



VWG WEALTH MANAGEMENT
A Hightower Company

December 2020 Ponderings and Musings - It's a
Wrap

Ring out, wild bells, to the wild sky,
The flying cloud, the frosty light;
The year is dying in the night;
Ring out, wild bells, and let him die.

Ring out the old, ring in the new,
Ring, happy bells, across the snow:
The year is going, let him go;
Ring out the false, ring in the true.

Ring out the grief that saps the mind,
For those that here we see no more,
Ring out the feud of rich and poor,
Ring in redress to all mankind.

– *“Ring Out, Wild Bells,” Alfred, Lord Tennyson*

[Wrapping Up 2020](#)

What a tumultuous and challenging year it has been. So many have faced unforeseen pain and loneliness. We fear that the pandemic, and its rippling

effects, are far from over. But 2020 is just about complete. Year's end gives us all an opportunity to review, digest, and attempt to reset mentally and physically. After all that has transpired this year, and what may lie ahead in 2021, all of us owe it to ourselves and our loved ones to pause, find a quiet space, and contemplate.

Here are some suggestions that may be helpful in "Wrapping Up 2020":

- Write down accomplishments and lessons learned
- Reflect upon your gratitude
- Begin thinking about personal, professional and financial visions for 2021
- Make charitable donations to organizations and their causes that you care about
- If appropriate, make gifts to family members

No matter how unknown and unpredictable the journey, we are deeply honored to be sharing it with you and your families. Please let us know how we can help you "wrap up 2020" and embark on 2021 with firm footing. Some suggestions and year-end review topics follow in this letter.

[Rashmi Chahil Attains the
CERTIFIED FINANCIAL PLANNER™ Designation](#)



Speaking of this year's accomplishments, Rashmi earned her CERTIFIED FINANCIAL PLANNER™ designation in October. In doing so, she becomes VWG's seventh CERTIFIED FINANCIAL PLANNER™ Practitioner. Rashmi's path to this esteemed designation was long and arduous.

Seeking thorough comprehension, and not just wanting 'shortcuts' to help pass the difficult examination, Rashmi enrolled in a two-year long CFP® preparation

course conducted by the University of Virginia at their local satellite campus. Her exam date was set for March 16. She spent most of her free time during the nights and weekends of January and February reviewing the huge amount of material required of CFP® designees. Abruptly, all testing sites were shut down mid-March as the COVID-19 pandemic shook Virginia and the nation. Rashmi's preparation was tabled for months, with no visibility on a rescheduled date.

Finally, testing centers re-opened and the CFP® board set the fall test dates. The CFP® board added the contents and applications of the newly passed SECURE Act to the broad swath of test topics. Rashmi had to include this in her materials needed for another comprehensive review.

Fortunately, Rashmi's hard work and persistence paid off. VWG is very proud of Rashmi becoming our seventh CERTIFIED FINANCIAL PLANNER™ professional, joining Patricia, Lynette, Michelle, John, Rick and Jeff. VWG's commitment to financial planning is exemplified by this breadth and our 131 collective years of experience as CERTIFIED FINANCIAL PLANNER™ practitioners. Well done Rashmi! Now you can rest up and enjoy some time with your husband Jay (*pictured above*), and your dogs, Bubba and Dunkin.

[Year-End Tax, Retirement, Estate and Gifting Planning Checklist](#)

The critical year-end task of financial, retirement, tax and gifting review and planning became further complicated by this year's pandemic-induced turmoil. The CARES Act, passed by Congress in late March to provide fast and direct assistance to American workers, families and businesses, added many nuances to potential taxation and the treatment of retirement accounts.

VWG published a detailed checklist of traditional year-end planning items in November's "*Ponderings and Musings*." It includes the main provisions of the CARES Act that should be incorporated to reviews and conversations. We

hope these have been serving as a catalyst for conversations with our team. You can find a link to a separate .pdf file of this checklist [\(here\)](#).

As this is the season of giving, we highlight the following important tips on gifting:

[Managing Your Charitable Gifting](#)

Our traditional year-end ‘nudge’ to establish and fund a Donor Advised Fund is particularly impactful this year. Many important charitable organizations are strained due to COVID-19. Their resources have been stretched thin in trying to help so many afflicted by the pandemic’s effects. They are suffering from shortfalls in traditional sources of revenues and funding. Holidays and the end of the tax year combine to remind us to make contributions to worthy organizations and causes. Using a Donor Advised Fund (DAF) to manage charitable gifting offers many benefits. It can help strategize tax management now that state and local tax (SALT) deductions are limited to \$10,000 annually.

A Donor Advised Fund is a simple and elegant way of setting up and managing one’s annual charitable gifting. It is a single account, titled in your name and under your control, from which you can direct gifts (termed grants) to multiple charities on your demand. You can contribute cash, stocks, real estate or even private interests into your DAF, which is eligible for an immediate tax deduction at the time of contribution. You can then distribute donations to various charities over time, with no forced timeline or pre-designated recipient. You can invest, manage and potentially grow the fund over time while it awaits your direction of grants.

