

From The Desk of Jon Marzano, AIF®, *Founding Partner, Managing Principal*



When we said that the first half of the year would continue to keep us on the edge of our seats, we had no clue how accurate we would be. The first quarter of 2023 continued to deliver investors news of caution and worry. SVB and Signature Bank's seizure by the FDIC and First Republic's rescue efforts by the government and larger banks, shook the confidence we have rebuilt in our banking system. These are the times we feel that we add the most value for our clients, by maintaining a longer-term outlook. It is imperative that investors act on facts and reason and not emotion, and we appreciate the confidence you continue to place in us to do that for you.

In this quarter's newsletter, you will get an update on the Secure Act 2.0 from Steven. There are a few very smart provisions that were included with this act and we encourage you to make yourself familiar. Mike shares his thoughts on what we do for our clients in his article, "Big Life," and we could not agree more with him. Stay safe and be kind to one another out there.



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Secure Act 2.0

By Steven Gallo, CFP®, *Partner, Financial Advisor*

The Secure Act 2.0 is an important piece of legislation that was passed late last year. SECURE 2.0 included many retirement-related provisions yielding a range of potential benefits. Below are a few of the significant provisions we think will be the most impactful for our clients:

- Changes to Required Minimum Distributions:** SECURE 2.0 raises the Required Minimum Distribution (RMD) age from 72 to 73 in 2023, and 75 in 2033. Effectively in 2023, SECURE 2.0 reduces the penalty tax for failures by an individual to take the minimum distribution from 50% to 25%. If you correct the failure in a timely manner, the excise tax will reduce from 25% to 10%.
- Catch-Up Contribution Increase and Changes for Earners over \$145,000:** There are two significant changes to catch-up contributions included in SECURE 2.0. First, effective in 2024, all catch-up contributions for individuals earning more than \$145,000 per year (indexed) must be made on a Roth, or after tax, basis. This does not apply to SIMPLE plans. Second, individuals between the ages of 60 and 63 will be eligible for a higher catch-up contribution limit beginning in 2025. Current law limits catch-up contributions to \$7,500 (except for SIMPLE plans, which limit to \$3,500). Under SECURE 2.0, effective in 2025, individuals will be able to contribute the greater of \$10,000 (indexed) or 150% of the regular catch-up (which would be \$11,250 in 2023). For SIMPLE plans, individuals will be able to contribute the greater of \$5,000 or 150% of the regular SIMPLE catch-up (which would be \$5,520 in 2023).
- Rollover of Excess 529 Assets to Roth IRAs:** Beginning in 2024, excess assets in a 529 qualified tuition program will be eligible for a tax-free rollover to a Roth IRA. The beneficiary of the 529 account and the Roth IRA must be the same, and the 529 account of the beneficiary must have been maintained for at least 15 years. The rollover would be subject to the lesser of (1) the regular Roth IRA limits (without the income limits) or (2) the aggregate amount contributed to the 529 account over the previous five years (plus earnings). The rollovers would also be subject to a per-beneficiary lifetime limit of \$35,000.
- Allowing SIMPLE and SEP Contributions to be Made on a Roth Basis:** Effective in 2023, SIMPLE and SEP contributions for both employees and employers can be made on a Roth basis. The employee must elect for Roth treatment.



Community Calendar

- April 22: Southern Charm at the Farm Spring 2023, Tanglewood Park, Clemmons
- April 26-29: 2023 Cancer Services Wrapped Up In Ribbons Online Auction
- May 6: Trellis Supportive Care Kentucky Derby Party, The Atrium at Wake Forest Biotech Place, Downtown Winston Salem – **Check out our Q2 Spotlight – Marzano Capital Group is a proud sponsor of this event!**
- June 24: Lewisville Street Party & Food Truck Festival, Shallowford Square, Lewisville

“Big Life”

By Mike McGilvary, AIF®, Partner, Financial Advisor

The word retirement can be synonymous with the concept of investment/portfolio management. At Marzano Capital Group, we strive to dive much deeper into our clients lives than just portfolio management. Our team wants to be educated on your other life goals outside of the singular focus of having a comfortable financial retirement.

Helping you plan on how to support your lifestyle after you have stepped away from your professional career is a massive part of the value we bring. Achieving other important goals and passing milestones along the way brings satisfaction to our clients and to us.

Helping you find your spending balance is what will drive the long-term success. Retirement is not the only goal for most people, nor should it be. As referenced above, you may want to set a travel budget in an effort to make memories with your family along the way or maybe you have always dreamed of a home renovation, or even a second home, and want to know if you are financially secure enough to do these types of things.

Retirement planning is important and we enjoy helping our community with this vital task; however, our real goal is to help our folks have a “Big Life.”



Q2 Spotlight: Trellis Supportive Care – You May Be Surprised.

Provided By Trellis Supportive Care



Palliative • Hospice • Family Support

Are you someone who has a vague understanding of hospice care? You hear good things and know it can be helpful as you near end of life, but you are not completely sure how it works or the benefits? Until you have a first-hand experience, you may have a few misconceptions or questions, such as:

What is hospice care?

Hospice care is a medical specialty that takes a holistic approach to care. The focus is on both physical and emotional comfort for patients, and their caregivers. Generally, to qualify for hospice care, the patient must have an anticipated life expectancy of less than six months. The types of medical conditions that patients have include end-stage cancer, advanced dementia, heart failure and chronic obstructive pulmonary disease, just to name a few. Patients have a team of caregivers that make scheduled visits.

Who is our hometown hospice care provider?

Trellis Supportive Care (formerly Hospice & Palliative Care Center) and its beautiful Kate B. Reynolds Hospice Home have been your hometown hospice since 1979. In fact, Trellis is North Carolina’s first hospice care provider, and remains a free-standing nonprofit.

How do people get enrolled in hospice care and where is the care provided?

In many cases, your doctor will suggest hospice care, knowing that it is more important to have the highest quality of life rather than pursue futile or painful treatments. However, more and more patients and families are contacting Trellis directly to begin receiving care. Once people call, the relief is immediate. In most cases, care is provided in your own home where you are surrounded by the people you love and the comforts of home. This includes long-term care communities.

Does hospice mean giving up?

No, hospice care is a specialty. A type of compassionate medical care for patients in the last stages of life allowing patients to live as fully and comfortably as they can. In addition to the medical care, emotional and spiritual concerns are addressed. Choosing hospice is a way to spend whatever time a person has remaining in comfort, with loved ones, with dignity, and the peace of mind that you and our family are in good hands. When it comes time, knowing where to turn can make all the difference: www.TrellisSupport.org.

As a nonprofit organization, quality patient/family care is above all else. Trellis does rely, in part, on contributions and fundraising events. How about attending the upcoming Kentucky Derby Party to support Trellis? It is a signature event complete with all the trimmings of a classic Derby Party. The festivities take place on May 6th in downtown Winston-Salem. For more info, visit www.TrellisDerbyParty.org.



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