



OUR MISSION IS TO CHANGE LIVES. **ONE "HEMINGTON" AT A TIME.**

HEMINGTON UPDATES

FEBRUARY 2020

The SECURE Act

On December 20, 2019, President Trump signed into law the Setting Every Community Up for Retirement Enhancement Act, or SECURE Act as it's commonly known. The SECURE Act went into effect on January 1, 2020, and is being touted as one of the most important changes in retirement planning in recent history. Below we highlight some of its key provisions.

NO AGE LIMIT FOR IRA CONTRIBUTIONS

Prior to the SECURE Act, the age cut-off for IRA contributions was 70½. Now, if you have earned income, you may continue to contribute to an IRA regardless of your age (there are still limitations based on your income).

DELAY OF REQUIRED MINIMUM DISTRIBUTIONS

RMDs now begin when you turn 72, up from age 70½. You have until April 1 in the year after you turn 72 to take your first distribution. If you reached age 70½ in 2019, then the prior rule still applies.

INHERITED IRAs

Except for spouses, most people who inherit an IRA in 2020 or beyond will need to withdraw the funds within 10 years, rather than stretch the withdrawals over his or her lifetime.

ESTABLISHING NEW RETIREMENT PLANS

A business has until its tax filing deadline (including extensions) to adopt and contribute to a qualified retirement plan for the prior tax year. This includes solo 401(k) plans if you are self-employed.

401(k)s FOR MORE PART-TIME WORKERS

If you are a part-time worker, you may contribute to your firm's defined contribution plan if you meet one of two eligibility requirements: one year of service with 1,000 hours OR three years of service with at least 500 hours per year. This latter provision is new, and especially helps women who are more likely than men to work part-time.

529 ACCOUNTS

Eligible expenses for 529 accounts have been expanded to include homeschooling and apprenticeships. You also may use \$10,000 to repay qualified student loans.

BIRTH OR ADOPTION

You may withdraw up to \$5,000 per parent without penalty for qualified distributions for birth or adoption expenses.

At Hemington, we will continue to evaluate the SECURE Act and follow-on regulatory interpretations to seek out and take advantage of planning opportunities for our clients.



HEMINGTON'S NEWEST TEAM MEMBER



Carrie Leinbach has joined the Hemington team as Special Projects Coordinator. She works with all facets of the Hemington team to ensure the company's needs are met for key initiatives in the areas of marketing, client support, office management, special events, HR, and day-to-day operations.

Prior to joining Hemington, Carrie created and successfully sustained two entrepreneurial ventures including a consulting business for estate planning analysis and her own dessert catering business. Before that she was a Legal Assistant and Paralegal at national law firms working in the Real Estate, Banking, and Entertainment Law divisions. She graduated with a Bachelor of Arts in Government from The University of Virginia.

Outside of work, Carrie volunteers on multiple school PTO Boards and other community groups. She enjoys running, baking, and catching up on the latest movies. Carrie lives in Great Falls, VA, with her husband and their four boys. On any given weekend, you'll find her in the stands cheering them on in a gym, on a court, or at a field in the Northern Virginia area.



MARKET PREDICTION FOR 2020

To predict is to foretell, forecast, prophesy... in other words, to guess. Stock market predictions for 2019 were rather dire, with most people guessing the year ahead would bring a market downturn. On November 21, 2018, Fortune Magazine's cover showed a man wearing a billboard shouting "THE END IS NEAR." On December 31, 2018, Investor's Business Daily quoted, "It is no surprise that the party cannot go on."

What actually happened in 2019? The markets went on to experience an excellent year for returns – a Hemington portfolio with an asset allocation of 70% stocks and 30% bonds returned about 19.5%.

Our prediction for 2020 is that most people's predictions will be wrong. And that a well-diversified, well-managed, tax efficient portfolio will provide a better investment experience over the long-term, helping you to achieve your Hemington whatever that may be.

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WHAT'S NEW AT HEMINGTON?

