



TENNESSEE VALLEY ASSET MANAGEMENT PARTNERS

Main Office Address  
6025 Brookvale Lane, Suite 160  
Knoxville, TN 37919

(865) 226-9982

connect@tvamp.com

tvamp.com

*Live Invested* in what matters most to you.

Our mission is to help build, manage, and preserve the wealth of our clients, and **enhance their quality of life.**

## Live Invested

**Winter Newsletter**  
January-March 2019

In this brand new quarterly publication, we'll share helpful advice, inspiring stories, and resources you can put to use in your everyday life.

### Inside Our First Issue:

- Featured Article: Tax Considerations for Retirees
- "Our Corner of the World" Letter from TVAMP
- Retirees Birthday Milestones
- Get to Know Cindy
- Events Coming Up
- "How to Commit To Goals" by Burt Peake, Jr.



TENNESSEE VALLEY ASSET MANAGEMENT PARTNERS

### Featured Article

*The federal government offers some major tax breaks for older Americans. Some of these perks deserve more publicity than they receive.*

## Tax Considerations For Retirees

If you have questions or would like more info regarding retirement or tax planning call us (865) 226-9982 or shoot us an email connect@tvamp.com



**If you are 65 or older, your standard deduction is \$1,300 larger.** Make that \$1,600 if you are unmarried. Thanks to the passage of the Tax Cuts & Jobs Act, the 2018 standard deduction for an individual taxpayer at least 65 years of age is a whopping \$13,600, more than double what it was in 2017. (If you are someone else's dependent, your standard deduction is much less.)(1)

**You may be able to write off some medical costs.** This year, the Internal Revenue Service will let you deduct qualifying medical expenses once they exceed 7.5% of your adjusted gross income. In 2019, the threshold will return to 10% of AGI, unless Congress acts to preserve the 7.5% baseline. The I.R.S. list of eligible expenses is long. Beyond out-of-pocket costs paid to doctors and other health care professionals, it also includes things like long-term care insurance premiums, travel costs linked to medical appointments, and payments for durable medical equipment, such as dentures and hearing aids.(2)

**Are you thinking about selling your home?** Many retirees consider this. Continued below...

### Low-income seniors may qualify for the Credit for the Elderly or Disabled...

This incentive, intended for people 65 and older (and younger people who have retired due to permanent and total disability), can be as large as \$7,500 based on your filing status. You must have very low AGI and nontaxable income to claim it, though. It is basically designed for those living wholly or mostly on Social Security benefits.(5)

If you have lived in your current residence for at least two of the five years preceding a sale, you can exclude as much as \$250,000 in gains from federal taxation (a married couple can shield up to \$500,000). These limits, established in 1997, have never been indexed to inflation. The Department of the Treasury has been studying whether it has the power to adjust them. If modified for inflation, they would approach \$400,000 for singles and \$800,000 for married couples.(3,4)

**Affluent IRA owners may want to make a charitable IRA gift.** If you are well off and have a large traditional IRA, you may not need your yearly Required Minimum Distribution (RMD) for living expenses.



If you are 70½ or older, you have an option: you can make a Qualified Charitable Distribution (QCD) with IRA assets. You can donate up to \$100,000 of IRA assets to a qualified charity in a single year this way, and the amount donated counts toward your annual RMD. (A married couple gets to donate up to \$200,000 per year.) Even more importantly, the amount of the QCD is excluded from your taxable income for the year of the donation.(6)

**Some states also give seniors tax breaks.** For example, the following 11 states do not tax federal, state, or local pension income: Alabama, Hawaii, Illinois, Kansas, Louisiana, Massachusetts, Michigan, Mississippi,

Missouri, New York, and Pennsylvania. Twenty-eight states (and the District of Columbia) refrain from taxing Social Security income.(7)

**Unfortunately, your Social Security benefits could be partly or fully taxable.** They could be taxed at both the federal and state level, depending on how much you earn and where you happen to live. Whether you feel this is reasonable or not, you may have the potential to claim some of the tax breaks mentioned above as you pursue the goal of tax efficiency. (5,7)

Disclosures and citations on page 3.

