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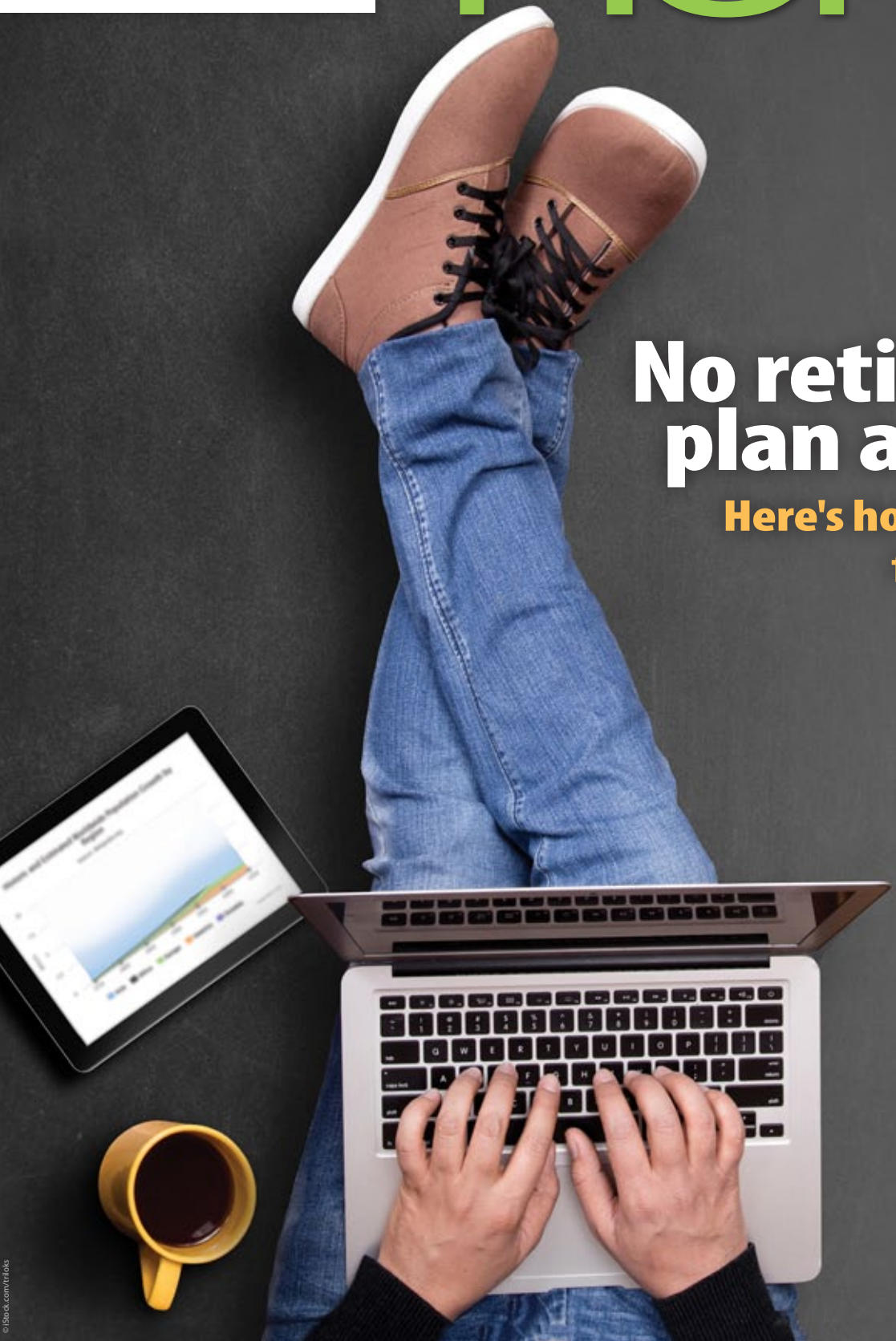
Kathryn M. Abraham, CPA

EYE ON MONEY

SEP OCT 2023



No retirement plan at work?

Here's how you can save for retirement.

plus

10 THINGS TO DO IN THE YEAR BEFORE COLLEGE

HOW WORKING PAST AGE 65 MAY AFFECT YOUR RETIREMENT BENEFITS AND ACCOUNTS

3 WAYS TO AVOID PROBATE

LIFE INSURANCE: 3 MISTAKES TO AVOID

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FINANCIAL

3 THINGS TO KNOW ABOUT EMERGENCY FUNDS

1 **How much to save**. One rule of thumb is to set aside enough cash to cover at least three to six months of living expenses. If you think it may take longer than six months to land a new job and you are the sole breadwinner, you may want to set aside a larger amount.

2 **Where to save**. It's generally a good idea to keep your emergency fund in an account that pays interest and is easy to access when emergencies occur. Savings accounts and money market accounts are good options.

3 **When to use it.** Use the cash in your emergency fund only for real emergencies, such as a job loss, major medical bill, or some other unexpected event. If you withdraw money for non-emergencies, you run the risk that there may not be enough cash in your fund when a true emergency occurs. ■

Please consult your financial professional for advice.

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3 WAYS TO AVOID PROBATE

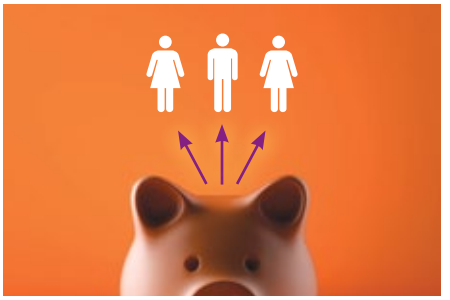
Probate is the court-supervised process for distributing a deceased person's assets to their heirs. The key to avoiding it or minimizing your estate's exposure to it is to transfer your assets by a method other than a will. Here are three ways to do it. Your estate planning professional can help you determine whether any of them may be appropriate for you.

