



## Fall Newsletter - 2016

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### Our Thoughts

#### Giftng From Your IRA and Potentially Avoiding Income Tax

There comes a point in time where your retirement account that has been growing tax deferred must be distributed. The IRS is going to want their tax money, but they have given tax payers an option to avoid those taxes, it's called the Qualified Charitable Deduction (QCD). If you are now age 70 ½ or older, the Required Minimum Distribution (RMD) age for your retirement accounts, you must take a distribution or otherwise face a 50% tax penalty on any RMD amounts not distributed. Here are the IRS rules for RMDs:

***Required minimum distributions (RMDs) must be taken each year beginning with the year you turn age 70½ . The RMD for each year is calculated by dividing the IRA account balance as of December 31st of the prior year by the applicable distribution period or life expectancy. This rule does not apply to your Roth IRAs. You can determine your distribution period or life expectancy by using the Tables in Appendix B of Publication 590-B Distributions from Individual Retirement Arrangements (IRAs).\****

Qualified charitable distributions (QCD) - What is it?

***Generally, a qualified charitable distribution is an otherwise taxable distribution from an IRA (other than an ongoing SEP or SIMPLE IRA) owned by an individual who is age 70½ or over that is paid directly from the IRA to a qualified charity. See Pub. 590-B, Distributions from Individual Retirement Arrangements (IRAs) for additional information.***

**<https://www.irs.gov/retirement-plans/retirement-plans-faqs-regarding-iras->**

## [distributions-withdrawals](#)

QCD is a great option that allows you the opportunity to avoid income taxes on a distribution that is required by the IRS. The IRS has made the QCD a permanent option for all future income tax reporting and it can satisfy all or part of your RMD. The charitable distributions are reported on Form 1099-R on the calendar year the distribution is made.

To use QCD, distributions must pay directly to the charity. Also, this only applies to RMD distributions under the RMD rules, meaning you must be age 70 ½ or over. For further details, please contact us to discuss this option along with coordinating with your tax professional.

This is for informational purposes only and should not be construed as tax advice. Please contact a tax professional regarding your personal situation.

### **RFC RESOURCES:**

[\\*https://www.irs.gov/publications/p590b/index.html](https://www.irs.gov/publications/p590b/index.html)

### **Email communication update**

For those clients who are new to our weekly email communications format we would like share with you that we will publish an informative and entertaining weekly email commentary. This short newsletter will arrive early each week and keep you up-to-date on the market, as well as on some other interesting, but not necessarily market-related, information.

We are confident you will enjoy reading the newsletter, but if for some reason you do not wish to be on the email list, please let us know. If you'd like to add some of your friends and colleagues to the list, please give us their contact information. We'll be glad to add them, but we'll ask for their permission first, of course.

If we can help you in any other way, please give us a call at [734-272-4224](tel:734-272-4224).

### **Earn a \$20 credit per Fidelity brokerage account managed by your SPC Advisor for signing up for eDelivery by 12/16/16**

Fidelity Investments is offering a \$20 credit per Fidelity brokerage account managed by your Sigma Planning Corporation (SPC) Advisor for signing up for eDelivery.

**IT'S EASY TO ENROLL:** Log on to Fidelity.com and edit your account details to initiate eDelivery for the documents you wish to view online. Please note that you must elect eDelivery for all document types in order to receive the \$20 credit per account. See the step-by-step *Investor Guide to Selecting eDelivery* attached for more detailed information.

The credit will appear on your account within one month after you agree. Please note that this offer ends on December 16, 2016. Also note: If you previously elected eDelivery for one or more document types, you are not eligible for this credit.

**Sigma Planning Corporation (SPC)**

## **RFC NEWS**

As indicated in our recent announcements, please note our new office location:  
**5400 Plymouth Rd, Ann Arbor, MI 48105**

Our building purchase and renovation plans attract attention from local media. See article here <https://twitter.com/RFCplan/status/783326889469370368>

Below is a design of our future home once renovations are complete!



PROPOSED  
A NORTH ELEVATION  
A2.0 SCALE: 1/4" = 1' - 0"



PROPOSED  
B WEST ELEVATION  
A2.0 SCALE: 1/4" = 1' - 0"

**Our business continues to be successful because of great clients like you. If you know anyone else who is looking to simplify and organize their financial lives, please let us know. With their permission, we would be happy to contact them and introduce ourselves.**

**RFC Financial Planners**  
5400 Plymouth Rd.  
Toll Free: [800.203.9117](tel:800.203.9117)  
Local: [734.272.4224](tel:734.272.4224)  
Fax: [734.864.0330](tel:734.864.0330)  
[www.rfcfinancialplanners.com](http://www.rfcfinancialplanners.com)  
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