

# NEWSLETTER

## Fiduciary Financial Planners and Investment Managers

Registered Investment Advisor - Member FINRA/SIPC

### 2022 Tax Year Filing Deadline is April 18th

The tax filing deadline for your 2022 tax return is April 18th. For people who did not yet make an IRA contribution in 2022, they have until April 18th to get that contribution in to have it count for the 2022 tax year. This applies to both Roth and Traditional IRAs. The overall limit is \$6,000, plus \$1,000 if you're age 50 or over for 2022, however, this limit will increase for the 2023 tax year.

As tax season approaches, remember to confirm how you receive tax documents, (e.g., physical mail, or downloaded from your online account). It's a good idea to wait until you've received your tax documents before meeting with your accountant

### Military Pensions No Longer Taxed in R.I.

Rhode Island will no longer tax military service pensions at the state level starting in tax year 2023, and is now no longer the regional outlier in this regard.



Downtown Providence, Winter 2023

Photo Credit: Patrick Diamond, CFP®

## Happy New Year from WMR!

Whether you make resolutions, set intentions, or make a goal for yourself, we hope that 2023 is a year of health and happiness for you and your loved ones. This year will mark WMR's 29th year serving clients, and we continue to improve our expertise, technological capabilities, and client services. As we enter a new year, our focus—as always—is to help you build and protect your long-term wealth and guide you towards a successful retirement. Whether you are a new client or one that has been with us for decades, "Thank You" to each and every one of our you for the trust and confidence you place in us to help with your financial planning and investment decisions. We look forward to speaking with you and seeing you in 2023.

- Arthur, Kevin, Scott, Alex, Patrick, Todd, Jeremy, Betsy, Chris, Emily and Marissa

Telephone: (401) 356-1400

28 Cedar Swamp Rd., Smithfield, R.I. 02917



## WMR Donates to Local Charities in 2022

This holiday season, the WMR staff was given the opportunity to name nonprofit organizations to receive donations made by WMR's founder Art Everly. The local and national charities that received donations at year-end 2022 included: Alzheimer's Association; The Izzy Foundation; Special Olympics, Save the Bay; Federal Hill House.

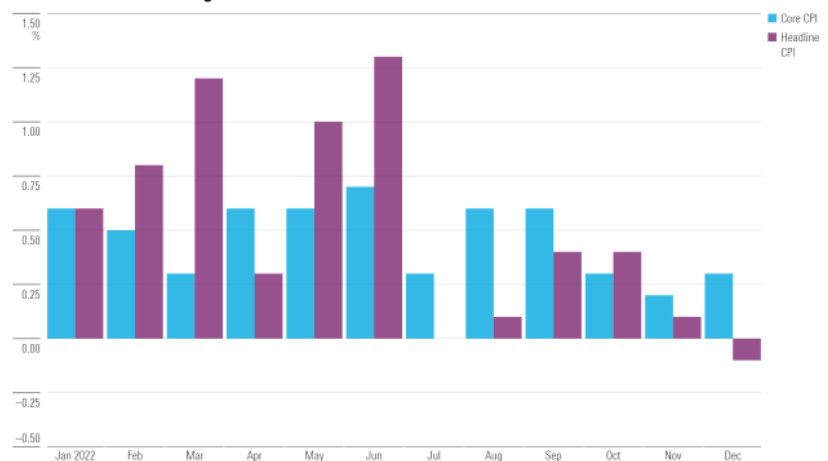
## Student Loan Payment Pause Extended

The Dept. of Education has extended the student loan payment pause until June 2023. This extension was made in response to legal challenges that have blocked the Biden Administration's student loan forgiveness program, which sought to forgive \$10,000-\$20,000 in student loan debt for certain borrowers. The Supreme Court will likely determine the fate of that loan forgiveness program sometime in 2023.

## Inflation Continues Downward Trend in December

The Bureau of Labor Statistics reported an overall decline of 0.1% in the Consumer Price Index for December, for the first negative month-over-month reading of its kind since May 2020 (see below chart with Core CPI in blue). The decline was led by gasoline, used cars, and airfare prices. Food and shelter prices both increased for the month. Over the last 12 months, overall inflation increased 6.5%. Excluding food and energy, prices rose 5.7% from year-ago levels.