REVOCABLE LIVING TRUSTS

A revocable living trust is a legal arrangement you create to direct how the assets you put in the trust are to be managed during your lifetime and distributed after your death.

This type of trust is not subject to probate, which means that the person you name as your successor trustee can distribute the trust assets according to your instructions without the trust assets going through probate. This may save your estate time and money, as well as shield this part of your estate from prying eyes. And if you own real estate in more than one state, transferring ownership of it to the trust may eliminate the need for probate in multiple states.

During your lifetime, you can retain full control of the assets in your revocable living trust. You can invest, spend, or sell them. It isn't until after your death or you become incapacitated that the successor trustee can step in and manage the trust.



BENEFICIARY DESIGNATIONS

Another way to avoid probate is to add the name of a beneficiary to your financial accounts. This will allow your beneficiary to claim the assets in your account after you pass away without the account having to go through probate. And during your lifetime, your beneficiaries cannot touch your accounts.

Many types of financial accounts, such as retirement, IRA, checking, savings, and investment accounts, allow you to name a beneficiary or multiple beneficiaries to inherit the account. You can also name a beneficiary on your life insurance policy to receive the proceeds after your death. And in some states, you may be able to name a beneficiary on your vehicle title and real estate deed to indicate who is to inherit your vehicle and home.

When choosing beneficiaries, please keep in mind that if you name your estate as your beneficiary, the assets must pass through probate before they can be distributed.

JOINT OWNERSHIP

Do you own property, such as a bank account or a home, with another person? How the property is titled affects whether the property may need to go through probate after your death.

Property titled as "joint tenants with right of survivorship", "community property with right of survivorship", or "tenants by the entirety" do not go through probate. Assets titled this way automatically go to the surviving owner after one owner dies. For example, if two people own a bank account as joint tenants with right of survivorship and one of them dies, the surviving owner automatically owns 100% of the money in the account.

Property titled as "tenants in common" does not automatically go to the surviving owner. Instead, the deceased owner's share of the property goes to his or her heirs, usually as specified in the owner's will, and may be subject to probate.

So before entering into a joint ownership arrangement, make certain that you fully understand how it works. ■

PLEASE CONSULT YOUR ESTATE PLANNING PROFESSIONAL FOR ADVICE.

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INVESTING

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Test Your Investing Knowledge

Here's an opportunity to see how much you know about these basic investment terms and concepts.

TRUE OR FALSE: When you buy a company's stock, you own part of the company.
True. And when you buy a company's bond, you lend money to the company.

TRUE OR FALSE: A dividend is a portion of a company's profits that it pays to its shareholders.
True. You may receive dividends from stock you own, although not all companies pay dividends. You may also receive dividends from your mutual funds and ETFs that own dividend-paying stocks.

TRUE OR FALSE: A portfolio is a collection of financial assets.
True. For example, your collection of stocks, bonds, cash, and other investments is referred to as your portfolio.

TRUE OR FALSE: A bull market is a period of falling stock prices.
False. A bull market is a prolonged period of *rising* stock prices while a bear market is a period of falling stock prices.

TRUE OR FALSE: An index measures the market performance of a specific group of investments.
True. For example, the Dow Jones Industrial Average index measures the performance of 30 U.S. blue-chip stocks in various industries.

TRUE OR FALSE: A market order is used to buy or sell a security at a specified price or better.
False. Limit orders are used to buy or sell securities at a specified price or better. Market orders are simply orders to buy or sell as soon as possible. ■

Please consult your financial professional for investment advice.

Please note: Before investing in mutual funds or ETFs, investors should consider a fund's investment objectives, risks, charges, and expenses. Contact your financial professional for a prospectus containing this information. Please read it carefully before investing. Also, bonds are subject to interest rate risk. When interest rates rise, bond prices usually fall. The effect is usually more pronounced for longer-term securities. Fixed-income securities also carry inflation risk and credit and default risks for both issuers and counterparties.

FR2023-0608-0076/E

Life Insurance: 3 Mistakes to Avoid

Here are three mistakes to avoid when it comes to life insurance and planning how to protect your family's future financial security. For specific advice, please consult your financial professional.

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1 Not reviewing your policy regularly.
Many people take a buy-it-and-forget-about-it approach to life insurance. Unfortunately, failing to regularly review an insurance policy can lead to unintended consequences. For example, your coverage needs can change over time, and coverage that was appropriate for you years ago may no longer be sufficient if your family's financial needs have increased. To help ensure that their financial future remains well protected, it's a good idea to review your life insurance coverage regularly and when there are changes in your life, such as a new child, spouse, or promotion.

2 Not insuring the stay-at-home spouse.
Although stay-at-home spouses do not bring in a paycheck, the services they provide to their families—cooking, cleaning, child care, to name just a few—can be vital to the welfare of their families and expensive to replace. For this reason, it is important to consider insuring the life of the stay-at-home spouse, as well as the wage earner, when purchasing life insurance.

3 Owning a life insurance policy on your own life if you are wealthy.
The proceeds from a life insurance policy that you own on your own life will generally be included in your estate for estate tax purposes. This is usually not a problem if your estate is small enough—and most estates are—to escape estate taxes. But if your estate will be subject to estate taxes, the proceeds from your life insurance policy can drive up those taxes. One way to avoid this is to set up an irrevocable life insurance trust to own the life insurance policy so that the proceeds are not included in your estate and therefore avoid estate taxes. Your financial and estate planning professionals can tell you more about this strategy and help you determine whether it may be appropriate for you. ■

No retirement plan at work? Here's how you can save for retirement.

