



Your 2020 Financial To-Do List: Month by Month—January through March

by Philip Herzberg, CFP®

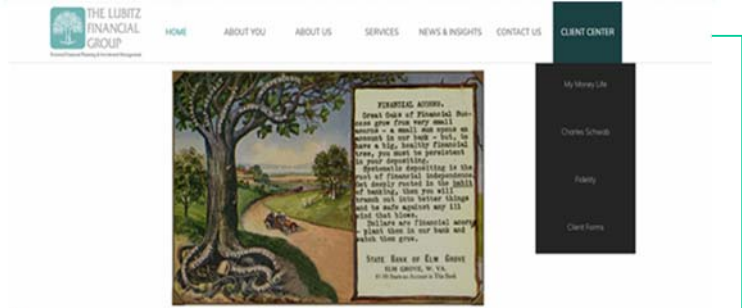
January: 1. Make a New Year’s resolution to review and update your next 12 months’ personal cash flow. Are you getting married, having a newborn, or adopting a dog? Project the cost of any planned expenses. Set aside funds for any larger 2020 costs, such as college tuition or home renovations, in liquid and safe short-term investments. If you know you will need your money within the next few years, you should think about establishing a high yield savings or money market account that provides an attractive interest rate.

2. If saving more is another one of your resolutions for 2020, there is fantastic news! You can put away more towards retirement plan accounts, such as your **401k**, **403b**, most **457 plans** and the federal **Thrift Savings Plan**. Increase your employee payroll deferrals so that your 2020 year retirement plan contributions are maxed out - \$19,500 or \$26,000 if age 50 and over. If you make automatic payroll deferrals to your retirement accounts, you may need to notify your plan administrator to adjust your savings amount before January 1, 2020, to reflect the higher limits.

3. January 15th is the date for quarterly estimated tax payments.

February: 1. Check your W-4 tax withholding amount. If you get a significant tax refund every year, you may be withholding too much money from your paycheck. Essentially, you are providing the government with an interest-free loan. Ask your payroll department for a copy of IRS Form W-4 to change your withholding. Keep in mind that you should have enough withheld to avoid underpayment penalties.

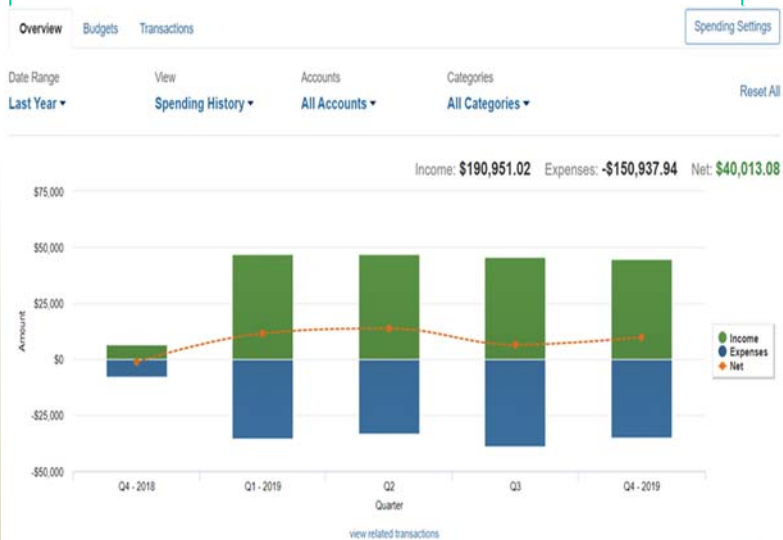
2. Fund Health Savings Account (HSA) to set aside money on a pre-tax basis to pay for qualified medical expenses. You may contribute to an HSA only if you have a High Deductible Health Plan (HDHP), which is generally a health plan (including a Marketplace plan) that only covers preventive services before the deductible. Limits for 2020 increase to \$3,550 for singles and *(continued on page 3)*



My Money Life

The year 2019 has ended and now is a great time to update your financial plan and review your cash flow. Just like your credit card sends you annual spending statements, you can obtain your personalized income and spending report in our My Money Life client portal. See where you spent your money in 2019, trends, and more. Contact one of our team members if you want help reviewing your cash flow history. Advisors@LubitzFinancial.com

www.LubitzFinancial.com > [My Money Life Log In](#)



Are you on [LinkedIn](#)? If so, [connect](#) with [The Lubitz Financial Group](#) page for more articles!