## Our Corner of the World Letter From TVAMP

Happy New Year! Did you set any resolutions for 2019? Many of us did, and we're holding each other accountable. After establishing a goal, we recommend putting into practice simple habits that make it seem less overwhelming. Even if you've gone off track, it's never too late to recommit.

Think: What habits can you implement right now, so that your future-self would thank you? Planning for retirement is a very important goal... One that allows our firm the opportunity to meet and work with many unique people in our area. We help individuals start, maintain, and manage their retirement plans. No matter how you hope to spend your retirement years, you'll need some money to make it possible.

A few simple ways to invest in your future are **Roth IRAs, traditional IRAs, and your workplace retirement plan**. Did you know, during retirement you can take withdrawals from a Roth IRA and both the principal and earnings are tax-free? Traditional IRAs are another investment vehicle many investors utilize. These IRAs offer tax deductions now, when you're putting money in.

We remind working folks to contribute to their workplace plan (Free money involved!) and review the investments options inside the plan. It's been recorded that less than 7% of 401k investors make changes to their investment allocation in any year.\* Are you confident your investments align with your risk tolerance and time horizon? If it's been awhile since you reviewed this, we have a new simple-to-use tool that could help you stay in control of your 401k account.

Just call or email us if you'd like more information on these different ways to invest in your future. May 2019 be your best year yet!

## Team Spotlight

### Meet Cindy Card, our Client Care Coordinator.

Cindy Card is a wonderful part of our team because she is naturally caring! Paired with her organizational skills, Cindy helps TVAMP be an inspiration to our clients and offer a deeper commitment to them. "To coordinate client care, I work with our tightly-knit team of advisors and administrative staff each day to find out who could use a call, a card, or even a visit," Cindy explains. At TVAMP, we believe our clients deserve this kind of thoughtful attention.



Just as it is important for us to get to know you, as we develop and implement your financial plan, we feel it's important for you to know our team and how we work to benefit you. We'll feature a team member each month on our blog.

You can learn more about our team at [tvamp.net/team](http://tvamp.net/team)



## Most Clicked Last Quarter

Last month, our most clicked content was our **Night of Christmas Cheer** photo album on Facebook. It was such a fun night! Thanks to all our clients, friends, and family who joined us for this festive evening of dinner and dancing. On Facebook, we share personal finance articles, what's happening around the office, details about our services, our team, and our events! It's an easy way to stay in the know.

Find us on Facebook: [www.facebook.com/trvalley](http://www.facebook.com/trvalley)

## Retirees Birthday Milestones

There are quite a few birthday milestones that mark when retirees are eligible for certain benefits or are required to take action. Don't miss these!

**Age 55:** Penalty-free distributions allowed from 401(k) if retired

**Age 59.5:** Penalty-free distributions allowed from IRAs & qualified plans, and Roth IRAs at least five years old

**Age 60:** Can apply for early Social Security under deceased spouse's earnings record

**Age 62:** Can apply for early Social Security under own earnings record (benefits reduced)

**Age 65:** Apply for Medicare (Parts A and B) beginning three months before birthday

**Age 66:** Full retirement age for unreduced Social Security benefits

**Age 70:** Apply for Social Security for maximum benefits

**Age 70.5:** Must start IRA required minimum distributions

## TVAMP PARTNERS & CFP® PROFESSIONALS

All three founding partners of TVAMP, now hold the CERTIFIED FINANCIAL PLANNER™ certification. "It's an honor to receive the CFP® certification," said Scott Fisher, CFP®. Jeff Sweat, CFP® mentioned, "Earning this further reflects the commitment I have made to providing objective financial guidance." The two earned this designation fall of 2018. Jeff Foster, CFP® who earned it earlier in his career, says he's proud to work alongside Fisher and Sweat. The three partners are committed to investing in themselves and TVAMP so they can continue to enhance the value they deliver.