No retirement plan at work? No problem. There are plenty of things you can do to build your retirement savings. Here are a few general ideas to consider. Please consult your financial professional for specific advice.

Make saving for retirement a priority.
Don't let not having access to a retirement plan at work hold you back from saving for retirement.

With the right types of accounts, you can take advantage of the same tax breaks for saving for retirement that employees with workplace retirement plans enjoy.

By using direct deposit or automatic transfers between accounts to fund your retirement accounts, you can achieve much of the convenience that workplace retirement plans offer.

Consider using an IRA to save.
Individual retirement accounts, or IRAs, are great places to begin saving for retirement.

They can be opened through financial institutions, such as brokerages, insurance companies, and banks. Many of those institutions offer a wide range of investments with which to build a diversified retirement portfolio.

There are two main types of IRAs: the traditional IRA and the Roth IRA. Both offer tax advantages that can help you save for retirement. To contribute to either one, you'll need taxable compensation, such as wages or net income from self-employment.

Here are a few differences between the two to consider.

With a traditional IRA, the tax benefit is right up front. Contributions you make to your IRA may be tax-deductible and investment earnings are not taxed while in the account. Deductible contributions and investment earnings will eventually be taxed, but not until they are withdrawn from the IRA.

With a Roth IRA, the tax benefit comes later on in the form of tax-free withdrawals. Contributions are made with money that has already been taxed, and they are not tax-deductible. Investment earnings grow tax-free and can be withdrawn tax-free in retirement as long as the rules for Roth IRAs are followed. Your contributions can be withdrawn tax-free and penalty-free at any time.

Your income must be under a certain amount to contribute to a Roth IRA. To contribute for 2023, your modified adjusted gross income must be less than $153,000 if you are single or $228,000 if you are married and file a joint tax return. If your income is within a few thousand dollars of those amounts, the maximum amount you can contribute will be reduced.

IRAs are also an option for spouses who are not employed. As long as one spouse earns taxable compensation and the couple files a joint tax return, both spouses can generally contribute to their own traditional or Roth IRA.

IRAs have limits on how much individuals can contribute each year. For 2023, the maximum contribution is $6,500. People age 50 or older can make an additional catch-up contribution of up to $1,000, for a combined maximum contribution of $7,500.

Self-employed? Consider starting your own retirement plan.
If you are self-employed or own your own business, you may want to consider setting up a small business retirement plan to save for your retirement. It's easy to do, and you'll generally be able to contribute far more income each year on a tax-advantaged basis than you can to a traditional or Roth IRA.

The easiest plans to set up and operate are both IRA-based: the SEP IRA and the SIMPLE IRA. The SEP IRA is funded solely with employer contributions and the SIMPLE IRA is funded with employer and employee contributions. With either plan, if you have employees, you'll generally need to make employer contributions to their accounts in addition to your own.

If you don't have employees, other than your spouse, you may also want to consider setting up an individual 401(k) plan.

Small business retirement plans can be set up through many brokerages and other financial institutions.

How traditional IRAs and Roth IRAs compare.

	Traditional IRA	Roth IRA
Income Limits	No.	Your income must be under a certain amount to contribute to a Roth IRA.
Tax Benefits	▶ Investment earnings grow tax-deferred. ▶ Your contributions may be tax-deductible.	▶ Investment earnings grow tax-free. ▶ Qualified withdrawals are tax-free.
Tax Deduction for Contributions	Yes, as long as you, and your spouse if you are married, are not covered by a retirement plan at work. If you or your spouse is covered, your income must be below certain limits to deduct your contributions.	No.
Tax on Withdrawals	▶ Earnings and deductible contributions are taxed as ordinary income when withdrawn. ▶ Nondeductible contributions can be withdrawn tax-free. ▶ A 10% tax penalty applies to withdrawals before age 59½ unless you qualify for an exception to the penalty.	▶ Contributions can be withdrawn tax-free at any time. ▶ Earnings can be withdrawn tax-free after age 59½ as long as the account has been open for at least 5 years. ▶ The earnings portion of a withdrawal made before that time may be subject to tax and a 10% tax penalty.
Required Minimum Distributions (RMDs)	Yes, you must withdraw at least a certain amount from your IRA each year beginning at age 73.	The account owner is not required to take RMDs at any age.

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2023 Contribution Limits

Traditional and Roth IRAs

REGULAR CONTRIBUTIONS: $6,500

CATCH-UP CONTRIBUTIONS: $1,000

Health Savings Accounts (HSAs)

IF SELF-ONLY HDHP COVERAGE: $3,850

IF FAMILY HDHP COVERAGE: $7,750

CATCH-UP CONTRIBUTIONS: $1,000

SEP IRA

EMPLOYER CONTRIBUTIONS: 0% to 25% of each eligible employee's compensation[1], up to $66,000.

SIMPLE IRA

EMPLOYEE CONTRIBUTIONS: Up to $15,500 ($19,000 if age 50 or older).

EMPLOYER CONTRIBUTIONS: The employer must either match employee contributions, up to 3% of their compensation, or contribute 2% of compensation for all eligible employees.

You must be age 50 or older to make catch-up contributions to a traditional, Roth, or SIMPLE IRA and age 55 or older to make catch-up contributions to an HSA. Additional limitations may apply to the maximum amount you can contribute.

1. If you are self-employed, your compensation is your net earnings from self-employment, which is calculated using a special computation.

Consider using a health savings account to save for retirement.
If you are covered by a high-deductible health plan, you may be eligible to contribute to a health savings account (HSA). Although these tax-favored accounts are typically used to set aside money for current medical expenses, they can also be used to save for your medical expenses in retirement.