What’s Inside

Around the Office	2
Your 2020 Financial To-Do List (continued)	3
Getting older and more charitable? Try a QCD.	3

AROUND THE OFFICE

In the News ... Phil and Debbie co-authored October's *Journal of Financial Planning* column, "Protecting Against Elder Exploitation." You can read the article on our website ("In the News") or by clicking [here](#). An online article about Linda's career was written for ThinkAdvisor.

Giving Back to the Community ... Debbie will be joining the Financial Planning Association (FPA) Miami Board of Directors for the 2020 year. She will be co-chair for pro-bono and community outreach for 2020. **The Lubitz Financial Group** served as a proud in-kind sponsor of the 18th Annual Joint Tax & Estate Planning Seminar, co-presented by Jewish Federation of Broward County, United Way of Broward County, and Community Foundation of Broward. Phil attended this one-day program, which attracts over 600 top-notch wealth planning professionals from across South Florida. **Nercys** is looking forward to the Holidays and her work with the Church and OCC (Operation Christmas Child). Operation Christmas Child is an organization that fills shoe boxes with toys and different necessities to demonstrate "God's love" in a tangible way to children in need around the world.

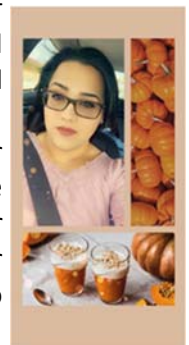
Furthering the Profession ... Linda's study group, Capstone, met in College Station, TX at the Texas A&M campus. They spent time with the leading Financial Planning program students to help mentor them. Linda and Debbie joined a special group of Women in Financial Services in Miami sponsored by Fidelity. It was an evening of sharing and learning and great food at Zuma. Jorge gave a talk to a broad audience at the Bitcoin Center Miami about "Applying Timeless Investment Ideas to Crypto".

Education ... Phil chaired the FPA of Miami Annual Symposium. Linda joined our other advisors, Jorge, Phil and Debbie at the Symposium for a day of high level learning about ROTH IRA's, Passive vs Active Investing, Cultural Diversity in the Workplace, Top 10 IRA Mistakes, and some practice management topics. Phil attended the October 17th Joint Estate Planning Council of Greater Miami and the FPA of Miami event (with Debbie) on "Powers of Deduction: Tax Saving Strategies Under the Legislation Formerly Known as the Tax Cuts" and "Asset Protection Planning". Phil also attended the November 14th Estate Planning Council of Greater Miami Dinner event on "Ethical Winners and Losers in the World of Trusts & Estates" and "The First Thing We Do, Let's Hack All the Lawyers (and Accountants)!" Linda and Jorge attended the December CFA Society Miami presentation about "Are investment valuations now irrelevant?" Jorge also attended an executive investment management program at Chicago Booth School of Business to continue his preparation for an investment certification.

Exotic Travel ... Jorge and his wife Ana spent 12 days in Italy visiting beautiful Sardinia, Florence, and Venice (just before flooding). Dolce vita! After taking a year off due to the condo renovation, Linda and Norm started to travel again back to their place in Cape Breton, Nova Scotia. They just love it there as the golf is spectacular and the staff treats us like family. Linda took a lot of lessons so golf is improving.

Family & Personal Matters ... Linda shared the cutest photo of Sawyer and Norm, their granddaughter. Congrats to Phil who announced his engagement to Heather. They're getting hitched in May of 2020. Debbie's goal, to try some new Florida outings, continues. She participated in her first Critical Mass ride in October. She also did a night bike ride at the Shark Valley National Park to see the moon rise over the Everglades. That is not a ride to do if you are scared of the dark, alligators, frogs, snakes, etc.

Linda and Norm spent Thanksgiving with Linda's 99 year old mother in Coral Gables. Norm's daughter and family are moving from Los Angeles to Columbus, Ohio for a new job. Guess they'll be visiting the Midwest now! They also attended Norm's 50th college reunion at Stanford. After a year of renovation of their new condo in Oakland, Linda and Norm have finally moved in and LOVE it. Downsizing is challenging but worth it for the convenience and ease of living.



