Broadridge Advisor™ sample guide

Tax
Retirement
Estate
Risk management
Investments
See how Broadridge Advisor can help you:

- Communicate with clients
- Share timely, relevant and valuable content
- Build communications practices in your business
- Research topics relevant to your clients
- Stay current on the latest financial planning and tax news
- Save time
- Keep in contact with prospects and your network of referral sources

Visit aicpa.org/pfp/broadridge to learn more.

Broadridge Advisor, a $499, annual value, is included with PFP Section membership.
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Broadridge Advisor overview

Broadridge Advisor is a client education and communication tool that enables advisers to deliver current, concise and compliant resources to their clients. CPAs, attorneys and other subject matter experts write the content.

Broadridge provides access to more than 3,000 resources including:

2,300 articles
400+ presentations
200 illustrations and tables
200 interactive calculators

The resources cover all areas of the broad subject matter that makes up personal financial planning, including tax, retirement, estate, risk management and investment planning.

Resources are continuously updated to reflect changing laws and planning strategies. The resources can be searched with a Google-like search engine and they also are organized by 17 life events and 10 financial goals. Client contact information can be saved to efficiently email and track client responses.
Visit aicpa.org/pfp/broadridge to learn more.
Broadridge Advisor content

Broadridge Alerts
Alerts keep you apprised of new legislation and regulations impacting your personal financial planning and tax practice. There are two types of alerts: consumer and advisor.

Broadridge Presentation Center
Presentations allow you to tailor concept pieces and presentations that are specific to your clients’ needs.

Broadridge concept pieces
Concept pieces provide a high-level overview of specific subject matter or planning strategy that you can use to educate your clients.

Broadridge Case Studies
Case Studies concisely present an overview of a financial topic or planning concept. These pieces may be useful when doing lectures and other types of educational presentations.

Broadridge calculator presentations
Calculators can be run as a standalone resource, and many can also be run as a full calculator presentation.
Broadridge Advisor Resource Centers

The resource centers allow you to easily find content by topic all in one place.

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<thead>
<tr>
<th>Resource Center</th>
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<td>Women's Resource Center</td>
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<tr>
<td>Social Security Resource Center</td>
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<tr>
<td>Health-Care Reform Resource Center</td>
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<tr>
<td>Retirement Plan Participant Resource Center</td>
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<tr>
<td>Military Resource Center</td>
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<tr>
<td>Key Numbers Resource Center</td>
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<tr>
<td>Tax Resource Center</td>
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<tr>
<td>Millennial Resource Center</td>
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<td>Rollover Resource Center</td>
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</table>
Social Security Resource Center

Millions of baby boomers are set to retire in the next 20 years, and most will rely on Social Security as an important source of retirement income. As they approach retirement, Americans want to understand how Social Security works. How much will they receive from Social Security? When should they begin receiving retirement benefits? What challenges is the Social Security system facing? These are some of the topics that our Social Security Resource Center explores.

Are my Social Security benefits subject to income tax?
Does my 16-year-old have to pay Social Security tax on her earnings?
How do I get disability benefits from Social Security?
I'm getting remarried. How will this affect my Social Security benefits?
Once I begin receiving Social Security retirement benefits, can my child receive benefits too?
If I delay receiving Social Security benefits, should I still sign up for Medicare at age 65?
Will my pension affect my Social Security benefit?
If I change my mind about when to begin Social Security benefits?
Will Social Security retire before you do?

Social Security: When Should You Start Receiving Retirement Benefits

Understanding Social Security
Social Security Survivor Benefits
Social Security Disability Benefits

FAQs
How can you get an estimate of your future Social Security benefits?
When I retire, how much will I receive from Social Security?
Should I retire now at age 62 and collect Social Security benefits?
What happens if I start collecting Social Security after full retirement age?
Will I continue to receive Social Security based on my spouse's record after we divorce?
Will my children receive money from Social Security when I die?