With an HSA, your money goes into the account tax-free (or is tax-deductible), grows tax free, and can be withdrawn tax-free if used for qualified medical expenses, such as deductibles, copayments, and coinsurance. That's one more tax benefit than is offered by IRAs or any other type of account. If your withdrawals exceed your qualified expenses, you'll pay income tax on the excess and, if you are under age 65, a 20% tax penalty.

HSAs can be opened at some banks, insurance companies, and brokerages.

Use regular accounts to save even more.
Although IRAs, retirement plans, and HSAs are great accounts to use when saving for retirement, you can only contribute just so much to them each year. For example, the most you can contribute to a traditional IRA or Roth IRA for 2023 is $6,500 ($7,500 if you are age 50 or older)—and that amount alone may not be enough to give you a good chance of reaching your retirement goal.

To contribute additional amounts, consider using a regular investment account, which you can open at a brokerage.

Regular accounts do not offer tax benefits, but they do have their advantages. One advantage is that there is no limit on your annual contributions so you have the freedom to contribute as much as you want. Plus, you can withdraw your money for any reason and at any age without having to contend with a federal tax penalty. And you can leave your money in a regular account for as long as you want because required minimum distributions (RMDs) are not required as they are from retirement plan accounts and traditional IRAs beginning at age 73.

Be smart about investing.
It helps to understand the following concepts when investing for retirement.

There is a relationship between risk and return when investing. Typically, the higher an investment's risk, the higher its potential return.

Among the three major asset classes (stocks, bonds, and cash), stocks carry the most risk and have historically provided the highest returns over the long term. Bonds tend to provide lower returns than stocks over the long term and with less volatility and less risk of losing the amount invested. And cash investments tend to have the lowest long-term returns and risk.

Although you cannot eliminate risk when investing, you can take steps to help mitigate it. One step is to spread your investments among the different asset classes so that stronger returns in one can help offset weaker returns in another. This strategy is known as asset allocation.

A strategy known as diversification can also help. Diversification is spreading your investments around within an asset class. For example, spreading your stock picks among different companies, sectors, and geographic areas can help reduce the impact that a downturn in any one company, industry, or region may have on you portfolio.

When deciding how to allocate and diversify your portfolio, you may want to ask your financial professional for advice. ■

Please consult your financial professional.

Talk to your financial professional about how to save for retirement if you do not have access to a retirement plan where you work.

PLEASE NOTE:

All investing involves risk, including the possible loss of principal. Past performance is no guarantee of future results.

Asset allocation and diversification do not ensure a profit or protect against loss in declining markets.

Bonds are subject to interest rate risk. When interest rates rise, bond prices usually fall. The effect is usually more pronounced for longer-term securities. Fixed-income securities also carry inflation risk and credit and default risks for both issuers and counterparties.

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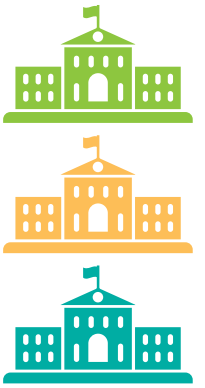
10 Things to Do in the Year Before College

There is a lot to do in the year before a student heads off to college. Here are 10 general tips that you may find helpful when preparing for college. For specific advice about planning and saving for college, please consult your financial professional.

1

Visit some colleges.

With class back in session, the fall of the student's senior year can be a great time to visit the campuses of the colleges they are interested in. Many colleges offer tours and information sessions. You can check the college's website to see when they are offered and if registration is necessary.



6

Find out about the CSS Profile.

Several colleges and scholarship programs use the CSS Profile application to award non-federal financial aid. Check with your prospective colleges to see if they use it. If they do, the application can be filled out and filed online at cssprofile.collegeboard.org, usually beginning on October 1.

2

Find out about test scores.

Although many colleges no longer require applicants to submit standardized test scores when they apply, some colleges still do. Be sure to review the policies of the colleges your student is considering to learn whether SAT or ACT scores are required, optional, or not considered at all. If they are required and the student has not taken them yet, he or she should sign up for a test this fall.

3

Estimate the cost.

The price of tuition varies significantly among colleges—and their published price may not be the one you ultimately pay. For an idea of how much a specific college may cost after scholarships and grants are figured in, use the net price calculator on the college's website. You won't learn the actual price until the student receives the financial aid award letter from the college in the spring.

4

Find scholarships.

To find scholarships, the student can check with their high school guidance office for local scholarships and online for national scholarships. Several companies in the education field offer free online scholarship search tools that can help simplify the search. Also, you may want to check with businesses and organizations you are affiliated with to see if they offer scholarships.

5

Fill out and file the FAFSA.

The Free Application for Federal Student Aid (FAFSA) is used to determine the student's eligibility for federal student aid (loans, grants, etc.), as well as college and state aid in some instances. It's a good idea to fill out the application soon after it becomes available for the next school year because some aid is awarded on a first-come, first-served basis.

FAFSA.GOV

7

Apply to colleges.

Typically, the deadline for regular decision applications is in early January. The deadline for early decision or early action applications may be as early as November 1. Be sure to check the college's website for the exact date and a list of the other things the college may require, such as teacher recommendations and an application fee.

8

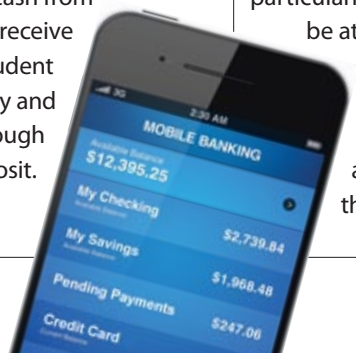
Choose the college.

Colleges generally send out acceptance letters and financial aid award letters in March or early April, although they may arrive earlier if the student applied for early decision or early action. The letters will explain the steps to take if the student accepts the offer.

