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# IAG Insight

Serving the clients of IAG Wealth Partners, LLC

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### IAG Wealth Partners, LLC includes fourteen experienced professionals:

Lori A. Watt, CFP®

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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®

## Eight More Years!

The stock market has been too good for too long. Something bad is bound to happen soon.

We are hearing this sentiment from our clients with a fair amount of frequency these days, and we couldn't agree more.

In fact, our disciplined approach to aligning your financial plan with your investment portfolio is built on the premise that we cannot trust the stock market on a daily basis. Or a monthly basis. Or an annual basis. Or a multi-annual basis.

We are so untrusting of the stock market's short-term direction that we only entrust the portion of our clients' portfolios that they absolutely, positively do not need for at least eight years to the stock market's ups and downs.

Eight years is typically (but not always) enough time for the stock market to recover from any trouble it may get itself into. And while our clients' accounts still decline in value when the stock market declines, we design their portfolios with enough sustainable income to last the next seven years so their desired cash flow remains the same.

This gives our clients the patience and confidence to avoid permanently damaging their financial futures by panic-selling when the stock market turns bad.

Temporarily losing money as we ride through a stock market downturn is not fun, but permanently losing money by selling long-term investments during a stock market downturn can be downright dangerous (even though it may feel right at the time).

## Upcoming Events

### Power Break: Inflation — Mirage or Menace?

Our Power Break will be held in-person at our Waukesha office on Tuesday, 6/1, at 7:30 am and 4:00 pm. We will hold a virtual session on Wednesday, 6/2, at 4:00 pm. **You must RSVP** by **Friday, May 28** to attend in person or receive an e-mail invitation to join our virtual Power Break. Please RSVP [here](#).

### Shredding Picnic

We will be shredding and picnicking this year! Please mark the afternoon of Thursday, July 22, on your calendars for some document destruction, great food, and enjoyable company.

More bipartisan cooperation could lead to retirement changes.

## More SECURE

The bipartisan SECURE Act 2.0 is starting to move its way through Congress. It is a long way from becoming law, but below are some of the changes it could bring to your financial plan:

Increase the age that RMDs must begin from retirement accounts. Currently RMDs begin in the year you turn 72. This bill would gradually increase that to age 73 in 2022, age 74 in 2029, and age 75 in 2032.

Raise the limit on retire-

ment plan catch-up contributions for taxpayers age 62, 63, or 64 to \$10,000 for 401(k) and 403(b) plan with a smaller increase for SIMPLE IRA plans.

Require catch-up contributions for most retirement plans to be designated as Roth contributions.

Permit employees to designate employer matching contributions as Roth contributions for most retirement plans.

Expand SEP IRA and SIMPLE IRA retirement

plan to include Roth options for employee contributions.

Create a new national online "lost and found" for retirement plans operated by the Department of Labor.

Permit a one-time \$50,000 Qualified Charitable Distribution to a charitable remainder trust or similar split-interest entity.

We will be closely monitoring this bill and its potential impact on your future retirement plans.

## Inside the Beltway

The Capitol building is rapidly filling with proposals that could impact your long-term financial plan.

Here are a few that Congress is actively considering that could impact investors:

- Increase the top federal income tax rate from 37% to 39.6%
- Increase the corporate tax rate from 21% to 28%
- Increase capital gains taxes from 20% to as much as 39.6%
- Begin charging capital gains taxes on inherited assets

when they are sold

- Expand the types of income subject to the 3.8% Medicare surcharge tax

It is still too early in the legislative process to determine which, if any, of these proposals will be signed into law during the 117th Congress.

As always, we will continue to closely monitor legislation and proactively inform you how new laws and regulations will impact you and your

family's financial plan.

Our national debt now totals \$28,180,737,838,308.48 as of this writing.

The Federal Reserve has been very clear that it intends to keep monetary policy very loose until it sees a recovery in employment.