Concept Video

Social Security Break Even Calculator
Social Security Retirement Benefit Calculator - Married Couples

Concept Pieces
Myths and Facts about Social Security
How Secure Is Social Security?
Social Security: What Should You Do at Age 62?
Four Things Women Need to Know about Social Security
Social Security Retirement Benefit Basics

Templates
Planning for Social Security

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Social Security Figures At-a-Glance

Illustration
Sources of Retirement Income: Filling the Social Security Gap
How Earnings Affect Social Security
Social Security Retirement Income Beneficiaries, by Gender
Average Social Security Retirement Benefit Age 65 and Older
Life Expectancy by Gender at Birth and Age 65
Social Security Retirement Benefits

Social Security was originally intended to provide older Americans with continuing income after retirement. Today, though the scope of Social Security has been widened to include survivor, disability, and other benefits, retirement benefits are still the cornerstone of the program.

How do you qualify for retirement benefits?

When you work and pay Social Security taxes (FICA on some pay stubs), you earn Social Security credits. You can earn up to 4 credits each year. You generally need 40 credits (10 years of work) to be eligible for retirement benefits.

How much will your retirement benefit be?

Your retirement benefit is based on your average earnings over your working career. Higher lifetime earnings result in higher benefits, so if you have some years of no earnings or low earnings, your benefit amount may be lower than if you had worked steadily. Your age at the time you start receiving benefits also affects your benefit amount. Although you can retire early at age 62, the longer you wait to retire (up to age 70), the higher your retirement benefit.

You can estimate your retirement benefit online based on your actual earnings record using the Retirement Estimator calculator on the Social Security website, socialsecurity.gov. You can create various scenarios based on current law that will illustrate how different earnings amounts and retirement ages will affect your benefits.

Retiring at full retirement age

Your full retirement age depends on the year in which you were born.

If you were born in:  
Your full retirement age is:

<table>
<thead>
<tr>
<th>Year</th>
<th>Age</th>
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<tbody>
<tr>
<td>1943-1954</td>
<td>66</td>
</tr>
<tr>
<td>1955</td>
<td>66 and 2 months</td>
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<tr>
<td>1956</td>
<td>66 and 4 months</td>
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<tr>
<td>1957</td>
<td>66 and 6 months</td>
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<tr>
<td>1958</td>
<td>66 and 8 months</td>
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<tr>
<td>1959</td>
<td>66 and 10 months</td>
</tr>
<tr>
<td>1960 and later</td>
<td>67</td>
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</tbody>
</table>

Note: If you were born on January 1 of any year, refer to the previous year to determine your full retirement age.

If you retire at full retirement age, you’ll receive an unreduced retirement benefit.

Retiring early will reduce your benefit

You can begin receiving Social Security benefits before your full retirement age, as early as age 62. However, if you retire early, your Social Security benefit will be less than if you wait until your full retirement age to begin receiving benefits. Your retirement benefit will be reduced by 5/9ths of 1 percent for every month between your retirement date and your full retirement age, up to 36 months, then by 5/12ths of 1 percent thereafter. For example, if your full retirement age is 67, you’ll receive about 30 percent less if you retire at age 62 than if you wait until age 67 to retire. This reduction is permanent — you won’t be eligible for a benefit increase once you reach full retirement age.

Still, receiving early Social Security retirement benefits makes sense for many people. Even though you’ll receive less per month than if you wait until full retirement age to begin receiving benefits, you’ll receive benefits several years earlier.

Delaying retirement will increase your benefit

For each month that you delay receiving Social Security retirement benefits past your full retirement age, your benefit will increase by a certain percentage. This percentage varies depending on your year of birth. For example, if you were born in 1943 or later, your benefit will increase 8 percent for each year that you delay receiving benefits. In addition, working past your full retirement age has another benefit. It allows you to add years of earnings to your Social Security record. As a result, you may receive a higher benefit when you do retire, especially if your earnings are higher than in previous years.