9

Arrange for banking.

Consider having your student open a checking account to manage their money while in college. A checking account provides a way for the student to pay rent and other expenses, withdraw cash from ATMs, and receive leftover student loan money and wages through direct deposit.



10

Line up health insurance.

Many colleges require students to have health insurance. If your child is covered under your health insurance plan, you may be all set, but it's a good idea to check with your insurer, particularly if the student will be attending an out-of-state school. You may also have the option to purchase a student health plan through the college. ■

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How Working Past Age 65 May Affect Your Retirement Benefits and Accounts

Working past age 65 can help bolster your retirement savings, but what effect might it have on your Social Security benefits, Medicare benefits, and retirement accounts?

MOST PEOPLE BECOME ELIGIBLE FOR Social Security retirement benefits at age 62 and for Medicare benefits at age 65. And at age 73, required minimum distributions generally must begin from retirement accounts. But what happens if you work past these key ages?

SOCIAL SECURITY

Can you receive benefits while working? It is possible to work and receive Social Security retirement benefits at the same time, but if you are younger than full retirement age, part or all of your benefits may be temporarily withheld if you earn over a certain amount. Once you reach full retirement age, however, your benefits will not be reduced or withheld, no matter how much you earn.

If you have not reached full retirement age, an earnings test determines whether your benefit amount will be temporarily reduced.

- If you are under full retirement age for the entire year, your benefit will be reduced by $1 for every $2 you earn above a certain threshold, which is $21,240 for 2023.
- In the year you reach full retirement age, your benefit will be reduced by $1 for every $3 you earn in the months prior to your birthday month that exceeds a different threshold, which is $56,520 for 2023.

For purposes of this test, your earnings include your wages from employment or your net earnings from self-employment. They also include bonuses, commissions, and vacation pay. They do not include income from investments, annuities, and pensions, nor do they include veterans benefits or military retirement benefits.

Any reduction in your benefits due to excess earnings is temporary. When you reach full retirement age, your earnings will no longer reduce your benefits. Plus, your monthly benefit amount will be increased to account for the months in which your benefits were withheld.

Your full retirement age for Social Security retirement benefits depends on your year of birth.

Year of Birth	Full Retirement Age
1943–54	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 or later	67

Source: SSA.gov

Working longer may increase your benefit amount. Continuing to work past age 62, the age when you generally become eligible for benefits, may result in a higher benefit amount for you if your earnings in your later years are among your highest. When Social Security calculates your benefit amount, it looks at your earnings during the 35 years when you earned the most. So if you earn more now than you did in a prior year, your benefit amount may be increased.

A bump up in your benefit amount is possible even if you receive benefits while working. Social Security reviews your earnings annually for as long as you work to see whether your recent earnings are enough to increase your benefit amount.

Not starting benefits until age 70 maximizes the monthly benefit amount. Even though you can work and receive benefits at the same time, you may want to hold off starting benefits until age 70.

For every month that you delay, up until age 70, your monthly benefit amount increases a small amount and those monthly increases can really add up over time. For example, if you begin benefits at age 70, your monthly benefit may be as much as 77% larger than if you begin at age 62.

If you will be applying for benefits based on your spouse's work record rather than your own record, you can maximize the monthly amount by waiting until your full retirement age to begin benefits.

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Key ages for Social Security:

62

This is the age when most people become eligible to claim Social Security retirement benefits.

Claiming them now, however, will permanently reduce your monthly benefit amount.

66–67

Full retirement age is age 66, 67, or somewhere in between, depending on when you were born.

You will receive full (unreduced) retirement benefits if you begin receiving them at your full retirement age.

If you delay the start of benefits until after full retirement age, you will accrue delayed retirement credits that will permanently increase your monthly benefit amount when you do start.

70

There is no advantage to waiting beyond age 70 to begin your benefits.

You can no longer collect delayed retirement credits once you reach age 70.

What is Medicare?

Medicare is the federal health insurance program for people age 65 or older. It is also available to individuals under age 65 with certain disabilities and individuals of any age with end-stage renal disease. Coverage is broken into a few parts.

Part A

Hospital Insurance

Helps pay for inpatient care at a hospital or skilled nursing facility. You do not pay a monthly premium for Part A if you or your spouse worked and paid Medicare taxes for at least 10 years. However, Part A is not completely free. Copayments, coinsurance, and deductibles may apply for the services you receive.

Part B

Medical Insurance

Helps pay for doctor services and outpatient care. You pay a monthly premium, plus any deductibles, copayments, and coinsurance that apply.