Office Happenings ... This is Nercys favorite season. Pumpkin spice latte is her favorite! Nancy had her elf hat on and was busy with holiday prep for our staff and friends. We had so much fun at our office Thanksgiving Feast, that we forgot to take a photo! We did, however, share a few pics from our December Holiday Jingle & Mingle in our Miami office and our Holiday Dinner in Boca Raton for our Broward and WPB clients and friends. To those who were able to join, we always love seeing you and to those who were unable ... we missed you and send our best wishes for a wonderful holiday season.

Your 2020 Financial To-Do List: Month by Month - January through March ... *(continued from page 1)*

\$7,100 for family. Age 55 and over get an additional \$1,000. HSA funds roll over year-to-year if you don't spend them.

3. You can sign up for the next Florida Prepaid College Plan Open Enrollment period that will last from February 1 to April 30. A Florida Prepaid College Plan, which is an authorized 529 college savings vehicle, enables families to lock in college plan prices and prepay, on a monthly or lump-sum basis, the specified future costs of college tuition, fees, and (optionally) dormitory housing. Prepaid Plans offered by the Florida Prepaid College Board are guaranteed by the State of Florida, so you can never lose what you've paid toward the plan. Like any other 529 college savings plan, 529 Prepaid Plan earnings are tax-free when they are used for Qualified Higher Education Expenses.

March: 1. Use extra income to fund 2019 and 2020 tax year retirement account contributions of up to \$6,000 for Traditional IRAs and Roth IRAs by April 15th. Be mindful that contribution limits are subject to income phase-outs. Catch-up contributions, if you are age 50 or older, remain unchanged at \$1,000 for the IRAs.

2. Are you prepared for the unexpected? Conduct an overall insurance review, including your life and disability insurance coverage, to make sure your family and finances are protected should anything unforeseen happen to you. Also, revisit your homeowners insurance coverage. Consider an umbrella insurance policy to cover large claims. Be mindful that the homeowners and umbrella insurance policies don't cover jewelry or watches unless you have a specific rider.

3. Protect your estate and loved ones. Without proper beneficiary designations, a Will and/or Living Trust, and other basic estate planning documents, the fate of your assets or minor children may be decided by attorneys and tax agencies. Review your beneficiaries to make sure that the proceeds of life insurance policies, annuities, and retirement accounts transfer to who you want to quickly. Keep in mind that a beneficiary designation (IRA/Roth IRA and Transfer on Death brokerage account) or asset titling trumps the provisions of a Will, so make sure all estate documents are consistent with your wishes.

Call your LFG Advisors at 305.670.4440 for guidance on your planning. We wish you the very best on your journey for a successful 2020!

Getting older and more charitable? Try a QCD.

by Debbie Badillo

It is the time of year where some of us think about making charitable donations. If you are older than 70 1/2, you may satisfy part or all of your required minimum distribution (RMD) from your IRA by donating to a charity directly from your IRA. This is called a Qualified Charitable Distribution (QCD). Donating can make you feel good and also benefit your pocketbook by decreasing your taxable income by the amount you are donating to the charity. The rest of your RMD not donated to charity is fully taxable to you. The charity needs to be a 501(c)3 organization and accept tax-deductible donations. BUT, the donation MUST be **transferred directly** from your IRA to the charity and it must be completed by the end of the year to be counted toward that year's RMD. Some custodians will give you a checkbook to use to make the QCD and others require you to use their transfer forms. If you write a check, make sure the charity knows the check MUST be deposited before the year end in order for it to count towards your RMD for that year. If not, you could incur a penalty for not taking your full RMD for that year. To be safe, we recommend sending the QCD check no later than November 30 of that year. Also, retain the receipt for your records and when filing your tax return, you need to make a note about your QCD. If this is something you are interested in doing, please call me or any of our Advisors at the office (305 670-4440) to see if this makes sense for you. Happy Donating!



Are you interested in having an LFG expert present to your office, study group or community group?

Topics include: * Investing Basics—Be a Smart Investor * Financial Strategies—How do I maximize what I'm earning and keep it for retirement? * How to Financially Prepare you Daughter/Son for College?

Our advisors and professionals are dedicated to your financial education. Some presentations can also be delivered in Spanish. Let us know if you'd like to know more. **Nancy Mele 305 670 4440** NancyM@LubitzFinancial.com

We welcome the opportunity to help you, your family and friends achieve peace of mind related to wealth and life transition planning.

305-670-4440
www.LubitzFinancial.com
Miami, Florida 33156
9350 S. Dixie Hwy., Suite 1500



Celebrating the Holidays!

Wishing all of you a beautiful season!

