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Dignum Financial Partners

Partnering with You

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October 2019

Upcoming Events

Oct. 2-6: Ryan and Kim will be attending the Commonwealth Financial Network annual conference in Denver, Colorado

October 21: Shana's Hip Replacement

November 28: Thanksgiving Day - Office will be closed

November 29: Office will be closed

December 3: Kim's (other) Knee Replacement

December 23: Holiday Pie Pick Up Party

December 25: Christmas – Office will be closed

January 1, 2020: New Year's Day – Office will be closed

Kim's Korner

It is hard to believe we are entering the fourth quarter of this year! In preparation for the year-end as well as next year, we've decided to touch on several aspects of financial planning. We discuss the latest statistics on savings (or the lack thereof) for people in America, and what you can do to help your children and grandchildren get on track. We provide handy information on Medicare, and finally, we discuss year-end tax strategies which you should be considering now.

Please let us know if you would like to discuss any of these topics further.

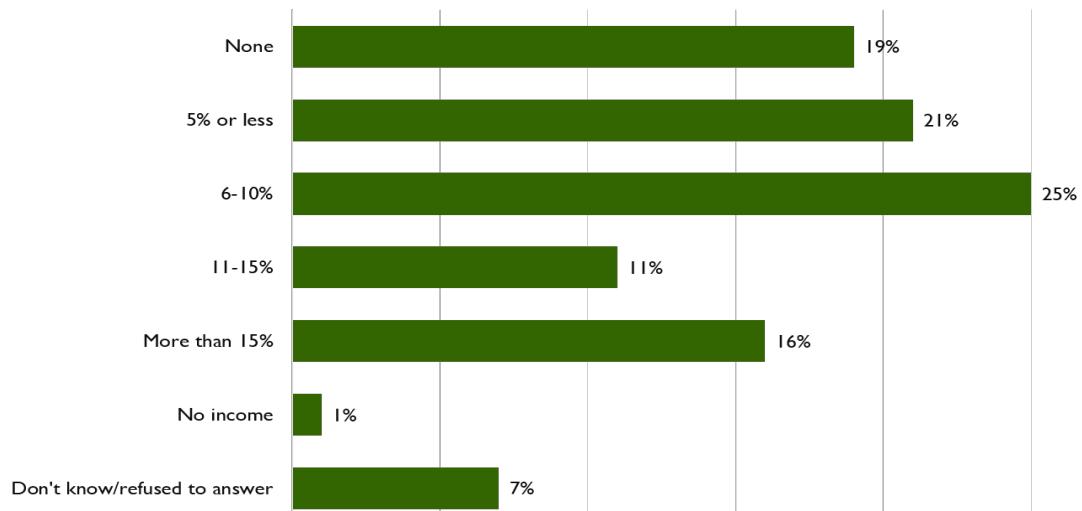
We wish you all a happy and safe holiday season!

Kim

Failure to Plan

In last month's newsletter, we mentioned we crossed a milestone and have our first third-generation client. Many of you have referred, or were referred, to Dignum Financial Partners. We could not be more grateful for the confidence and trust you have placed with us, and we do not take this lightly. While you have started your financial planning process, a surprising number of Americans have not.

What percentage of annual income do you save?



Source: <https://www.bankrate.com/banking/savings/financial-security-0318/>

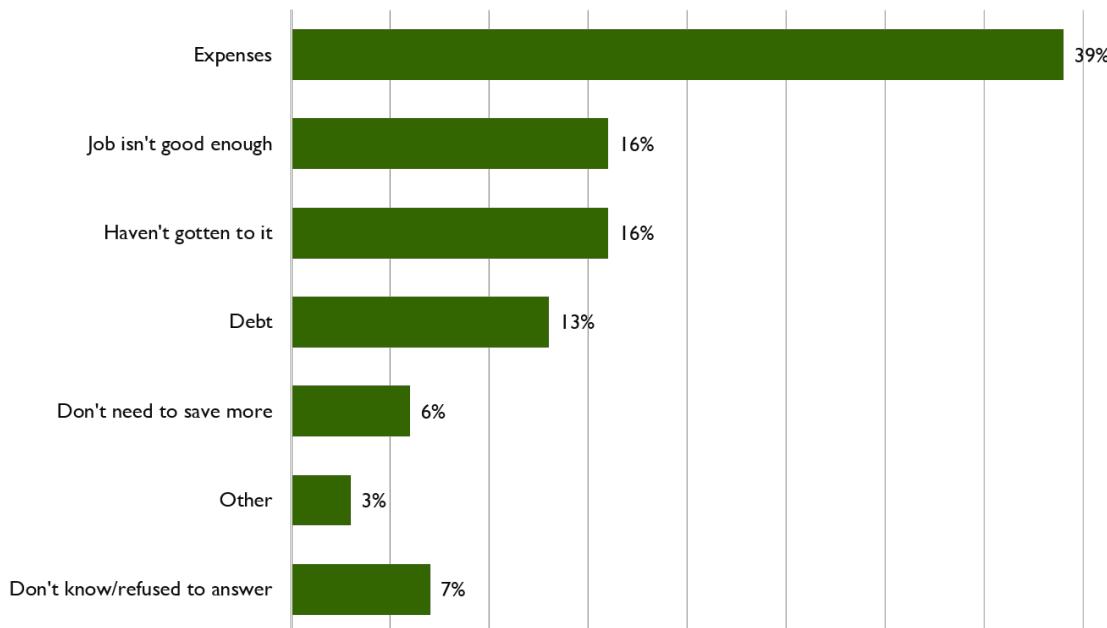
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Failure to Plan (continued from page 1)

According to a study compiled by Bankrate.com in 2018, 20% of Americans do not save any of their annual income; 16% of the respondents save more than 15%; 25% save between 6-10% and 21% save 5% or less of their income.

