

May
2020

IAG Insight

Serving the clients of IAG Wealth Partners, LLC

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Adapting to COVID-19

You are keenly aware that COVID-19 has changed your way of life. While we are always here to serve you, it has definitely impacted how we serve you.

The good news is that many years ago IAG Wealth Partners developed a business continuity plan for events such as this.

Our offices remain open as essential businesses, but a majority of our financial advisors and staff are operating securely from home under the state's Safer at Home directive.

We are conducting all of our client meetings using videoconferencing or phone calls, and almost all of our paperwork is now being signed electronically.

You will notice some of our events have been cancelled while others are being limited or moving to an on-line format (see below).

Through all of these changes, rest assured that our advisors and staff are continuing to work on your behalf to help you navigate toward your personal financial goals.

IAG Wealth Partners, LLC includes fourteen experienced professionals:

Lori A. Watt, CFP®

Susan C. Kühlenbeck

Scott D. Heins, CFP®

William E. Otto, CEPA

Christopher W. Mitchell, CFP®

Anne C. Sapienza, CRPC®

Thomas L. Peterson

Michael L. Kutz, CRPC®

Rusty J. Peterson, ChFC, CLU, CRPC®

Debra B. Melvin, MBA, CDFA™

Jayne L. Heineck

Michael J. Koerner

Jennifer B. Bartz

Jesse M. Sindorf, CFP®

Upcoming Events

Power Break: Planning During a Pandemic

We will host our first-ever virtual Power Break on Tuesday, 6/2, at 4:00 pm. You must RSVP by **May 29** to receive an e-mail invitation to join the Power Break. Participants will be encouraged to ask questions using a chat feature. There will be no in-person Power Break sessions held this quarter. Please RSVP [here](#).

It's Your Estate — Are You in Control?

Join us for our first-ever virtual seminar on Thursday, 5/28, at 4:00 pm. This will be an informational session on the basics of the SECURE ACT and its impact on estate and retirement approaches. You must RSVP by **May 21** to receive an e-mail invitation to join the seminar. Enroll using this [link](#).

Summer Shredding

At this point we are planning on holding a shredding event on Thursday, 7/23. We do not know if it will simply be a shredding drop off or our traditional family-style picnic. Look for more details via e-mail in late June.

CARES Act

There are no Required Minimum Distributions (RMDs) for 2020.

Congress has been busy muddling the retirement account waters.

In late 2019 Congress approved numerous permanent changes to retirement accounts in the SECURE Act. You can learn more about how these changes will impact you and your heirs in our [upcoming webinar](#) on May 28th.

Congress followed this up with a host of temporary retirement account changes in the CARES Act which was signed into law on March 27th.

Here is a brief summary of these changes:

1. No Required Minimum Distributions (RMDs) for 2020. However, RMDs return in 2021 with a revised life expectancy table. Keep in mind that you may still do Qualified Charitable Distributions directly to charity if you are over age 70.5.

2. New Coronavirus-related distributions permitted from 1/1/20 to 12/31/20. If you were impacted by COVID-19, you may be eligible to take penalty-free withdrawals from your retirement accounts, spread the tax consequences over three years, and you may roll the funds back into your

retirement plan within three years to avoid taxes entirely.

3. Larger 401(k) loans. You may be eligible to borrow up to \$100,000 from your 401(k) plan within 180 days after March 27. Congress also relaxed repayment rules for those that already have outstanding 401(k) loans.

As always, please be sure to speak with your tax professional before taking any action. Every person's circumstances are different and there are always exceptions which may disqualify you from using these strategies.

Inside the Beltway

Congress and the President have acted quickly to stimulate the economy, spending over \$3,000,000,000,000 to make up for lost economic activity.

However, the easy spending is over and the next spending priorities are more contentious.

The real question becomes when will the spending end? Now that political leaders of both parties have a taste for spending trillions of dollars they don't have,

which "emergency" does not deserve a bailout?

What happens when the annual interest on our accumulated \$25 trillion debt burden is too large and becomes an emergency itself?

The **Federal Reserve** leapt into action as state governments shut down their economies.

