

# How Robust Is Your Financial Plan?

COVID-19 Preparedness & Precaution

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# COVID - 19 : Health First -

- Protect Yourself
- Follow NY State Guidelines
  - <https://coronavirus.health.ny.gov/home>
  - Age 70+ remain indoors, wear a mask, 6 feet, avoid public transportation, take temperature of visitors
- Call Westchester County Health for help (914) 813-5000
- COVID-19 Testing in New Rochelle call (888) 354-3065

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# Objectives of this presentation

- Identify options to address income disruptions
- Present longer-term ideas to help with difficult financial times now and in the future
- Discuss distribution strategies for retirement and non-retirement accounts and the associated tax considerations
- Identify planning opportunities you can consider to improve your finances when we emerge from COVID-19

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# Income Disruption – What

- Reduce Expenditures
- Cash On Hand
- Borrow From Family or Friends
- Negotiate With Creditors
- Retirement Plan Loan
- Home Equity Line of Credit
- Securities-based lending
- Credit Cards or Personal Loans

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# Income Disruption – NY Orders for Financial Relief

- 90-day mortgage relief
- Waive mortgage payments based on financial hardship
- No negative reporting to credit bureaus
- Grace period for loan modification
- No late payment fees or online payment fees
- Postponing or suspending foreclosures
- Waive fees for overdrafts, ATMs, and credit cards

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# Distribution Strategies: non

- Cash
- Bank CD surrender
- Switching from dividend and capital gain reinvestment
- Tax-loss harvesting
- Sale of lower risk assets first
- Securities-based lending

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# Distribution Strategies: Re

- Avoid making withdrawals if you are under age 59 ½
- Estimate your income total expected for 2020
- Review your Federal and NY state tax brackets
- Review the Medicare income thresholds
- Considering filling up the tax bucket
- Consider exercising a Qualified HSA Funding Distribution

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# Roth IRA Conversions

- Pay income tax now on your retirement plan assets and move them to a Roth IRA
- Convert now after stock losses in your IRA
- Your gains will be tax-free
- Pay the tax from non-retirement accounts – don't cannibalize your conversion
- Fill up the tax bracket
- Reduce future required minimum distributions upon recovery of your portfolio

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# Roth IRA Conversions

- Traditional IRA account owners should consider the tax ramifications, age and income restrictions in regards to executing a conversion from a Traditional IRA to a Roth IRA.
- Withdrawals from a Roth IRA may be tax free, as long as they are considered qualified. Limitations and restrictions may apply. Withdrawals prior to age 59 ½ or prior to the account being opened for 5 years, whichever is later, may result in a 10% IRS penalty tax. Future tax laws can change at any time and may impact the benefits of Roth IRAs. Their tax treatment may change.

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# Questions?

Thank You!

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