With so many Americans saving little or no money for retirement, the question is, why aren't people saving more? The number one response for not saving was expenses. Accurate cash flow is the number one driver to a successful retirement. The second most common reason for not saving was a tie between "job isn't good enough" which can be translated into not being paid enough, or "haven't gotten to it."

What's the main reason you don't save more money?



Source: <https://www.bankrate.com/banking/savings/financial-security-0318/>

For those that are "behind the curve" with their savings for retirement, it is not hopeless. Increasing your saving is not as difficult as it seems. Start small, but just get started. If you have children or grandchildren that you would like to get on the right savings track, know that we are here to help.

What's Covered: Medicare's App for You



Last month was a big month for Kim. She turned 65. She is now eligible for Medicare. Have you ever wondered what medical item or service is or is not covered on Medicare Part A and Part B? If so, Medicare has an App for you. Start by going to the App store for iPhone or Google Play for Android and search "Medicare". You should see an App that is called "What's Covered". Next, download the App (App icon to the left).

Once the App has been downloaded, you will be able to search by a medical item or service (for example - Ambulance Services). You will also be able to browse all items and services. When you select a service, you will first see if the service is "Covered" or "Not Covered" as well as a description of the covered service followed by two other sections with information. One section is "Costs". This area shows how much you would pay for the service. For example, for "Ambulance Services", you pay 20% of the Medicare-approved amount, and the Part B deductible applies. The final section is "Things to Know" for the service you have selected. This App provides very useful information for your medical planning. You do not need Wi-Fi or cellular service to use the App.

Year End Tax Tips

While people regularly think income tax planning is done on April 14th, tax planning should be conducted all year long. As we approach the fourth quarter of this year, it is even more important to take time to consider your tactics before year end. Below is a list of some tax strategies you might consider before the end of the year. While this list is not all encompassing, it contains some common planning strategies.

- A) *Standard Deduction versus Itemized Deductions:* The end of the year is a perfect time to determine if you are going to be able to itemize deductions or if you will be filing the standard deduction. With the new tax law more people are taking the standard deduction versus itemizing. If you are close to itemizing, below are some easy considerations to increase your itemized deductions:
 - 1. Increase charitable contributions.
 - 2. Donate noncash items to charities.
 - 3. Pay 2020 property taxes in 2019.
 - 4. Review medical costs. If you can claim medical expenses, then you may consider making a few more doctor's appointments before the end of the year.
- B) *Check Retirement Accounts:* If you have not contributed the maximum allowed to your retirement accounts (401(k), 403(b), etc.) now is a good time to make additional contributions. You do not have to make IRA contributions before year end. You have until the filing deadline in April 2020 to make IRA contributions. Deductible retirement plan contributions reduce your taxable income.
- C) *Tap your Flexible Spending Accounts (FSA):* Generally, dollars in an FSA account must be used by the end of the year. Some employer plans do allow a grace period to use the dollars in the following tax year, or an amount to be carried into the following year. If your plan has one of these exceptions, you will not have to spend the dollars before the end of the year. However, if your plan is a "use it or lose it" type of plan (the dollars are to be used before year end) then schedule doctors' appointments and/or make qualified purchases prior to year-end.
- D) *Health Savings Account (HSA):* If you have an HSA and you have not fully funded the account, the end of the year is a great time to make additional contributions. HSA contributions help to lower your taxable income. Keep in mind you can make 2019 HSA contributions up to the April filing deadline in 2020.
- E) *Selling Securities:* If you have realized capital gains for this tax year and you have unrealized capital losses, you may consider selling some of the unrealized losses to help offset taxable capital gains.

If you would like to discuss any of these strategies prior to the end of the year, please contact us to schedule a convenient time to get together.

October 2019



Will Plan 4 Food

As we approach the holidays, Dignum Financial Partners will once again be holding our annual food drive.

We ask that at your next appointment, please bring non-perishable food items. If you do not have an appointment, you are more than welcome to stop by and drop off your food items. We will continue collecting food until the first of the year. We will then fill our truck and take it to the Tarrant Area Food Bank. Every year we have continued to increase our donations.

Let's make 2019 a banner year!

If you are unable to bring food to our office you can donate to the Tarrant Area Food Bank at <https://tafb.org/donate/>. \$1 donated will provide 5 meals for those in need. We truly appreciate your generosity and supporting this program!

*We wish you all a very safe
and happy holiday season!*

Be on the lookout in January for our “New Years’ Resolution” letter. It includes our annual bookmark showcasing our client events and important dates for 2020.

Online Account Access

Need a copy of a statement? Looking for a trade confirmation? Filing an extension and lost your 1099 tax form?

All of these things and more are available online. Access your online account through our website: <http://www.dignumfinancialpartners.com/>, and click on the “account access” button.



If you have never accessed your account online and would like to get started, please feel free to contact us. We will be able to get you all set up in less than 5 minutes!

Don't forget to follow us on Facebook and Twitter!



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You should consult a legal or tax professional regarding your individual situation.

