

FOCUS ON FINANCE

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House Passes SECURE 2.0 Bill, But It's Not Law Yet

MAY 2022

A bill designed to increase savings in IRAs and company plans has passed the House of Representatives, **but it's not yet law.**

The bill is officially called the "Securing a Strong Retirement Act of 2022," but many are calling it "SECURE 2.0" since it's seen as an expansion of the original SECURE Act from 2019. On March 29, the House passed the bill by a near-unanimous 414-5 vote. The action now moves to the Senate where several committees are working on their own retirement bills. If a consensus Senate bill emerges, it will have to be reconciled with the House bill before it goes to the president. All of this may take some time.

Here are the important pieces of the House bill:

- There would be a gradual increase in the age that traditional IRA required minimum distributions (RMDs) must start. Currently, the first RMD year is the age 72 year. The bill would delay the first RMD year to age 73 starting in 2023, 74 in 2030 and 75 in 2033. You would be subject to the age 73 RMD age if you were born on or after January 1, 1951 and before January 1, 1957.
- Some of you would be able to make higher catch-up contributions to your company plan or IRA beginning in 2024. For plans, the current catch-up limit for those age 50 or older is \$6,500. That limit would increase to \$10,000, but only if you are age 62, 63 and 64. For IRAs, the current catch-up limit is frozen at \$1,000. The bill would allow that limit to increase based on the cost-of-living.
- Any catch up-contributions to plans for those over age 50 would have to be made as Roth contributions starting in 2023. In addition, as soon as the bill becomes law, your employer could allow you to have employer matching contributions made as Roth contributions. (Currently, employer contributions are made pre-tax.) These changes were proposed to help pay for other provisions of the bill.
- The limit on "qualified charitable distributions," which are tax-free direct transfers from traditional IRAs to charities, would also be indexed for inflation as soon as the bill becomes law. That limit is currently \$100,000 per person, per year.
- Starting in 2024, employers with more than 10 employees who establish a new 401(k) or 403(b) plan would have to provide automatic enrollment. This means that employees would be forced to contribute to the plan unless they opt out.
- Employers would be allowed to make matching contributions to company savings plans and SIMPLE IRAs on student loan payments beginning next year.
- The "Saver's Credit," a federal tax credit for mid- and low-income taxpayers who contribute to an IRA or company plan, would be expanded, but not until 2027.
- As soon as the bill becomes law, there would be a new exception to the 10% early distribution penalty for IRA and plan withdrawals by victims of domestic abuse.

It's important to emphasize that this bill is not yet law and has a ways to go before it becomes law. We will keep you informed.

For more information contact your local competent CPA, tax attorney or financial advisor.

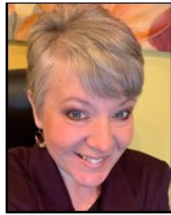
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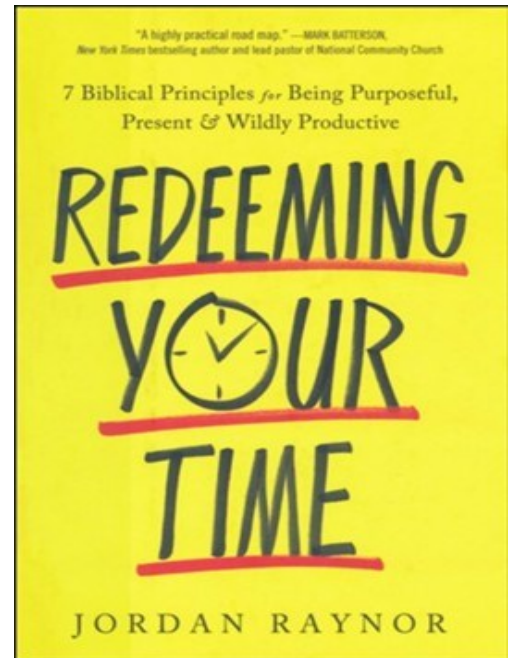


Mike Spichiger
Kentucky, Indiana
& Ohio

HELLO

May

Recommended Reading:



Monthly Famous Quote:

“Success is nothing more than a few simple disciplines, practiced every day.”

- Jim Rohn



SOCIAL SECURITY KNOW YOUR OPTIONS

How much do you know about
Social Security Income?