Working may affect your retirement benefit

You can work and still receive Social Security retirement benefits, but the income that you earn before you reach full retirement age may affect the amount of benefit that you receive.
Adjusting to Life Financially after a Divorce

There's no doubt about it — going through a divorce can be an emotionally trying time. Ironing out a divorce settlement, attending various court hearings, and dealing with competing attorneys can all weigh heavily on the parties involved.

In addition to the emotional impact a divorce can have, it's important to be aware of how your financial position will be impacted. Now, more than ever, you need to make sure that your finances are on the right track. You will then be able to put the past behind you and set in place the building blocks that can be the foundation for your new financial future.

Assess your current financial situation

Following a divorce, you'll need to get a handle on your finances and assess your current financial situation, taking into account the likely loss of your former spouse's income. In addition, you may now be responsible for paying for expenses that you were once able to share with your former spouse, such as housing, utilities, and car loans. Ultimately, you may come to the realization that you're no longer able to live the lifestyle you were accustomed to before your divorce.

Establish a budget

A good place to start is to establish a budget that reflects your current monthly income and expenses. In addition to your regular salary and wages, be sure to include other types of income, such as dividends and interest. If you will be receiving alimony and/or child support, you'll want to include those payments as well.

As for expenses, you'll want to focus on dividing them into two categories: fixed and discretionary. Fixed expenses include things like housing, food, and transportation. Discretionary expenses include things like entertainment, vacations, etc. Keep in mind that you may need to cut back on some of your discretionary expenses until you adjust to living on less income. However, it's important not to deprive yourself entirely of any enjoyment. You'll want to build the occasional reward (for example, yoga class, dinner with friends) into your budget.

Reevaluate/reprioritize your financial goals

Your next step should be to reevaluate your financial goals. While you were married, you may have set certain financial goals with your spouse. Now that you are on your own, these goals may have changed. Start out by making a list of the things that you now would like to achieve. Do you need to put more money towards retirement? Are you interested in going back to school? Would you like to save for a new home?

You'll want to be sure to reprioritize your financial goals as well. You and your spouse may have planned on buying a vacation home at the beach. After your divorce, however, you may find that other goals may become more important (for example, making sure your cash reserve is adequately funded).

Take control of your debt

While you're adjusting to your new budget, be sure that you take control of your debt and credit. You should try to avoid the temptation to rely on credit cards to provide extras. And if you do have debt, try to put a plan in place to pay it off as quickly as possible. The following are some tips to help you pay off your debt:

• Keep track of balances and interest rates
• Develop a plan to manage payments and avoid late fees
• Pay off high-interest debt first
• Take advantage of debt consolidation/refinancing options

Protect/establish credit

Since divorce can have a negative impact on your credit rating, consider taking steps to try to protect your credit record and/or establish credit in your own
Life events often trigger a client’s need for financial advice. Locate relevant content by life events.

<table>
<thead>
<tr>
<th>Life Event</th>
<th>Life Event</th>
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<tbody>
<tr>
<td>Starting Out</td>
<td>Changing Jobs</td>
</tr>
<tr>
<td>Coping with Unemployment</td>
<td>Getting Married</td>
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<tr>
<td>Starting a Family</td>
<td>Buying a Home</td>
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<tr>
<td>Saving for College</td>
<td>Starting a Business</td>
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<tr>
<td>Planning/Saving for Retirement</td>
<td>Managing College Expenses</td>
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<td>Long-Term Care Planning</td>
<td>Planning an Estate</td>
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<tr>
<td>Planning for Business Succession</td>
<td>Nearing Retirement/Retirement</td>
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<tr>
<td>Caring for an Aging Parent</td>
<td>Loss of Spouse</td>
</tr>
<tr>
<td>Financial Windfall</td>
<td>Getting Divorced</td>
</tr>
</tbody>
</table>
Nearing retirement/retirement life events center — Full sample

Nearing Retirement/Retirement

You’ve worked hard your whole life, anticipating the day you could finally retire. When that day finally arrives, you’ll need to carefully manage your assets so that your retirement savings will last. This involves reviewing your portfolio regularly, spending wisely, understanding your retirement plan distribution options, and making informed decisions about your Social Security benefits.