Part C

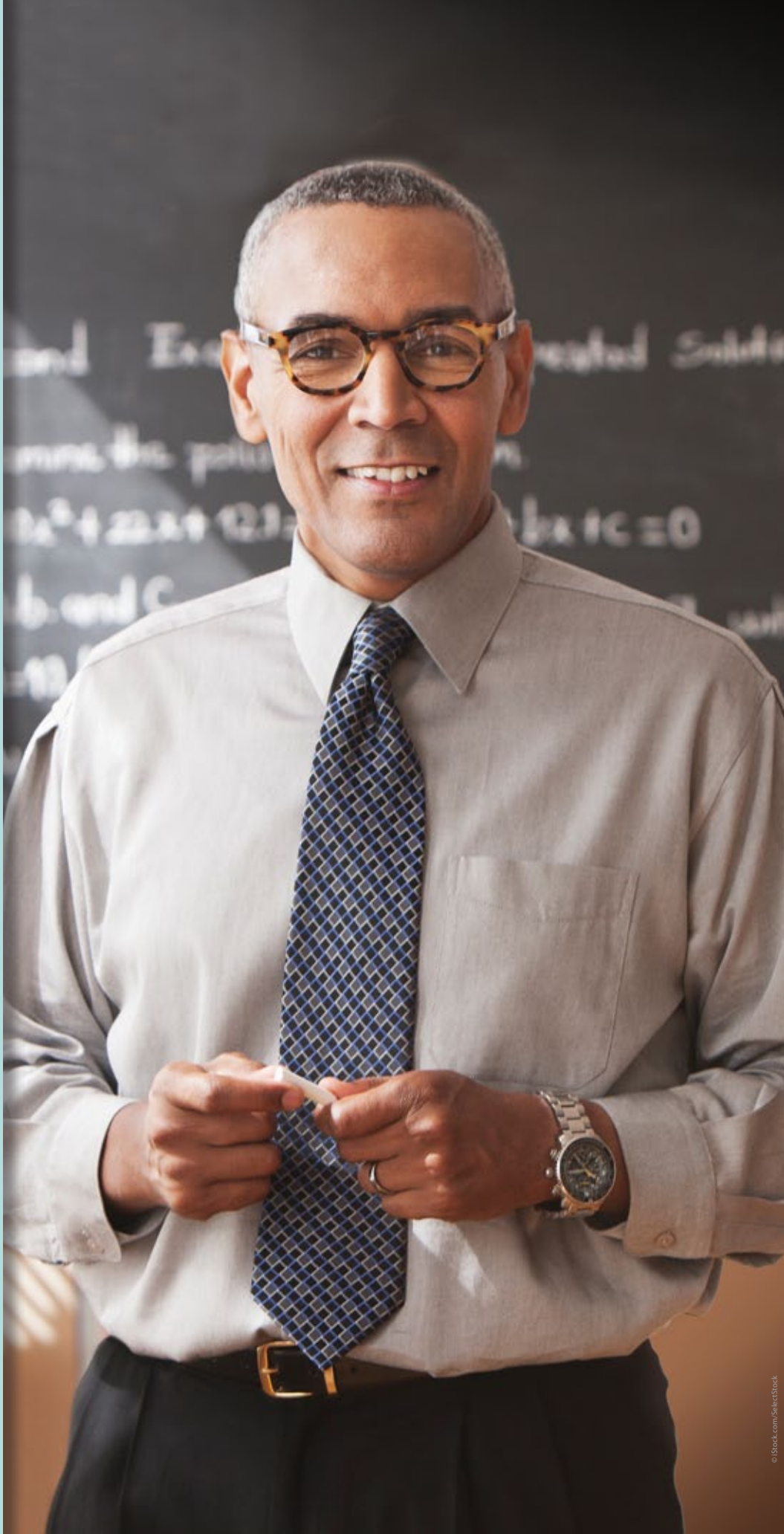
Medicare Advantage Plans

An alternative to Original Medicare, Medicare Advantage Plans are available from private insurers and cover all Part A and Part B services, and usually provide prescription drug coverage. You pay a monthly premium, plus any deductibles, copayments, and coinsurance that apply.

Part D

Prescription Drug Coverage

Helps pay for prescription drugs. You generally pay a monthly premium, plus any deductibles, copayments, and coinsurance that apply.



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MEDICARE

Should you enroll in Medicare at age 65 if you are working and have group health insurance from your employer or union? You may be able to wait until after age 65 to enroll in Medicare if you (or your spouse) are currently employed and you have group health insurance from an employer or union based on that employment.

Before you reach age 65, find out from your benefits administrator how your current insurance works with Medicare. If your current insurance does not require you to sign up for Medicare, you can enroll in Part A and Part B later on without incurring a late enrollment penalty, provided you sign up within 8 months of your coverage or employment ending, whichever happens first.

If you do not have to pay a premium for Part A, it is generally a good idea to sign up for it at age 65. Whether you will need to enroll in Part B at age 65 will depend in part on your company's size.

If your employer has fewer than 20 employees, you may need to enroll in Part A and Part B because Medicare is generally the primary payer for small group plans. As the primary payer, Medicare pays your hospital and medical bills up to its limits and the remainder is billed to your group health plan (the secondary payer).

If your employer has 20 or more employees, you may be able to delay enrolling in Part A and Part B because the group health plan is usually the primary payer.

Also, if you have a health savings account (HSA), you must stop contributing to it before your Medicare coverage begins or face a tax penalty. And keep in mind that your Medicare Part A coverage may go back six months retroactively from when you apply for Medicare or Social Security benefits, but no earlier than the first month you are eligible for Medicare.

Before you reach age 65, it's a good idea to research your health insurance options carefully because a misstep can be costly.

RETIREMENT ACCOUNTS

Working past age 65 provides an opportunity to sock away more money for retirement and shortens the time you will need to rely on your savings—both of which can improve your financial picture when you eventually do retire.

Workplace retirement plans. If your employer offers a retirement plan, you can generally contribute to it for as long as you work there, regardless of your age. So if you are, let's say, age 75 and want to contribute to the 401(k) account that you have with your current employer, you generally can.

When you reach age 73, you may need to take required minimum distributions (RMDs) even if you are still working. An RMD is an amount that you are required to withdraw annually from most types of retirement accounts. Generally, RMDs begin the year you turn age 73, but some workplace retirement plans may let you delay the start until the year you retire. Here's how RMDs generally work.

You must begin RMDs at age 73 from:

- SEP IRAs and SIMPLE IRAs, even if you still work for the employer sponsoring the retirement plan.
- Retirement plans sponsored by a business of which you own more than 5%.
- Retirement accounts that you hold with former employers.