In addition to slashing

their target overnight interest rate to 0%, they also quickly dusted off and expanded programs enacted during the

Global Financial Crisis to keep the financial markets functioning. Here are just a few of the Fed's actions:

1. Buying Treasury bonds and mortgages
2. Providing liquidity to financial institutions



by offering collateral-backed loans

3. Making direct loans to large U.S. corporations to pay employees and supplies as long as they suspend dividend distributions and stock buybacks
4. Direct loans to medium-sized businesses (with distribution restrictions)
5. Making direct loans to municipalities
6. Reducing regulations on banks to free up money for lending

BMOP

You likely have never heard of BMOP, but it has been our call to action at IAG since late February.

BMOP stands for Bear Market Opportunity Plan, and it is IAG's proactive positive response to what some view as negative circumstances.

Our BMOP action plan focuses on maximizing the benefits of a bear market.

First, we proactively reviewed your non-retirement advisory accounts for potential tax loss harvesting.

A tax loss harvesting strategy permits you to sell one investment at a loss and purchase a similar (though not identical) investment to replace it. That realized loss can be used to offset other capital gains and up to \$3,000 per year of taxable income on your tax return. Any losses you do not use can be carried forward to future years indefinitely.

Bear markets can create tax efficiency.

Second, we proactively rebalanced your advisory

accounts to maintain your long-term target allocation to stocks.

Short-term market tumbles require that we incrementally add to your stock holdings while prices are low(er) to maintain your long-term plan.

Mathematically, buying low(er) is more profitable than either selling low(er) or buying high(er) over the long-term. However, the benefits of such math only accrue to those who have the discipline to execute

logical responses in bear markets.

Bear markets can create long-term opportunities.

Where others may see a snarl, we see the potential for a smile in every bear.

As always, please be sure to consult your tax professional regarding whether a tax loss harvesting strategy could benefit you.



Congratulations, Lori!

IAG founder and President, Lori Watt, is ranked number 6 of 16 in the state of Wisconsin for the **Forbes Top Women Advisors 2020**.

Lori was nominated by LPL Financial—and then

researched, interviewed, and assigned a ranking by state.

Each advisor—selected by SHOOK Research—is chosen based on an algorithm of qualitative and quantitative criteria,

including in-person interviews, industry experience, compliance records, revenue produced, and assets under management. Additional methodology can be found by clicking on this [link](#).

Advisors do not pay a fee for placement on Forbes Top Advisor rankings, which are independently determined by SHOOK Research.

Hunger Task Force Challenge

Thank you to all of our clients who rose to the occasion and contributed to our Hunger Task Force challenge.

IAG advisors and staff, through the IAG Charitable Foundation, issued you a challenge to make

a positive difference in people's lives. We believed with rapidly rising unemployment that the need for food would quickly grow in our community.

We offered to match up to \$25,000 of your con-

tributions to the Hunger Task Force dollar for dollar.

You stepped up and exceeded our challenge by contributing **\$25,530** to the Hunger Task Force. Thank you for joining us in giving over **\$50,000!**

Over
\$50,000!


HUNGER TASK FORCE
FREE & LOCAL



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Waukesha, WI 53188
(262) 446-8150

Janesville client service center
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Past performance may not be indicative of future results.

IAG Grapevine

Events, celebrations, or interesting stories about your IAG team:

Lori Watt's son, Tony, married Aja on April 18 in a private family ceremony. A public event is planned for later this year.

Rusty Peterson's father, Charlie Peterson, passed away on March 16 at age 86.

Carol Diettrich's daughter, Lisa, is pregnant with Carol's first grandchild, but is also coping with symptoms of MS.

Jayme Heineck's father is battling cancer and her mother is also facing health challenges.

Jesse Sindorf passed his CERTIFIED FINANCIAL PLANNER™ exam and became a CFP® professional. Congratulations, Jesse!

Lori Watt's husband, Dick, fell and broke his hip on their Holy Land tour in February. He is recovering after surgery.

IAG anniversaries:

4 years: **Jesse Sindorf**
6 years: **Debra Melvin**
7 years: **Gina Haenisch**
8 years: **Rusty Peterson**
21 years: **Scott Heins**

“Emergencies’ have always been the pretext on which the safeguards of individual liberty have been eroded.”

Friedrich von Hayek

Looking for more? Check out our top 5 most-widely read blogs from the last three months:

1. [Regret \(March 18\)](#)
2. [Halloween Candy \(April 15\)](#)
3. [Truth \(March 25\)](#)
4. [Stimulus Changes \(March 26\)](#)
5. [Expectations \(April 8\)](#)