Practice Aids
Nearing Retirement/Retirement Checklist

Topic Discussions
The Transition into Retirement
Retirement
Social Security
Distributions from Employer-Sponsored Retirement Plans
Distributions from Traditional IRAs: Between Age 59 1/2 and 70 1/2
Required Minimum Distributions
Annuity Distributions
Beneficiary Designations for Traditional IRAs and Retirement Plans
Investment Planning throughout Retirement
Healthcare in Retirement
Personal Residence issues in Retirement

Interactive
RMD (Lifetime Required Distributions) Calculator
Net Worth Calculator
Personal Cash Flow Worksheet
Investor Profile and Asset Allocation Calculator
Simple Sustainable Withdrawal Projector
Social Security Retirement Benefit Calculator - Married Couples
Retirement Sustainable Withdrawal Rate Accumulation Projection
Social Security Break Even Calculator
Immediate Annuity Calculator
Retirement Income Calculator
Portfolio Withdrawal Calculator

Illustration
How Earnings Affect Social Security
Average Social Security Retirement Benefit Age 65 and Older

Consumer Materials
Estimating Your Retirement Income Needs
Retirement Planning: The Basics
Evaluating an Early Retirement Offer
Choosing a Beneficiary for Your IRA or 401(k)
Your Home as a Source of Dollars in Retirement
Understanding Defined Benefit Plans
Closing a Retirement Income Gap
Understanding Social Security
Social Security Retirement Benefits

Annuity Basics
Health Insurance in Retirement
Insurance Needs In Retirement
Medicare
Buying Supplemental Health Insurance: Medigap
Understanding Long-Term Care Insurance
Life Insurance at Various Life Stages
The Roth 401(k)
401(k) Plans: The Basics
403(b) Plans: The Basics
Deciding What to Do with Your 401(k) Plan When You Change Jobs

Concept Pieces
Social Security: What Should You Do at Age 62?
How Much Annual Income Can Your Retirement Portfolio Provide?
Deciding When to Retire: When Timing Becomes Critical
Paying the Bills: Potential Sources of Retirement Income
Retirement Income Investing: Beyond Annuities
Common Factors Affecting Retirement Income
Working During Retirement
Converting Savings to Retirement Income
Reaching Retirement, Now What?
Distribution Funds: Putting Income on Autopilot
Balancing a Retirement Portfolio with Asset Allocation
A Retirement Income Roadmap for Women
A Woman’s Guide to Health Care in Retirement
Four Things Women Need to Know about Social Security
Social Security Retirement Benefit Basics
Long-Term Care Annuities
Immediate Annuities Can Provide Lifetime Income
The Retirement Income Gender Gap: Dealing with a Shortfall
10 Years and Counting: Points to Consider as You Approach Retirement
Making Decisions About Medicare

Calculator
Presentation
RMDs
Retirement income: the Transition into Retirement
Immediate Annuities

Templates
Retirement Income: The Transition Into Retirement
Required Minimum Distributions (RMDs)
Planning for Social Security

Consumer FAQs
I’m having a hard time selling my home. Should I take out a reverse mortgage?
Should I retire now at age 62 and collect Social Security benefits?
What happens if I start collecting Social Security after full retirement age?
How do I enroll in Medicare?
Will my children receive money from Social Security when I die?
If I’m covered by Medicare, should I have additional health insurance?
Are my Social Security benefits subject to income tax?
I’m traveling to Europe and won’t need my car. Can I get my auto insurance suspended to save money?
I’m confused: Is an annuity an investment vehicle or an insurance policy?
I can choose a single life annuity for my pension or a joint and survivor annuity that makes payments to my spouse when I die. Which is better?
Will Medicare alone be enough to cover my health-care needs in retirement?
What happens if my Medicare HMO goes out of business?
I’m planning on living in Europe for several months. Do I need special health insurance?
What is an annuity?
What is Medigap?
Should I accept my employer’s early retirement offer?
What should I do if I determine that my income during retirement won’t be enough to meet my retirement expenses?
What are required minimum distributions and how are they calculated?
I’m retired now and own my home outright, but I need money to live on. How can I use my home to raise some money without selling it?
My husband is about to receive his pension. We’ve heard of “pension maximization.” What is it?
I’m getting remarried. How will this affect my Social Security benefits?
Will I continue to receive Social Security based on my spouse’s record after we divorce?
Traditional IRA Lifetime RMD Calculator Results