Travis Johnson and her team with *October Saves* raised \$500,000 in 2019 for breast and pediatric cancer research. *October Saves* provides an opportunity for ice hockey goalies – youth, amateur, and professional – to raise money based on the number of goals he or she saves during hockey games in October. The charity is supported by several NHL teams, including the Washington Capitals, and has raised over \$1.3 million since 2014.



Each year the Chartered Financial Analyst Society in Washington, DC, hosts a FinTech Conference. Most recently **Ryon Beyer** was a panelist on “Leveraging Technology” and discussed how registered investment advisers embrace technological advancements. He provided insight into best practices and pitfalls to consider when building out a wealth management firm’s tech stack with software that is effective and efficient.



On December 8, **Jen Dawson** was featured in The New York Post article, *Dream Up Your Definition Of Success For A Rewarding Career*, highlighting findings from Hemington’s Breadwinner Women Lawyer study.



Iwona Cholewa was a panelist at Dimensional Fund Advisors’ Women & Wealth Conference in Austin, Texas. She shared her perspective on navigating career transitions and vulnerability, two significant themes for women advisors and their clients. In addition, she shared insights on how women can support and advocate for each other.

Eileen O’Connor authored an article for the November issue of National Association of Personal Financial Advisors (NAPFA). Eileen counsels other advisors that the old rules for retirement readiness for women no longer apply and provides insight on the unique challenges they face.

On November 6, **Thomas Lloyd** was featured in The New York Times article, *Tips to Ease Family Inheritance Tension*. Thomas’ takeaways for families discussing sensitive money matters are to listen, respect your siblings, and keep communication lines open-ended.



TAX CORNER

Maximum Contribution Limits: Each year, the IRS reassesses the maximum amount that may be contributed to retirement accounts, based on cost-of-living adjustments in the tax code. For workplace retirement accounts, check with your HR department and increase your periodic contributions, if possible.

	2019	50+ Catch-up	2020	50+ Catch-up
IRA/Roth IRA	\$6,000	\$1,000	\$6,000	\$1,000
SEP IRA	\$56,000	Not Permitted	\$57,000	Not Permitted
401(k)/403(b)/457(b)/TSP	\$19,000	\$6,000	\$19,500	\$6,500
Solo 401(k)	\$56,000	\$6,000	\$57,000	\$6,500

* Contribution limits may be lower, depending on your circumstances.

Catch-up Contributions: You become eligible for catch-up contributions in the year you turn 50.

Deadline for 2019 IRA Contributions: You may contribute to your traditional IRA or Roth IRA up to the April 15, 2020, tax filing deadline.

The deadline for establishing and contributing to a SEP IRA is the business's tax filing deadline, including extensions.

Spousal IRA: For married couples filing a joint tax return, each spouse may contribute to an IRA based on the earnings of one spouse. This allows the "nonworking" spouse to contribute to his or her own IRA, even with no or low earned income.

Roth IRAs for Children: For children with earned income, you may establish and fund an IRA (preferably a Roth IRA) for them by April 15.

NEED TO FIND YOUR 1099s?

The Hemington Client Portal is a great resource!

In addition to viewing your Hemington portfolio, you can access TD Ameritrade account statements and tax documents, including 1099s.

Go to the **CLIENT PORTAL**, and click on:

- 1 Documents →
- 2 Statements →
- 3 Tax Reports.

The screenshot shows the Hemington Wealth Management client portal. At the top, there is a navigation bar with 'Portfolio', 'Documents', 'Tools', and 'Updates'. Below this is a secondary bar with 'Statements', 'Cloud Storage', and 'Reports'. The main content area is divided into 'CATEGORIES' and 'Statements & Files'. Under 'CATEGORIES', there are links for 'CUSTODIAL STATEMENTS', 'PORTFOLIO STATEMENTS', and 'TAX REPORTS'. The 'TAX REPORTS' link is highlighted with a red circle '3'. Under 'Statements & Files', there is a 'Select a file to download' section with a table listing a file named '2019 - 1099'.

About Hemington Wealth Management

Hemington Wealth Management provides high net worth individuals and families with a broad range of wealth management services including portfolio management. We are collaborative, accessible and responsive, making it easy for clients to work with our team.

Hemington Wealth Management

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