You can wait until you retire to begin RMDs from:

- Your current employer's retirement plan, as long as the plan allows it and you are not a 5% owner of the business that sponsors the plan. Plans that may allow you to wait until you retire to begin RMDs include 401(k), 403(b), and 457(b) plans. (Waiting until you retire to begin RMDs is not an option with SEP IRAs and SIMPLE IRAs.)

Currently, both tax-deferred accounts and designated Roth accounts in workplace retirement plans are subject to the RMD rules. That is about to change. For 2024 and later years, RMDs will no longer be required from designated Roth accounts, but will continue to be required from tax-deferred accounts.

Traditional IRA. You can contribute at any age as long as you (or your spouse if you file a joint tax return) receive taxable compensation, such as wages, during the year. When you reach age 73, you must begin taking required minimum distributions from your traditional IRAs, even if you are still working.

Roth IRA. You can contribute at any age as long as you (or your spouse if you file a joint tax return) receive taxable compensation during the year and your income is under certain limits. You do not have to take RMDs from a Roth IRA if you are the account owner. ■

Generally, you have until April 1 of the year following the year you reach age 73 to take your first RMD. RMDs for subsequent years must be taken by December 31 each year.

Please consult your financial professional for advice about planning for retirement.

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URBAN DELIGHT | Calgary, Canada

BY BRIAN JOHNSTON

For many, Calgary is the gateway to the Canadian Rockies, but before you hurry on to Banff you might want to linger for a few days in this attractive and confident city.

CALGARY IS A FRESH AND VITAL CITY, bathed in luminescent northern light. From a distance, the city emerges from the flat prairie like a modern fairy tale, its towers of glass and steel caught between expanses of grass and sky, with the Rocky Mountains as a backdrop.

Railroads, cattle, cowboys, and oil tell the story of the Canadian West, but these days a youthful energy and new sophistication have turned Calgary into one of the world's most desirable cities. For decades a city of fluctuating fortunes, brought on by boom and bust in the oil industry, Calgary has made a comeback by blending its Old West heritage and oil wealth with a confident mix of culture, fine dining, and ethnic variety.

Calgary was founded in 1875 by a detachment of Mounted Police at the meeting of the Bow and Elbow Rivers, on lands where native Blackfoot people had lived for thousands of years. The Mounties built a log fort and soon settlers arrived, attracted by the lush prairies.

Nature still isn't far away in Calgary. A few miles southeast of downtown lies Inglewood Bird Sanctuary, where you can wander miles of wooded trails along the river and lagoon and spot over 250 species of birds. In summer, the air is heavy with dragonflies and the scent of resin.

This is just part of North America's most extensive urban parkways, criss-crossed by 500 miles of walking and cycling tracks—half of which are rolled for winter use too. For a pleasant walk, follow the Bow River into wooded Prince's Island Park. In fact, you can hike 12 miles of riverside track all the way to vast Fish Creek Provincial Park, where you can boat and fish.

The arrival of the railway in 1883 turned Calgary into a major cattle town, and the city center retains dozens of fine sandstone buildings built with cattle money. Heritage Park Historical Village gives a glimpse into the history of Calgary and pioneering life. It features a working streetcar, paddle steamer, and steam train from the nineteenth century, as well as many historic buildings relocated from other parts of Alberta province, all brought to life by costumed actors.

LEFT: **Calgary's skyline rises beyond Prince's Island Park, a popular downtown oasis and the site of several festivals and events throughout the year.**
BELOW: **A pedestrian bridge over the Bow River connects Calgary's communities, parks, and natural areas.**

The city cemented its cattle reputation in 1912 when it established the Calgary Stampede, the richest rodeo competition in North America. The Stampede, held in mid-July, is now the world's largest outdoor rodeo, and one of the biggest annual events of any kind in Canada, with over a million visitors.

The Stampede attracts the continent's best cowboys. Rodeo events—roping calves, riding broncos, and wrestling steers—are the top attractions, along with the famous Chuckwagon Race, which features wagons hurtling along a dusty track. But the Stampede is much more than that, featuring agricultural competitions, livestock shows, concerts, and amusement rides—and generating a great buzz all over the city.

Calgary has plenty of other sporting sights, but perhaps nothing better than attending a game of the national sport: ice hockey. The local team, the Calgary Flames, plays national league matches at Scotiabank Saddledome in Stampede Park during the season, which runs from October to April.

Proud as it is of its past, Calgary might have remained a quaint cattle town if it weren't for the discovery of oil. By the 1970s, billions of dollars of oil money were being pumped into a boomtown of skyscrapers and shopping malls. The city's fortunes rose and fell with the price of oil: a bust in the 1980s, another boom in the 1990s.

Looking to diversify, Calgary invited business in and established itself as the second-largest center for corporate headquarters in Canada. Then in 1988, it hosted the Winter Olympics. The downhill slopes and cross-country trails are at Kananaskis Village 62 miles west, but the iconic silhouette of the ski jump rises at Canada Olympic Park in the city itself, where you can test your nerves on bobsleigh rides and a super-fast zip line.

Now with a population of over a million, Calgary frequently makes it onto lists of the world's most livable cities. That's despite its frigid winters, although Calgary is one of Canada's sunniest cities. Spring can be lovely, and fall erupts in dazzling color.

Today, the city bills itself as the Heart of the New West, an appropriate coinage for the vibrancy of its cultural and entertainment scene. It might seem surprising in a cattle and oil town, but ballets have their debut here, performance groups impress at the Arts Commons complex of theatres, and the Glenbow Museum seduces with Asian sculpture.

Studio Bell is home to the architecturally eye-catching National Music Center, which has exhibitions on everything from the science of sound to K. D. Lang costumes. You'll love its interactive chances to make music as well as learn about it. Meanwhile you'll find a string of live-music clubs running from Studio Bell along 9th Avenue Southeast, dubbed the Music Mile.