**Input:**
- Assumed annual rate of return: 5%
- Starting balance: $2,000,000
- Current Age: 65

**Results:**

Distributions and annual growth shown through age 100. If you live beyond age 100, RMDs continue based on your recalculated life expectancy each year.

Number of years until RMD amounts begin: 5
Number of years withdrawals will occur: 30
Total withdrawals: $5,119,542

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<th>Year</th>
<th>Age</th>
<th>Annual factor</th>
<th>Prior year ending balance</th>
<th>Investment growth</th>
<th>Required minimum distribution (pre-tax income)</th>
<th>Current year ending balance</th>
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### Long-Term Care Planning Checklist

#### General information

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<tbody>
<tr>
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</table>
| 1. Has relevant personal information been gathered?  
• Name  
• Date of birth  
• Legal state of residence  
• Health status, including medications being taken  
• Marital status  
• Family members available for support  
• Name, phone number, and address of attorney, physician, geriatric care manager or other advisor | ☐ | ☐ |

| ☐ | ☐ | ☐ |

#### Long-term care planning

<table>
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<tr>
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<tr>
<td>1. Is the need for long-term care imminent?</td>
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<td>☐</td>
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<tr>
<td>2. Are assets sufficient to cover long-term care needs?</td>
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<td>☐</td>
</tr>
<tr>
<td>3. Have ways to fund long-term care been reviewed/evaluated?</td>
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<tr>
<td>4. If homeowner, has home equity as a use of funds been discussed?</td>
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<tr>
<td>5. Are long-term care insurance benefits available?</td>
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</tbody>
</table>
| 6. Have various housing options and their costs been considered?  
• In-home care  
• Living with a relative  
• Continuing care retirement community  
• Assisted living  
• Nursing home | ☐ | ☐ |

Notes:

| ☐ | ☐ | ☐ |

### Insurance planning

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Title

Federal Income Tax Returns Due for Most Individuals
There's Still Time to Contribute to an IRA for 2018
What Are the Costs of the Government Shutdown?
What Will You Pay for Medicare in 2019?
After Rocky Year-End, Risks Follow Investors into New Year
Year-End Charitable Giving
November 1 Begins Open Enrollment for Health Insurance Marketplaces
Bear in the Woods: Emerging Markets Credit Crisis
New Credit Legislation
Medicare Open Enrollment Begins October 15
Blockchain Buzz: Emerging Tech Offers Potential, Not Promises
Final Chance to Undo a 2017 Roth IRA Conversion
IRS Shuts Down State Tax Workaround
U.S. Fiscal Issues: Larger Deficits Are Driving Up Debt
Pain at the Pump: Why Does It Cost More to Fill Your Tank?
Interest Rates Rise on Federal Student Loans for 2018-2019
New Reports Highlight Continuing Challenges for Social Security and Medicare
Retirement Confidence Improves for Workers, Declines for Retirees in Critical Areas
Changing Market: Municipal Bonds After Tax Reform
New Medicare Cards Are Coming
Trade Tactics: New Metals Tariffs Reflect U.S. Policy Shift
Year-end charitable giving client alert — Partial sample

Year-End Charitable Giving

With the holiday season upon us and the end of the year approaching, we pause to give thanks for our blessings and the people in our lives. It is also a time when charitable giving often comes to mind. The tax benefits associated with charitable giving could potentially enhance your ability to give and should be considered as part of your year-end tax planning.

Tax deduction for charitable gifts

If you itemize deductions on your federal income tax return, you can generally deduct your gifts to qualified charities. This may also help you potentially increase your gift.