**This Course Is Offered FREE of Charge,
but Advance Registration is Required.**

Space is limited! Call to register:

270-723-2225

SOME OF THE QUESTIONS WE WILL ANSWER:

- How could the decisions of a new administration affect my benefits?
- Is Social Security still going to be around when I need it?
- Which rules and regulations must I understand before deciding when to start my benefits?
- How much lifetime income do I stand to lose by filing for Social Security at the wrong time?
- How can I get the largest benefit while paying the least amount of taxes?
- How can I reduce taxation on my Social Security after I start receiving my benefits?
- How are my benefits affected if I'm still working?
- Should I consider delaying the start of my Social Security benefits?
- What is the right choice for me?
- What options are most beneficial to married couples, according to current Social Security rules?
- If I've already filed for benefits, can I make a change?
- How will my Social Security income work together with all other income sources to provide the most secure retirement possible?

Course Description

During this course, you will learn the keys to educate yourself and know your options BEFORE filing for Social Security benefits. You will hear about the do's and don'ts of retirement. Upon completion of this course you will know potential strategies to utilize to enjoy a peaceful retirement.

Who should attend?

If you are near or in retirement this course will provide you with tools to implement in your retirement planning. Whether your question is related to Social Security, taxes before or after retirement, investments or estate planning, we will provide content helpful for you. It will be time well spent.

KNOW your options and
learn how to make the
RIGHT CHOICES for
YOU and **YOUR** retirement!



CHANGES IN SOCIAL SECURITY

With a new administration in office, what changes are coming? New laws or modifications to past laws may impact your benefits and the way you make your election. Your Social Security claiming strategies can vary dramatically depending on numerous factors that the government doesn't share directly with you. Come and learn the basics of Social Security and the latest strategies for maximizing your benefits. This workshop will help you gain a clearer understanding of the options you have and which strategies you should consider before filing for your benefits. It will also teach you how to take an important aerial view of your retirement plan, by exploring how Social Security works in coordination with your other retirement assets.

CLAIMING SOCIAL SECURITY AT THE WRONG AGE MAY REDUCE YOUR BENEFIT **BY UP TO 57%!**

As you approach retirement, making decisions about Social Security — two of the most important decisions you'll need to make — can be confusing and even overwhelming. Applying for Social Security as soon as you become eligible at age 62 may seem like an attractive idea, but by doing so, **you could significantly and permanently reduce your income and benefits for the rest of your life.**

Your Presenter



Wm. Steve Wright
National Social Security Advisor

Hardin County Public Library

100 Jim Owen Drive
Elizabethtown, KY 42701

MAY 17, 2022

4:00 pm

The Wright Word Search

As you look for the hidden words, remember that they can be horizontal, vertical, diagonal, frontward or backward!

PUZZLE ENTRY DEADLINE:
Friday, May 27, 2022

Name: _____

Address: _____

Word List

CNSOEUNSS _____

ENCRCDILEO _____

ACLAEITBHR _____

NTUTRCEOIB _____

TSORDUTIIBINS _____

EMCOENTPT _____

FLOAITINN _____

YPMERLEO _____

AGALRDU _____

CEUNGISR _____

Rearrange the letters in the word list to find the words needed to complete the word search
HINT: All words can be found on the front page. Circle the unscrambled words in the WRIGHT Word Search. Send us your completed puzzle (via mail, fax or email) and be entered into a drawing for a \$25.00 Gift Card!

B	I	T	P	L	E	C	I	Y	M	E	Y	D	D	Y	N	I	T	F	C
M	E	N	E	A	I	X	N	O	I	L	T	E	N	O	T	U	C	O	E
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C	G	I	O	U	O	N	A	U	T	E	M	A	C	R	N	R	H	G	S
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U	W	I	S	T	O	A	P	I	C	I	T	R	A	P	C	D	D	Y	N
P	D	L	M	C	S	S	H	N	O	I	D	T	I	R	U	C	E	S	E
C	S	N	E	X	P	E	R	E	N	T	R	P	I	M	B	U	M	T	N

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BONUS: For an extra chance to win an **ADDITIONAL \$25 Gift Card** count how many times the word **WRIGHT** is found in this **ENTIRE** publication and enter it **HERE** > _____. Good Luck!

CONGRATULATIONS to **RONALD OCCHIOGROSSO** for winning the April 2022 WRIGHT WORD SEARCH,
and to **BENITA BOWMAN** for getting the WRIGHT's count right (16)!