

MARKET INSIGHTS: NEW DEVELOPMENTS, WHAT TO CONSIDER, AND TOP QUESTIONS ANSWERED



Our Speakers

Host



Elizabeth Hare
Vice President, Fidelity Investments

Elizabeth Hare is a vice president in Fidelity's Personal Investing division. In this position, she creates educational content for workplace participants to help with retirement planning and other financial wellness topics. Elizabeth holds a master of business administration degree from the Stern School of Business at New York University and a bachelor of arts degree in economics from Fordham University.

Special guest panelists



Jurrien Timmer
Director of Global Macro, Fidelity Investments

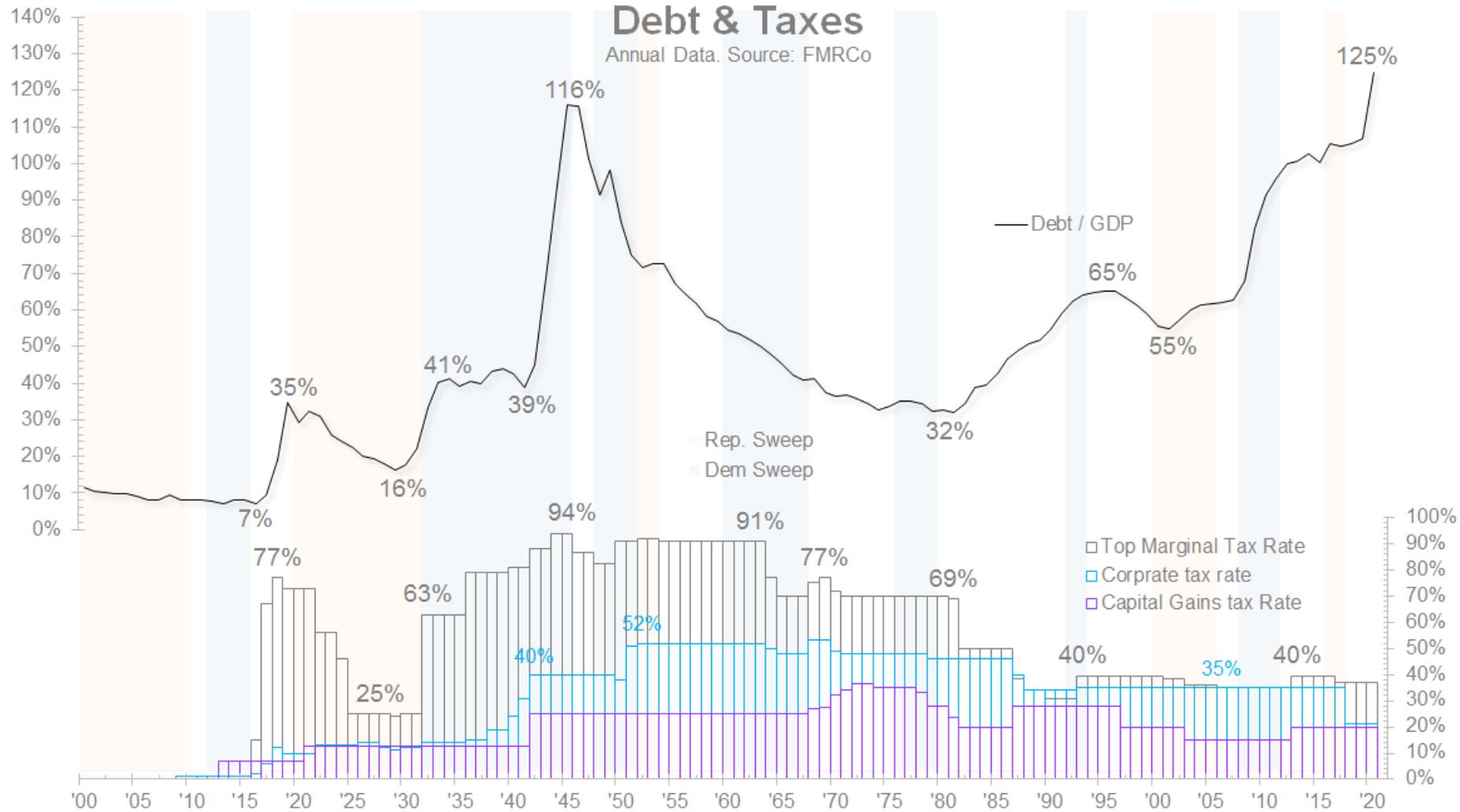
Jurrien Timmer is the director of Global Macro at Fidelity Investments. In this role, he is part of Fidelity's Global Asset Allocation group, where he specializes in asset allocation and global macro strategy. Additionally, he is responsible for analyzing market trends and synthesizing investment perspectives across Asset Management to generate market strategy insights for the media, as well as for Fidelity's clients.