Using a Donor Advised Fund to manage your charitable inclinations automates and simplifies making gifts and keeping associated records. It helps you and your family establish a legacy of regular gifting to organizations and their causes that you deeply care about. Those limited from the tax benefit of making charitable contributions by SALT deduction limits can consider “bunching.” This is the placing of three- or four-years of planned gifts into one tax year. The “bunch” will then be large enough to allow one to itemize their

deductions in the year contributed, thus reducing taxable income. By contributing this “bunch” into the Donor Advised Fund, the gifts can be distributed over several years as originally planned (which can always be changed at the discretion of the donor). *(click to view a brief explanatory video sponsored by Fidelity Charitable)*

For those not itemizing deductions, The CARES Act allows an ‘above-the-line’ charitable deduction in 2020. This temporarily supersedes 2018’s State and Local (“SALT”) tax law change. All who are inclined and qualify should consider making a \$300 charitable contribution.

Please call us to discuss how these fit within your personal planning and charitable inclinations. If you prefer some immediate online information, one of our preferred Donor Advised Fund providers is Fidelity Charitable. You can find them by clicking here: [Fidelity Charitable](#).

[Gifting to Family Members](#)

Year’s end is also a traditional time to make gifts to family members. Many of us have family members who have been financially impaired by the pandemic. They may need a helping hand to make ends meet, or to help fund targeted savings for children’s education plans.

Making direct gifts is the simplest way to gift to your family. The 2020 annual gift tax exclusion for individuals is \$15,000, meaning that the maximum a husband and wife can gift to a single person in one year is \$30,000. If you intend on making a very large gift to a child - for example helping with a home down payment - consider spreading your gifting between the end of this year and the beginning of next year. Gifts of appreciated securities have advantages worth considering. For many recipients, the gift of a specific security has a special identifiable meaning and thus may be held for a long time if appropriate for their needs. If the recipient needs the gift to fund specific shorter-term needs, it may be advantageous for them to accept an appreciated security and then sell it if they are in a lower tax bracket than the donor.

Annual gifting limits are overridden if they are made directly into 529 education savings accounts. They are also exempted for college tuition payments sent directly to the educational institution. A special 529-exclusion allows five years' worth of gifts — up to \$75,000 for single or \$150,000 for married couples — to be contributed at once, provided that no other gifts are made within the next five-year period. If the grandparents are the owners of these 529 accounts, these assets are not currently factored as assets for determining federal financial aid (but plan distributions may be counted as part of the income test).

[Hightower Webinars](#)

Hightower is providing access to experts on a variety of topics. The feedback on these webinars has been positive, and we are happy to share on-demand replays with you. If there is a topic that you are interested in hearing about, please reach out to us and let us know.

Here are some helpful and informative webinars that Hightower recently hosted:

Cybersecurity Featuring Members of the White House Task Force on Cybersecurity— This webinar features statistics and tricks to become smarter when it comes to stopping cybercrimes in their tracks. Speakers: FTI Consulting Global's Jordan Rae Kelly, Senior Managing Director of Forensic and Litigation Consulting, former FBI agent and member of the White House Task Force on Cybersecurity and Sarah Kahn, Hightower Advisors Chief Information Security Officer. [\(link\)](#)

The Potential Impact of the Biden Tax Plan – A conversation discussing the potential impacts of President-elect Biden's new tax plan, and how might it change depending on the make-up of the Senate and the House. Speakers: Andy Lاپierre, the Head of US Policy Research for Cornerstone Macro and Joseph Klein, Portfolio Manager at Hightower Advisors. [\(link\)](#)

VWG's Holiday Gathering

Trying to safely recap this year's events and properly set the table for 2021, VWG successfully gathered this month for our annual holiday party. The Verfurths graciously hosted our team at their home, enabling a proper "socially distanced" event. We have a wonderful, diverse team, and we miss being together (well, at least most of the time). It was a fun-filled gathering. We participated in a cut-throat "White Elephant" gift exchange and we held our fourth annual "Ugly Sweater" contest. As you can see, everyone brought their "A" game. The winning prize went to Ona.



Best Wishes to all for a Special Holiday Season

The VWG team thanks you from the bottom of our heart for the opportunity to serve you and your families. We extend our best wishes to you, your families

and friends, in trying to safely spend a bit of time together this holiday season. We wish you all a very healthy and promising New Year!

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Suzanne, Ashley, Lynette, Michelle, Rashmi, Kay, Ona, Justin, Ryan, Ryan, Patricia, Elana, Susan, Marnie, John, Rick and Jeff

Who we are

Please reach out to us if you have any questions or comments.

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