For a provincial city, Calgary has impressive restaurants and microbreweries too that reflect the cultural background of its immigrants, from French to Japanese and Ukrainian. Many restaurants are pushing the farm-to-table ethos to its limits with menus that sometimes change not just with the season but the week, and showcase locally sourced ingredients. There are so many ethnic shops and eateries along 17th Avenue SE that it's now known as International Avenue.

In bohemian Kensington's restaurants, lobster lasagna is found as readily as a good old-fashioned Canadian steak. This hangout of the young and arty has trendy boutiques, vinyl stores, and cafés on every corner.

In Chinatown, residents browse for packets of green tea and embroidered slippers, and chopsticks click. The ornate Chinese Cultural Center houses an art gallery, stores, and cultural museum. The columns of the Temple of Heaven, entwined with carved dragons and phoenixes, are a marvel.

Two other districts to explore are the rambunctious but gentrifying Beltline, where you'll find some of the city's most creative chefs at work, and the hip Inglewood, with its independent boutiques, art galleries, and resale stores.

In the Stephen Avenue district in the heart of the city, another host of bars and restaurants has sprung up to cater to a youthful and prosperous population. On 17th Avenue SW, between 4th and 10th Streets, the style is laid-back, with many bistros and an interesting mixture of boutiques and specialty shops.

Shoppers and businesspeople pause to watch street performers or relax in coffeehouses. They look happy and relaxed, and so they should be. When it comes to urban living, you can't help concluding the Canadians have got it right. ■

The new Cultural Living Room at the Arkansas Museum of Fine Arts. *Photo: Iwan Bann, courtesy of the Arkansas Museum of Fine Arts*

FYI

New Things to See and Do

Here are a few museums, zoos, and aquariums that are bigger and better than ever this year.

LITTLE ROCK, AR
Arkansas Museum of Fine Arts

Newly renovated and reimagined, the Arkansas Museum of Fine Arts opened its doors to the public in May 2023 after undergoing a nearly four-year transformation of its buildings and grounds. Existing structures have been revitalized and a new central structure added to create a bold new architectural identity for the Museum. The reimagined space includes several new spaces, including a gallery wing, a media gallery, a restaurant, and a Cultural Living Room—a community space where visitors can relax and enjoy the view of the Museum's grounds.

HOUSTON, TX
Galápagos Islands at the Houston Zoo

A new conservation-focused exhibit based on the Galápagos Islands opened at the Houston Zoo on April 7, 2023. "With this new exhibit, our more than two million annual guests will learn how our shared ocean connects us to species in the Galápagos, and how our conservation actions here in Houston will lead to healthier oceans worldwide", said Lee Ehmke, the Zoo's president and CEO, at the exhibit's grand opening. The exhibit features a Sea Lion Coast, a volcanic meadow where giant tortoises lumber, a 40-foot-long submerged tunnel where sea lions swim on both sides and above, a large aquarium where sharks, sea turtles, and stingrays swim, and a rocky beach where penguins waddle.

NEW ORLEANS, LA
Audubon Aquarium and Audubon Insectarium

After months of extensive renovations, the reimagined and redesigned Audubon Aquarium and Audubon Insectarium opened on the New Orleans Riverfront on June 8, 2023. "Through our reimagining, visitors will experience many of their favorite Aquarium exhibits in an entirely new way. Not only are there new animals in our care, but educational opportunities to showcase the important connections between humans, animals, and the environment," said Rich Toth, Senior Vice-President and Director of Audubon's downtown facilities. Plus, it's the only facility in the world to have both an aquarium and insectarium under one roof.

NEW YORK, NY
American Museum of Natural History

The Richard Gilder Center for Science, Education, and Innovation opened to the public in February 2023, linking many of the Museum's buildings and creating a continuous campus across four city blocks on Central Park West. The new 230,000-square-foot Gilder Center features an immersive theater, an insectarium, a permanent butterfly vivarium where visitors can mingle with butterflies, a library, state-of-the-art classrooms, and more. Designed by Studio Gang, the new building's fluid curves, recesses, windows, and bridges are inspired by natural formations and designed to invite exploration of the Museum. ■

QUIZ

Vermont

1. The largest city in Vermont and the home of the University of Vermont is:

A. Burlington
B. Montpelier

2. The three states that border Vermont are:

A. New York, Massachusetts, Maine
B. New York, Massachusetts, New Hampshire

3. This ice cream company began in 1978 in a renovated gas station in Burlington:

A. Haagen-Dazs
B. Ben & Jerry's

4. At 107 miles long, this lake forms much of the border between Vermont and New York State:

A. Lake Champlain
B. Lake Memphremagog

5. The Vermont State Animal is the:

A. Morgan horse
B. Holstein cow

6. Vermont's population is approximately:

A. 6,470,000
B. 647,000

7. Stretching 272 miles from the Vermont-Massachusetts line to the Canadian border, this hiking trail follows the main ridge of the Green Mountains:

A. Long Trail
B. Camel's Hump Trail

8. At 4,395 feet, this mountain is Vermont's highest:

A. Mount Abraham
B. Mount Mansfield

9. Vermont is the country's largest producer of:

A. Cheese
B. Maple syrup

10. This rock band was formed in Burlington in 1983:

A. Phish
B. Metallica

11. The Lamoille, Winooski, and Ottauquechee are:

A. Rivers
B. Mountains

12. Located in west-central Vermont and founded in 1800, this college is one of Vermont's oldest:

A. Bennington College
B. Middlebury College

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ANSWERS: 1-A, 2-B, 3-B, 4-A, 5-A, 6-B, 7-A, 8-B, 9-B, 10-A, 11-A, 12-B

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