Leanna Devinney, CFP®
Vice President, Branch Leader, Fidelity Investments

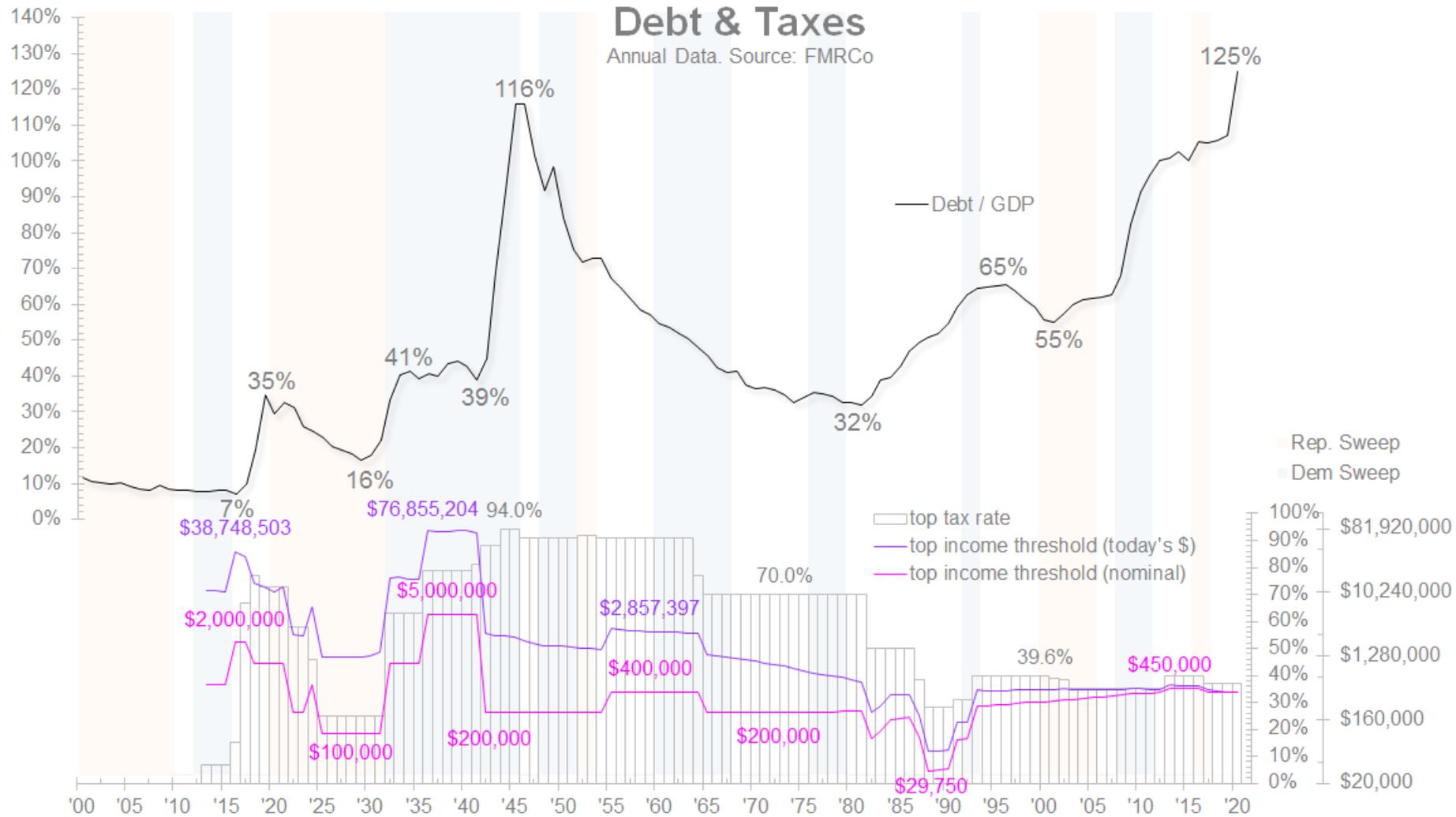
Leanna Devinney is responsible for leading one of Fidelity's Investor Centers. In this role, she offers our clients financial and investment guidance, including one-on-one retirement planning, wealth management, income strategies, and college planning services, as well as integrated employer benefit solutions.

1940s Analog



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Data source: FMRCo, Bloomberg, Haver Analytics, FactSet. Data as of August 11, 2020.

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Tax Considerations in 2020

- ▶ Your income tax obligation could be different this year if your income went up or down significantly.
- ▶ Consider increasing your contribution to a 401(k) or any other pretax retirement accounts.
 - Catch-up contributions if you're age 50 or above.
- ▶ Watch your medical costs.
- ▶ Pay your estimated tax on unemployment benefits.