Month-Over-Month Change in Price Levels



Source: Bureau of Labor Statistics, Morningstar. Seasonally adjusted. Data as of December 2022.

## 401K and IRA Contribution Limits Increased

The IRS has announced that contribution limits for employees who participate in 401(k), 403(b), most 457 plans and the federal government's Thrift Savings Plan will increase to \$22,500 for tax year 2023. The limit on annual contributions to an IRA will increase to \$6,500. The IRA catch-up contribution limit for individuals age 50 and over is not subject to an annual cost-of-living adjustment and remains \$1,000. The catch-up contribution limit for employees age 50 and over who participate in 401(k), 403(b), most 457 plans and the federal government's Thrift Savings Plan will increase to \$7,500 (as noted above). The catch-up contribution limit for employees age 50 and over who participate in SIMPLE IRA plans will increase to \$3,500,

up from \$3,000.

To learn more visit: <https://www.irs.gov/newsroom/taxpayers-should-review-the-401k-and-ira-limit-increases-for-2023>.

## Secure Act 2.0 Signed Into Law With Major Changes to Retirement Planning

On December 29, 2022, President Biden signed into law the SECURE 2.0 Act as part of the Consolidated Appropriations Act of 2023. The legislation that was incorporated into the larger bill is the result of negotiations between House and Senate members to combine three different retirement-focused bills that enjoyed bipartisan support across both chambers. It builds on the SECURE Act, which was approved by Congress in 2019.

The most notable provision in the new bill increases the age at which individuals must begin taking required minimum distributions (RMDs) from their retirement accounts to age 73 from 72, beginning January 1, 2023. Additionally, In 2033, the RMD age will increase again to age 75. How this can work in reality: if you turned 72 in 2022, you have until April 1, 2023, to take your first RMD (i.e., your RMD for 2022), and you'll have to take another RMD for 2023 by Dec. 31, 2023. If you turn 72 in 2023, your first RMD will be for 2024, the year you turn 73, and due by April 1, 2025.

The bill also increases catch-up contributions for individuals ages 60 through 63, beginning in 2025. Individuals age 60 through 63 can contribute up to \$10,000 annually to a workplace plan, and that amount will be indexed to inflation. The catch-up amount for people age 50 and older in 2023 is currently \$7,500 (as noted above).

## Tax Season is Prime Time for Phone and Text Message Scams

The IRS has warned taxpayers of a recent increase in IRS-themed texting scams aimed at stealing personal and financial information. Referred to as "Smishing" (as a play on words related to SMS text and the classic phishing scam), fraudsters are targeting mobile phone users with a scam text message asking for personal and financial information. According to IRS.gov, within these text message will be a link or a call back phone number, many times promising tax relief or help setting up an IRS account among other lures to hook an unsuspecting person.

The IRS has specific rules they must follow when reaching out to a taxpayer. Initial outreach will be through regular mail delivered by the US Postal Service. In certain circumstances and when several letters have been unsuccessful they will call or even visit a home or business for situations like an overdue or unfiled tax return or while conducting an audit. The IRS will never call and demand tax payments using a debit card, gift card, or wire transfer, and will never send text messages or contact people through social media.

To learn more about what the IRS does and does not do and how to report scams visit <https://www.irs.gov/newsroom/how-to-know-if-its-really-the-irs-calling-or-knocking-on-your-door> and <https://www.irs.gov/newsroom/taxpayers-beware-tax-season-is-prime-time-for-phone-scams>

## One Key to a Successful Retirement: Invest in Friendships and Hobbies

A recent article in the Wall Street Journal highlighted the findings of the Harvard Study of Adult Development. Since 1938, the study has followed hundreds of college graduates and inner city Boston residents and their descendants to understand predictors of longevity and health and happiness in later life. According to the study's director, a major predictor of a successful and happy retirement is the quality of retirees relationships with loved ones and friends. Additional research also highlights the importance of hobbies that provide a sense of purpose as it influences longevity and predicts reduced risk for diseases, including Alzheimer's and stroke.



Happy 2023 from our office mascot Chara!

Additional information, including management fees and expenses, is provided on our Form ADV Part 2 available upon request or at the SEC's Investment Advisor Public Disclosure Site at <https://adviserinfo.sec.gov/firm/summary/45452>. The information provided herein is for educational purposes only and is not intended to provide any investment, tax, or legal advice.



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