Example(s):

Assume you are considering making a charitable gift of $1,000. One way to potentially enhance the gift might be if you increase it by the amount of any income taxes you save with the charitable deduction for the gift. With a 24% tax rate, you might be able to give $1,316 to charity [$1,000 ÷ (1 - 24%) = $1,316; $1,316 x 24% = $316 taxes saved]. On the other hand, with a 32% tax rate, you might be able to give $1,471 to charity [$1,000 ÷ (1 - 32%) = $1,471; $1,471 x 32% = $471 taxes saved].

However, keep in mind that the amount of your deduction may be limited to certain percentages of your adjusted gross income (AGI). For example, your deduction for gifts of cash to public charities is generally limited to 60% of your AGI for the year, and other gifts to charity are typically limited to 30% or 20% of your AGI. Charitable deductions that exceed the AGI limits may generally be carried over and deducted over the next five years, subject to the income percentage limits in those years.

Make sure you retain proper substantiation of your charitable contribution. In order to claim a charitable deduction for any contribution of cash, a check, or other monetary gift, you must maintain a record of such contributions through a bank record (such as a cancelled check, a bank or credit union statement, or a credit card statement) or a written communication (such as a receipt or letter) from the charity showing the name of the charity, the date of the contribution, and the amount of the contribution. If you claim a charitable deduction for any contribution of $250 or more, you must substantiate the contribution with a contemporaneous written acknowledgment of the contribution from the charity. If you make any noncash contributions, there are additional requirements.

Year-end tax planning

When making charitable gifts at the end of a year, you should consider them as part of your year-end tax planning. Typically, you have a certain amount of control over the timing of income and expenses. You generally want to time your recognition of income so that it will be taxed at the lowest rate possible, and time your deductible expenses so they can be claimed in years when you are in a higher tax bracket.

For example, if you expect that you will be in a higher tax bracket next year, it may make sense to wait and make the charitable contribution in January so that you can take the deduction next year when the deduction results in a greater tax benefit. Or you might shift the charitable contribution, along with other deductions, into a year when your itemized deductions would be greater than the standard deduction amount. And if the income percentage limits above are a concern in one year, you might consider ways to shift income into that year or shift deductions out of that year, so that a larger charitable deduction is available for that year. A tax professional can help you evaluate your individual tax situation.

A word of caution

Page 1 of 2, see disclaimer on final page
New Reports Highlight Continuing Challenges for Social Security and Medicare

Most Americans will receive Social Security and Medicare benefits at some point in their lives. For this reason, workers and retirees are concerned about potential program shortfalls that could affect future benefits. Each year, the Trustees of the Social Security and Medicare Trust Funds release lengthy annual reports to Congress that assess the health of these important programs. The newest reports, released on June 5, 2018, discuss the current financial condition and ongoing financial challenges that both programs face, and project a Social Security cost-of-living adjustment (COLA) for 2019.

What are the Social Security and Medicare Trust Funds?

Social Security: The Social Security program consists of two parts. Retired workers, their families, and survivors of workers receive monthly benefits under the Old-Age and Survivors Insurance (OASI) program; disabled workers and their families receive monthly benefits under the Disability Insurance (DI) program. The combined programs are referred to as OASDI. Each program has a financial account (a trust fund) that holds the Social Security payroll taxes that are collected to pay Social Security benefits. Other income (reimbursements from the General Fund of the U.S. Treasury and income tax revenue from benefit taxation) is also deposited in these accounts. Money that is not needed in the current year to pay benefits and administrative costs is invested (by law) in special Treasury bonds that are guaranteed by the U.S. government and earn interest. As a result, the Social Security Trust Funds have built up reserves that can be used to cover benefit obligations if payroll tax income is insufficient to pay full benefits.

Note that the Trustees provide certain projections based on the combined OASI and DI (OASDI) Trust Funds. However, these projections are theoretical, because the trusts are separate, and generally one program’s taxes and reserves cannot be used to fund the other program.