Taking a Break from Required Minimum Distributions (RMDs)

- ▶ Congress put a one-year halt for 2020 on RMDs from tax-deferred retirement accounts and other qualified accounts that are subject to RMDs.
- ▶ Taking a break from a year of taxes on your RMD can be a real cost savings. For example, someone age 73 with \$1 million saved:
 - Could avoid having to withdraw roughly \$40,000 for the year as a required distribution
 - Wouldn't have to pay income tax on the withdrawal
 - Could possibly lower their tax bracket, the cost of Medicare premiums, and the amount of taxes they pay on Social Security benefits and capital gains

Putting Dollars to Work for You

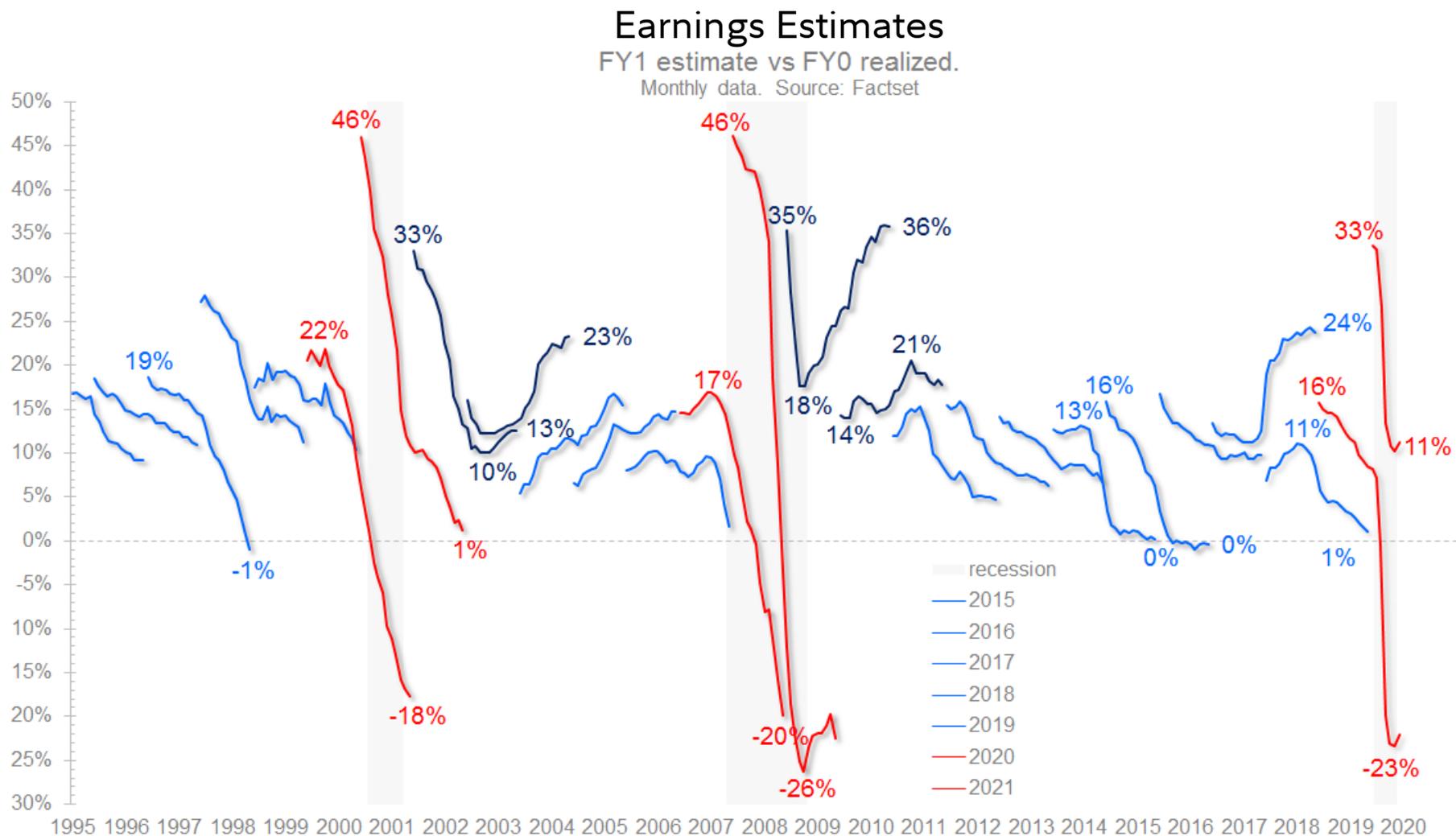
- ▶ Consider contributing to accounts where any growth accrues tax free.
 - A Roth IRA, a 529 college savings plan, or a health savings account
- ▶ Take advantage of the new above-the-line tax deduction of \$300 for charitable giving to a 501(c)(3).
- ▶ A financial planning professional or a tax professional can help you decide if these strategies could be helpful for you.

A distribution from a Roth IRA is tax-free and penalty-free, provided the 5-year aging requirement has been satisfied and one of the following conditions is met: age 59½, disability, qualified first-time home purchase, or death.

The \$300 above-the-line deduction means that all taxpayers, regardless of whether or not they can itemize deductions, can deduct up to \$300 in charitable donations.

Source: *Fidelity Viewpoints*®, "8 tax moves for 2020 to make now," 7/31/20.

Earnings



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