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FINANCIAL TIMES — *For Tri-State Investors*

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The Importance of Increasing Retirement Plan Contributions

If you're already contributing to a retirement plan, you're off to a good start. That said, if you're not contributing up to the annual limit, you may want to think about increasing your deferrals. Furthermore, you should make sure to contribute enough to take advantage of any matching dollars your employer offers, if available.

When it comes to saving for a long-term goal like retirement, even modest increases in the amount you contribute may make a big impact over time. Even a 1% increase may make a significant difference. You may not even notice the deduction in your next paycheck, but your investments may benefit over the long run. That's because every extra dollar you put in your retirement plan today has more opportunity to grow over time.

Saving More Might Be Easier Than You Think. Increasing your retirement contributions may not require radical changes to your lifestyle. Below are some helpful tips:

- ***Save newly found funds.*** Set aside money from a pay increase, tax refund, or inheritance.
- ***Manage monthly expenses.*** Do some research and make sure you're cutting costs where you can, i.e. phone, cable, etc.
- ***Be mindful of casual expenses.*** Bring your lunch or skip the costly morning coffees.
- ***Giving yourself an allowance.*** Set weekly or monthly limits for extra spending.
- ***Finish strong.*** If you're age 50 or older, you're eligible to contribute even more money to your plan.

You have many options when it comes to building your savings.

Please share our newsletter with family, friends, and colleagues.

Retirement Income Needs, Wants, and Wishes

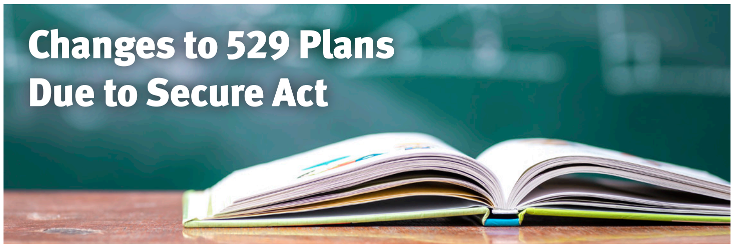
Children, no matter what age, always have needs, wants, and wishes. As you live in retirement, you still have needs, wants, and wishes. It's important that you understand the difference, so you can determine the approach for income planning in retirement.

Your needs include your basic retirement living expenses, such as food, clothing, transportation, and health care. These expenses should be funded by sustainable income sources, such as pensions or Social Security, so your basic needs are not affected by market fluctuations. These types of regular payments may include mortgage payments, health care costs, insurance premiums, and utilities.

Now your wants are those expenses you hope to fund in your retirement, but are not essential to your overall retirement plan. These are flexible expenses that can be reduced, if needed, in order to ensure your basic needs are covered first. Wants may include family vacations, home remodel, new/used car purchase, and entertainment.

Your wishes – or legacy goals – are the remaining assets you wish to leave for your beneficiaries or charities after you are gone. These expenses are funded with the assets you do not intend to use to fund your retirement.

Your needs are the most important and should be a priority, while wishes may be planned for after your death.



Changes to 529 Plans Due to Secure Act

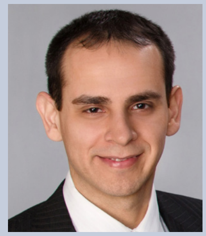
Part of planning for retirement is figuring out how to pay for expenditures throughout a lifetime, such as educational expenses for a loved one. With the cost to attend college constantly rising and a new environment of online schooling taking hold due to the recent pandemic, many families are trying to find ways to save for their children's or grandchildren's education. You may have heard of a 529 plan, which allows assets to grow tax-deferred and qualified distributions to be taken tax-free. Prior to 2020, in order to pull money out of a 529 plan tax-free, you were required to spend the money on higher education expenses, but thanks to the SECURE Act, there are now more ways to use these funds and receive a tax benefit from them.

You can now use 529 funds to pay off a student loan for either the beneficiary or siblings of the beneficiary. Each person is entitled to a $10,000 lifetime limit of student loan payments from a 529 plan. This gives students another avenue to spend their 529 assets after graduation without incurring a penalty. Another change allows students who attend qualified apprenticeship programs, such as trade schools and vocational programs, to use their 529 savings for qualified education expenses. Qualified expenses include tuition, textbooks, general fees, supplies, and equipment.

If a 529 distribution is used for non-qualified expenses, the distribution is taxed as ordinary income to the extent of earnings and may also be subject to a 10% penalty. State tax treatment may vary. However, you can always change the beneficiary to someone who has more qualified expenses to allow for more years of tax-free growth. Reach out to Stifel Ruder Investment Group to learn more about how to fully utilize a 529 plan to help minimize the impact of higher education expenses and discuss your particular situation with a tax professional as it relates to tax matters.

Investors should consider carefully the investment objectives, risks, and charges and expenses associated with a 529 Plan before investing or sending money. The official program offering statement, which includes information on municipal fund securities, is available from your Financial Advisor and should be read carefully before investing. The value of a 529 account may fluctuate, and there is no guarantee that any investment portfolio will achieve the stated goal. Your investment may be worth more or less than its original value.

Stifel Community



Robert Kozsan, *Senior Registered Client Service Associate*, is serving on the Student Financial Association. The non-profit organization provides scholarships to college and trade school students who have high unmet financial needs.

Bryan A. Ruder, has been named to Hanover College Board of Trustees. Hanover is Indiana's first private college.

Required Minimum Distribution

The IRS requires those IRA owners who attain age 72 to take a Required Minimum Distribution (RMD) each year by December 31 (the first year can be delayed until April 1 of the following year). Individuals can either take cash or an "in kind" distribution. With an "in kind" distribution, individuals take securities such as stocks, bonds, or mutual funds from an IRA to an account that is not a retirement account. All checks must clear your account by December 31 in order to meet the RMD for the year.

What's Cooking *from the Ruder Kitchen*

Lite Summer Dream

- 1 angel food cake
- 1 8 ounce fat-free cream cheese
- 1 jar marshmallow cream
- 1 container fat-free Cool Whip
- 1 teaspoon vanilla
- 1 quart fresh strawberries, sliced and sweetened with sugar

Cut angel food cake into pieces and arrange in bottom of glass bowl. Beat cream cheese, marshmallow cream, and vanilla until creamy. Fold Cool Whip into mixture, forming a thick cream mixture. Pour mixture over the cake, letting the cream mixture drizzle between the cake pieces. Top the mixture with strawberries and chill before serving.

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