That recovery may be closer than anticipated. Employers reporting over 8.1 million job openings in March. The government reports

over 3.5 million people are currently claiming unemployment benefits. These dynamics should result in lower unemployment in the near future.

Investors need to be prepared for the possibility that the Federal Reserve may start reining in its loose monetary policy sooner than it expects, causing interest rates to rise more quickly than anticipated.

Rapidly falling unemployment and rising inflation could create significant market volatility for both stocks and bonds.



## Minimize Capital Gains Taxes

Tax efficiency will likely be more important going forward if recent proposed capital gains tax increases are signed into law.

Working with your tax professional, there are several strategies available for minimizing your — and potentially your heirs' — future capital gains taxes:

1. Use tax efficient investment vehicles within nonqualified investment accounts. Some investments

can make significant unpredictable capital gains distributions over the course of the year. Selecting more tax efficient investments could reduce the risk of unexpected tax bills.

2. Donate highly appreciated assets to a donor advised fund or directly to a charity. As long as you owned your investment for more than one year, you may deduct the full value

of shares (and avoid any capital gains) if you itemize your deductions.

3. Take advantage of market downturns to accumulate capital losses. The IRS permits you to offset capital gains (and up to \$3,000 of income) with capital losses. The more the merrier.

As always, please consult your tax professional regarding your unique tax situation.

Tax efficiency will likely be more important going forward.

## Account View 2.0

Would you like to access your accounts custodied by LPL Financial on a mobile device?

LPL is currently rolling out Account View 2.0 with a new online portal and mobile app.

The Account View 2.0 modernized dashboard provides a simple view of your account information so you can see everything from one, easy-to-understand location.

For more information, [click here](#) to view LPL's Get to Know Account View 2.0 brochure.

If you would like to upgrade, please call or e-mail our office and your Operations Team member can assist you in up-

grading to Account View 2.0.

You may also upgrade to Account View 2.0 yourself by clicking [here](#), clicking on the SIGN UP button, and following the enrollment instructions..

## Jenny's Gradual Retirement

Jenny Bartz joined the IAG family on February 2, 1998, as a client service associate.

Through the years she grew with IAG to serve as our Operations Manager and then as a financial advisor.

On July 1 Jenny will begin to gradually phase into a new role by the end of 2021 — retiree.

We are thankful for the many years that Jenny has diligently served our clients, our staff, and our

financial advisors.

She has led by example with her dedication to excellent client service, and we will miss her continuing contributions to IAG's success.



## IAG Grapevine

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

**Sean Murphy** and his wife, Mariah, welcomed their first child, Clark, on April 24. Clark arrived early at 34 weeks, and is doing well.

**Kelly Baumgart** and her husband, Dan, welcomed their second child, Charlie, on April 7.

**Gina Haenisch's** son, Andy, and his wife, Jo, welcomed Gina's second grandchild, Walker, on March 28. Walker had some initial health complications, but is doing

well.

**Jenny Bartz's** son, Mike, and his wife, Meg, are expecting her sixth grandchild in July.

**Dulce Fisher's** mother-in-law continues to recover from two heart replacement surgeries.

**Jayme Heineck's** son, Tyler, will be graduating from UW-Platteville in three years with his Electrical Engineering degree.

**Mike Kutz'** son, Sam, passed the first of his four CPA exams.

**Anne Sapienza** and her

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

1. [Mobs](#)
2. [RMD Clarity](#)
3. [The Race](#)
4. [Inversion](#)
5. [5,593](#)

horse, Faith, earned a blue ribbon at the Des Moines Springfest Horse Show, securing the championship Adult Academy WTC for Team Equitate.

**Susan Kuhlenbeck** travelled to Washington to visit her

daughter, Tiffany.

**IAG anniversaries:**

5 years: [Jesse Sindorf](#)

7 years: [Debra Melvin](#)

8 years: [Gina Haenisch](#)

9 years: [Rusty Peterson](#)

22 years: [Scott Heins](#)



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