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Our Values.

- To treat each client as they want to be treated
- To give back to our community
- To live by the principles of our faith

JRWA Update

You matter most. We need to hear your voice.

2019 brought about many transitions for James River Wealth Advisors. Here is what you should know:

- Every employee is now an owner.
- Every client now receives a free financial plan.
- We act on a model of service: to our clients, to our community, and to each other.

Client Satisfaction, Meals, and Bibles

You matter most.

Each client will be forward a Client Satisfaction Survey during February. Your opinion matters in our strategies, priorities and relationship planning actions. We appreciate your time in sharing and documenting your experiences with our team. The survey is confidential and anonymous.

There is a secondary reason to respond. We named it, "food for the body and food for the soul." For each client responding to the survey, you will be able to direct JRWA resources to purchase meals at FEEDMOR RVA, or purchase a Bible for distribution. We hope to not only make an organizational difference with your feedback; we wish to make a difference in the community too! Once the survey is completed and we have tallied the responses, we will show the community impact on our new website with a graph on the HOME page (www.jamesriverwealth.com). We will grow and serve together.

The Secure Act

Retirement for Individuals

The Secure Act was signed into law by President Trump at the end of 2019. Here are ways the legislation might affect you.

- The age you are required to take a minimum distribution is extended to 72 from 70 ½.
- IRA contribution age limits have been removed.
- Part-time workers are eligible for 401k participation with restrictions.
- Stretch IRA for a non-spouse beneficiary is gone.
- Qualified hardship distributions can be repaid within three years. If not repaid, taxed over a three year period.
- Having a baby counts as a hardship and allows a \$5,000 distribution to pay for related expenses.
- Loans can be taken up to \$100,000 and repayment delayed up to a year.

529 Legislation Changes

- Funds can be used to pay for an apprenticeship.
- Funds can be used to payoff student loan for beneficiary OR a beneficiary's sibling.



Eli's Village

JRWA welcomes a new VP, partner, and niche

Kristin Carleton recently joined James River as the Vice President of Financial Planning and Investments. She brings with her 19 years of experience in financial services and a passion for helping clients bridge the gap between where they are today and where they want to be in the future.

She also brings a five month old son, Eli, who was born with a congenital condition. On any given day in the office you might run into Eli, and you can learn more about how Eli's birth brought about the idea for our new niche.

Eli's Village is designed to build a community dedicated to help everyone with exceptional family members make sure they have access to financial planning resources and services so that everyone in the family can live happy, productive, and (financially) independent lives. We want these families to spend less time worrying about money, longevity, and what-ifs so they can spend more time doing the things they enjoy.

Interested in learning more or helping grow Eli's Village? Give Kristin a call, send her an email at kcarleton@jrwealth.com, or check out the website at www.jamesriverwealth.com. And be sure to spread the word to other families who would benefit from this community.

How the Secure Act Affects Financial Planning *By Kristin Carleton*

The Setting Every Community Up for Retirement (SECURE) Act was signed into law by President Trump on December 20, 2019 and brought many changes for those in all stages of life, as well as making it easier for small businesses to set-up retirement plans for their employees. Today I will focus on changes that will primarily affect individuals over the age of 50, who are getting ready for or are in retirement.

For those over 50, there are changes to when you need to take your required minimum distribution and age limits on IRA/401k contributions.

First, the age that you are required to take a minimum distribution has been extended from 70 ½ to 72. This means that if you are working or have other funds (pension, social security, taxable savings) that you can draw from, you do not have to increase your income (and pay more taxes) by taking a distribution from your IRA or 401k until you are 72. Note that this is in effect only if you are turning 70 ½ in 2020 or later.

Second, the age limits for IRA and 401k contributions have been removed. This means that if you have earned income (it must be earned income and not passive income – so dividends, interest, and other forms of passive income cannot be used) you can contribute to your IRA or 401k at any age. For the many “retirees” who have taken on part-time work in retirement, this can be a huge plus.

Speaking of part-time workers, there has been a huge movement of retirees returning to the workforce – often part-time. Some find they need to do it in order to fund an expected

longer lifetime, and others find they did not like retirement as much as they thought and like returning to the workforce.

These part-time workers are now offered participation in employer retirement plans. For those workers who work for three years, for more than 500 hours a year, employers are required to offer them participation in the 401k where it is offered.

The last major provision you should know about is that the stretch IRA has been eliminated. For those looking at the IRA as an estate planning vehicle this is a major change. It means that non-spousal beneficiaries of IRAs now have to take all distributions of the IRA within ten years and pay the applicable taxes. Prior to the change, non-spousal beneficiaries could stretch out their distributions over their lifetime.

If you have any major financial decisions or life changes coming up, or simply want to know how these changes will affect you individually, please reach out to us. This is the most comprehensive change to retirement and financial planning legislation in 13 years – making sure that you are able to take advantage of the changes as best benefits you and those close to you is important to you (and their) future.

*The material has been prepared for informational purposes only, and is not intended to provide, and should not be relied on for, accounting, legal or tax advice. Consult your financial professional before making any investment decision

Millennial Magic

Millennials, Money, and Intergenerational Wealth Transfer

We have found money management, the millennial mindset, and wealth transfer to be a “hot topic” amongst our clients. Getting financial advice, planning, and education to those who don’t yet have the assets to work with a traditional financial advisor is our next big initiative for 2020. We plan to address the need in several ways:

1. Provide a goals-based savings and investment platform – begun online but with a live person who is available for questions and in-person meetings.
2. Financial classes will be available both in-person and online that will cover topics from how to put together a budget, how to prioritize and get rid of debt, to developing sound investment strategies.

Call, email, or visit our website for more information about our strategy for bringing financial planning to the next generation.



JRWA Plans Quarterly Service Projects

Starting this quarter we will close our doors for a half day, and all employees will participate in a local service project. We are excited to give back to our community! How do you give back to your community? Share with us pictures and stories, and we might feature you in our next newsletter! Email to hfitzgerald@jrwealth.com.