Medicare: There are two Medicare trust funds. The Hospital Insurance (HI) Trust Fund helps pay for hospital care (Medicare Part A costs). The Supplementary Medical Insurance (SMI) Trust Fund comprises two separate accounts, one covering Medicare Part B (which helps pay for physician and outpatient costs) and one covering Medicare Part D (which helps cover the prescription drug benefit).

Highlights of Social Security Trustees Report

- This year, for the first time since 1982, Social Security’s total cost is projected to exceed its total income (including interest), and remain higher for the next 75 years. Consequently, the U.S. Treasury will start withdrawing from trust fund reserves to help pay benefits in 2018. The Trustees project that the combined trust fund reserves (OASDI) will be depleted in 2034, the same year projected in last year’s report, unless Congress acts.
- Once the combined trust fund reserves are depleted, payroll tax revenue alone should still be sufficient to pay about 79% of scheduled benefits for 2034, with the percentage falling gradually to 74% by 2092.
- The OASI Trust Fund, when considered separately, is projected to be depleted in 2034. Payroll tax revenue alone would then be sufficient to pay 77% of scheduled benefits.
- The DI Trust Fund is expected to be depleted in 2032, four years later than projected in last year’s report. Both benefit applications and the total number of disabled workers currently receiving benefits have been declining. Once the DI Trust Fund is depleted, payroll tax revenue alone would be sufficient to pay 96% of scheduled benefits.
- Based on the “intermediate” assumptions in this year’s report, the Social Security Administration is projecting that the cost-of-living adjustment (COLA) announced in the fall of 2018, will be 2.4%. This COLA would apply to benefits starting in January 2019.
IRS Releases Updated Form W-4 and Withholding Calculator

The IRS has released a new version of Form W-4 and a revised Withholding Calculator on irs.gov (IR-2018-36). These updated tools can help you check your 2018 tax withholding to determine if it’s still appropriate following passage of the Tax Cuts and Jobs Act in December 2017. The IRS urges taxpayers to use these tools to make sure they have the right amount of tax withheld from their paychecks, taking into account significant changes to the tax law for 2018.

**Getting It Right**

If you have too much tax withheld, you will receive a refund when you file your tax return, but it might make more sense to reduce your withholding and receive more in your paycheck. If you have too little tax withheld, you will owe tax when you file your tax return, and you might owe a penalty. You can use a number of worksheets for the Form W-4 or the IRS Withholding Calculator to help you plan your tax withholding strategy.

The IRS notes that the following groups, in particular, should make an extra effort to check their withholding:

- Two-income families
- People with more than one job at the same time
- People who work only for part of the year
- People with children who claim credits, such as the child tax credit
- People who itemized deductions in 2017
- People with high incomes and more complex returns

The revised Form W-4 and Withholding Calculator can be used to update your withholding in response to the new tax law provisions, or if you start a new job or have other changes in your personal circumstances.

**Form W-4**

If changes reduce the number of allowances you are allowed to claim, or your marital status changes from married to single, you must give your employer a new Form W-4 within 10 days. You can generally submit a new Form W-4 whenever you wish to change your withholding allowances for any other reason. See IRS Publication 505, Tax Withholding and Estimated Tax (a new version is expected to be available in early spring).

Your employer will withhold tax from your paycheck based on the information you provide on Form W-4 and the IRS withholding tables. On the W-4, you provide your withholding tax filing status, the number of withholding allowances you’re claiming, any additional tax you want withheld from each paycheck, and whether you claim exemption from withholding.

There are three withholding tax filing statuses: single, married, or married with tax withheld at single rate. If your regular tax filing status is married filing separately, you must use married with tax withheld at single rate as your withholding tax filing status.

In general, you can claim various withholding allowances based on your tax filing status and the tax credits, itemized deductions (or any additional standard deduction for age or blindness), and adjustments to income that you expect to claim. You might increase the tax withheld or claim fewer allowances if you have a large income, especially if you or your spouse is under age 65 and you have children who qualify for the child tax credit.
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