

Transition Insights



Welcome to Transition Insights!

Can you believe October has already come to an end? Time really flies! As we transition into November, it's a wonderful opportunity to remind ourselves to be grateful and reflect on our blessings. Whether it's the big moments or the small, everyday joys, taking a moment to appreciate what we have can really lift our spirits. We are happy to share that our annual food drive is off to a fantastic start, and we couldn't be more appreciative of everyone's contributions. Your generosity is making a real difference in our community. Let's continue spreading gratitude and positivity as we head into the final months of the year.

As a reminder, we are hosting the event from **Monday, November 11 – Friday, November 15**, to benefit Margaret's Pantry in Holyoke. Weather permitted, we will have a table in front of our office. Drop-offs have begun early, so please feel free to visit us before the official start on Monday, November 11th if you'd like to contribute.



Margaret's Pantry, a division of Providence Ministries for the Needy, is a full-service food pantry that has provided food to residents of Greater Holyoke for more than 30 years. Presently, the pantry provides food to more than 180 families each month, and approximately 72,000 meals a year are distributed to the needy in the community.

Some of the most-needed items at the pantry during this time of year are:

- Canned Foods: poultry, tuna, soups, stews, chili, gravy, sauces, fruits, vegetables, and beans
- Dried Goods: soup, stuffing, pancake and other baking mixes, tea bags, powdered milk, rice, and pasta
- Other items to consider: potato chips, macaroni and cheese, granola bars, pop-tarts, granulated sugar, peanut butter, frosting, syrup, honey, bottled water, salad dressing, condiments, Jello, and kids snack items

We feel very fortunate to be in a position to make a difference in the community and want to thank you for your continued support and generous donations over the years.



Long-Term Care Awareness Month

Given that November is National Long-Term Care Awareness Month, we wanted to highlight an often overlooked but vital part of a sound financial plan: long-term health care planning.

As we age, the likelihood of needing long-term care increases — and **roughly 70% of individuals over 65 will require long-term care services.**

Without proper planning, the expenses associated with long-term care can quickly erode the resources you've carefully planned to leave for your loved ones. This could affect the inheritance you intend to pass on, the funds earmarked for your grandchildren's education, or the savings you've set aside for your future travels and adventures.

To ensure that health care expenses don't derail your financial plans, here are some strategies you can implement:

- **Long-Term Care Insurance** - This insurance is designed to cover the costs of care that health insurance, Medicare, or Medicaid don't typically cover. It helps protect your assets and provides peace of mind that you won't have to drain your financial resources to pay for necessary care.
- **Health Savings Accounts (HSAs)** - Contributing to an HSA can provide tax advantages and a dedicated fund for health care expenses. HSAs offer triple tax benefits: tax-deductible contributions, tax-free growth, and tax-free withdrawals for qualified medical expenses.
- **Medicare Supplement Plans** - Also known as Medigap, these plans can help cover some health care costs that Medicare doesn't, like copayments, coinsurance, and deductibles, reducing out-of-pocket expenses.
- **Long-Term Care Annuities** - These annuities provide a steady income stream to cover long-term care costs. They can be a valuable financial tool to ensure you have funds set aside for health care needs.
- **Estate Planning** - Incorporating health care directives and powers of attorney in your estate plan ensures that your health care wishes are respected and that someone you trust can make decisions on your behalf if you cannot do so.

If you have questions about these strategies or want to discuss the best options for your situation, don't hesitate to reach out!



A Brief History of Thanksgiving

As we approach the holiday season, we wanted to share a brief history of Thanksgiving, a celebration that holds significant cultural and historical importance in the United States.

Thanksgiving dates back to 1621, when the Pilgrims of Plymouth and the Wampanoag Native Americans shared an autumn harvest feast. It is widely regarded as one of the first Thanksgiving celebrations in the colonies. This event was a gesture of gratitude for the successful harvest and the cooperation between the Pilgrims and the Native Americans.

However, it wasn't until 1863, in the midst of the Civil War, that President Abraham Lincoln proclaimed Thanksgiving a national holiday. He designated the final Thursday of November as a day for Americans to give thanks and reflect on their blessings.

In 1941, Congress passed a law officially establishing Thanksgiving Day as the fourth Thursday in November, where it remains today. This annual tradition brings families and communities together to share a meal and express gratitude for the year's blessings.

Thanksgiving has evolved over the years, but its core principles of gratitude, unity, and reflection continue to be upheld. It is a time for us to come together and appreciate the many gifts in our lives.



End-of-Year Tax Strategies

The end of the year is fast approaching. If you're nervous about next year's tax bill, the good news is that there is still time to plan for filing your taxes.

Below are some year-end tax prep strategies that could save you money at tax time.

- **Check your filing status.** Life changes, such as having a new baby, getting married, or getting divorced, can affect your tax bill. These changes may impact your filing status, which can lead to a bigger refund or tax bill.
- **Standard or Itemize Deductions.** Most taxpayers take the standard deduction when filing their taxes. For 2024, the standard deduction is \$14,600 if you file single and \$29,200 for married couples filing jointly.
- However, if you have significant deductible expenses such as mortgage interest, medical expenses, or charitable contributions, you might realize greater tax benefits if you reach the threshold for itemizing your deductions.
- **Max out retirement contributions.** Have you contributed to your retirement plan? Maximizing your pre-tax retirement contributions could lower your tax bill. The IRS sets a contribution limit of \$23,000 in 2024 for 401(k) or 403(b) plan contributions and \$7,000 for an IRA.
- **Be charitable.** If you itemize, you can realize tax savings by making charitable contributions in cash or property. For cash donations made to a qualified nonprofit, you can take a tax deduction of up to 60% of your adjusted gross income.
- If you have clothes or household goods you no longer use, you can deduct their fair market value when you donate them to a qualified charity. You must get a written acknowledgment from the charity for donations valued at \$250 or more.
- **Check your capital gains.** Did you make money in the stock market? When you sell stock, you pay taxes on the profit you make. If you're losing money on underperforming stock, consider selling it to offset the other stock gains.
- Remember, the tax rate you pay on capital gains depends on how long you hold the stock. If you sell stock you've held for less than one year, you pay ordinary income tax rates on the gain. You pay lower capital gains tax rates when you sell stock you've held for over a year.
- **Make estimated payments.** If you're self-employed or have a side gig, you can avoid unnecessary penalties and interest by making estimated payments.
- **Gather your documents.** Organize important documents, bills, and bank statements now. This will help you keep track of possible deductions and make them easy to find when tax time rolls around.

What's Next? As we head toward year-end, exploring tax-saving opportunities can better prepare you for tax time.