# WHATS GOING ON AT THRIVE

## BIRTHDAYS

Let's wish Natalie Donegan and Jordan Cohen a very happy birthday! Thank you both for everything that you do for us and for our clients.



## NEW PODCAST EPISODES

Tips to maximize. Strategies to protect. Keep a look out for new episodes that air every Saturday and Sunday! If you miss it on the radio, make sure you take a listen to it on our website or any of your favorite music platforms!



## NEW YEAR, NEW WORKSHOPS

Let's kick off the new year with some new workshops to attend! Can't attend in person? Sign up for one of our online webinars!



## HOLIDAY RECAP

We had a great holiday season and are grateful to all of our team members who worked so hard to make it a success. Here's a quick look at how Bret and his family celebrated the holiday!



# OUR UPCOMING WORKSHOPS

JANUARY 2023

## **Wednesday, January 11th at 6:00 PM**

*Spring Mill Manor*

171 Jacksonville Rd,  
Ivyland, PA 18974

## **Wednesday, January 18th at 6:00 PM**

*Plumsteadville Inn*

5902 Easton Rd,  
Pipersville, PA 18947

## **Tuesday, January 24th at 6:00 PM**

*Plumsteadville Inn*

5902 Easton Rd,  
Pipersville, PA 18947

## **Thursday, January 26th at 6:00 PM**

*Washingtons Crossing Inn*

1295 General Washington Memorial  
Blvd, Washington Crossing, PA 18977

## **Tuesday, January 31st at 6:00 PM**

*William Penn Inn*

1017 Dekalb Pike,  
Gwynedd, PA 19436

## **Tuesday, January 17th at 6:00 PM**

*Washingtons Crossing Inn*

1295 General Washington Memorial  
Blvd, Washington Crossing, PA 18977

## **Thursday, January 19th at 6:00 PM**

*Spring Mill Manor*

171 Jacksonville Rd,  
Ivyland, PA 18974

## **Wednesday, January 25th at 6:00 PM**

*Brandywine Prime*

1617 Baltimore Pike,  
Chadds Ford, PA 19317

## **Thursday, January 26th at 6:00 PM**

*William Penn Inn*

1017 Dekalb Pike,  
Gwynedd, PA 19436

## **Tuesday, January 31st at 6:00 PM**

*Brandywine Prime*

1617 Baltimore Pike,  
Chadds Ford, PA 19317

### **\*Can't attend in person?**

*Sign up for our webinar!*

Tuesdays OR Thursdays at 11:30am  
OR 6:30pm

Limited Seats Available

**CLICK HERE TO  
REGISTER TODAY**

## Questions? Let's Get Connected:



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