Read the full press release on [tvamp.net/blog](http://tvamp.net/blog).



## Events, Important Dates, & Holidays

### TVAMP Events

1/31/19: Breakfast With Us (Future topics and locations to be announced.)

2/14/19: Annual Widows & Widower Valentine's Day Luncheon at Calhoun's

3/2/19: Annual Family Fun Day at GymTek Academy (Fun for young kids!)

5/4/19: 4th Annual Car Show! "Autos & Advisors" at our Main Office!

### Important Dates

4/15/19: Last day to contribute to IRA for 2018

### Market Holidays - Office Closures

1/21/19: Martin Luther King Day

2/18/19: President's Day

4/19/19: Good Friday

More on each of these at [tvamp.net/events](http://tvamp.net/events)



## A New Year, A New You: How to Commit to Your Goals By Burt Peake, Jr.

"New Year's Day, they keep coming at us a little bit faster every year, don't they? So, we reflect, we resolve, and go headlong into the new year," Burt Peake, Jr. writes. TVAMP Wealth Advisor, Burt, shares his formula for committing to your goals. Grab a pen and paper

1. Make just a few realistic goals and write them down.
2. Now, make them very specific.
3. Write down the things you want to change (in order to meet your goal) and why they are difficult for you.
4. Get a blank calendar, turn your goals into small, daily goals (add these to your calendar).

You can find Burt's full blog on our website.



Securities offered through LPL Financial. Member FINRA/SIPC. Investment advice offered through TVAMP, a registered investment advisor and separate entity from LPL Financial. TVAMP, LPL & the CFP® Board are not affiliated.

"Tax Considerations for Retirees" Page 1: This information is not intended to be a substitute for specific individualized tax advice. We suggest that you discuss your specific tax issues with a qualified tax advisor. This material was prepared by MarketingPro, Inc., & does not necessarily represent the views of the presenting party, nor their affiliates. This information has been derived from sources believed to be accurate. Please note - investing involves risk, and past performance is no guarantee of future results. The publisher is not engaged in rendering legal, accounting or other professional services. If assistance is needed, the reader is advised to engage the services of a competent professional. This information should not be construed as investment, tax or legal advice and may not be relied on for avoiding any Federal tax penalty. This is neither a solicitation nor recommendation to purchase or sell any investment or insurance product or service, and should not be relied upon as such. All indices are unmanaged and are not illustrative of any particular investment.

- Citations
- 1 - fool.com/taxes/2018/04/15/2018-standard-deduction-how-much-it-is-and-why-you.aspx [4/15/18]
  - 2 - aarp.org/money/taxes/info-2018/medical-deductions-irs-fd.html [1/12/18]
  - 3 - loans.usnews.com/what-are-the-tax-benefits-of-buying-a-house [10/17/18]
  - 4 - cnbc.com/2018/08/02/some-home-sellers-would-see-huge-savings-under-treasury-tax-cut-plan.html [8/2/18]
  - 5 - fool.com/taxes/2017/12/31/living-on-social-security-heres-a-tax-credit-just.aspx [12/31/17]
  - 6 - tinyurl.com/y8slf8et [1/3/18]
  - 7 - thebalance.com/state-income-taxes-in-retirement-3193297 ml [8/15/18]

Citation Page 2: \*EBRI 401(k) Plan Asset Allocation, Account Balances, and Loan Activity in 2014. The Roth IRA offers tax deferral on any earnings in the account. Withdrawals from the account may be tax free, as long as they are considered qualified. Limitations and restrictions may apply. Withdrawals prior to age 59 1/2 or prior to the account being opened for 5 years, whichever is later, may result in a 10% IRS penalty tax. Future tax laws can change at any time and may impact the benefits of Roth IRAs. Their tax treatment may change. Contributions to a traditional IRA may be tax deductible in the contribution year, with current income tax due at withdrawal. Withdrawals prior to age 59 1/2 may result in a 10% IRS penalty tax in addition to current income tax.