Scott White ADVISORS
An Independent Registered Investment Advisor
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The Navigator
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Physical and Mental Benefits of Pet Ownership in Retirement

From lovable cartoon characters to childhood companions, pets are a heartwarming reminder of good times. But furry friends are for the young of heart, not just the young of age. In fact, pet ownership in retirement carries a compelling list of physical and mental benefits for owners and pets.

Physical Benefits to Pet Ownership

No matter what stage of life one is in, physical activity helps maintain good health. Owning a pet often encourages regular exercise among their owners. A 2019 study from the International Journal of Environmental Research and Public Health confirms this, suggesting that dog ownership increases health benefits like sleep and physical activity. Beyond the increased physical activity and consequential increase in quality of life for retired pet owners, pet ownership can help establish routine. Following retirement, the lack of structure can be jarring. Yet a pet can help bring some structure back while also giving the owner a chance to fulfill the relatively low-demand role of caregiver.

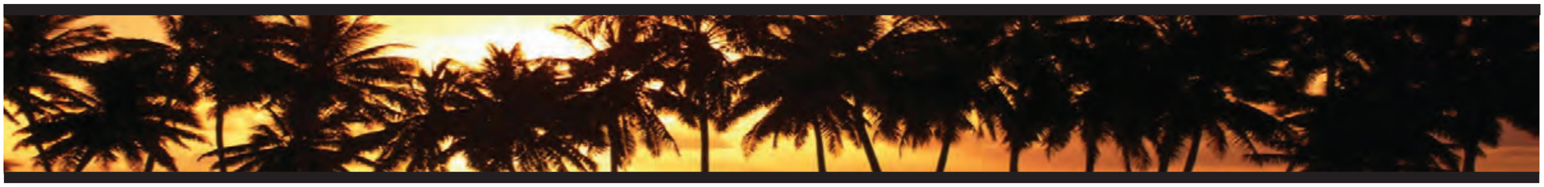
Socioemotional Benefits to Pet Ownership

But the benefits don't stop there! Social and mental benefits can be reaped too. Owning a pet inevitably increases social interaction for owners and pets – a mutually beneficial transaction. Dogs did not earn the nickname "man's best friend" without good reason: dogs and other pets form genuine connections with their human caretakers, providing necessary companionship. Experts at Aging In Place note that pet ownership has been shown to increase hormones like serotonin and dopamine, promoting feelings of happiness while decreasing stress hormones like cortisol. Thus, pet ownership can genuinely make people happier, improving their mental health to embrace each day.

Of course, there are potential challenges to keep in mind before committing to pet ownership. Pets can be time and money intensive at times and require good mobility, so it is important to keep these things in mind when planning for pet ownership in retirement. Luckily, sites like PawsLikeMe – self-described as the eHarmony of pet-finding – and even local shelters are happy to help match up owners with their ideal pet. And if money is a concern, programs like "Pets for the Elderly" and foster programs like "Pets for Seniors" help eliminate pet costs.

In most cases, these minor complications are outweighed by the physical and socioemotional benefits of pet ownership in retirement. With the right home, pets can live their best lives – and make yours better for it as well.

Planning for pet ownership in retirement can be accommodated easily with the help of a CERTIFIED FINANCIAL PLANNER™ who focuses on your retirement lifestyle priorities and alignment with your Investment Policy Statement. Contact us at (239) 936-6300 to help you prepare or pivot your retirement goals.



3 Financial Steps to Ease Your Transition Into Retirement

by A. Scott White, CFP®, ChFC®, CLU®
President, Scott White Advisors

No matter your current financial situation, retirement is an enormous transition. Financially, there is a lot to consider so that you are able to pursue fulfillment and fun in retirement. As a wealth advisor, I have had the privilege of working with many high income earners as they transition into retirement. There are several steps that must occur to ease the transition process.

1. Get your estate plan in order

One of the most important steps in the retirement transition process is to ensure that your estate plans and family trusts are in order. Estate planning and family trusts are essential in ensuring that your wealth is protected, your assets are distributed according to your wishes, and your family is taken care of in the event of your passing.

Contact your financial planner or legal team to review your current estate plans and trusts to make sure they are up-to-date, in alignment with your IPS, and still meet your needs. This should include reviewing your will, power of attorney, and health care directives to ensure they accurately reflect your wishes. Additionally, it is important to ensure that your trust documents are current and properly structured to protect your assets.

2. Assess your investment plan

In addition to estate planning and family trusts, it is important to ensure that you have a retirement plan in place that meets your needs and goals now and into the future. This includes considering your investment portfolio, investment diversification, insurance coverage, and sources of income. Your financial planner can help you assess your current financial situation and determine what steps you need to take in order to retire with confidence and in alignment with your IPS.

3. Share your plans and wishes

Finally, it is important to communicate your wishes and plans with your family. This includes discussing your estate plans and trusts, and ensuring that your family is aware of your retirement goals and plans. It is also important to discuss any changes you plan to make to your estate plan or trusts with your family to ensure everyone is on the same page.

Transitioning into retirement requires careful planning and preparation.

Current Events

Scott and Adriana volunteered for the #RotaryClubofFortMyers Fundraiser "Motown of McGregor" at the Edison Ford Winter Estates. Pictured with them is club President, Carolann Swanson. The event raised funds for the Rotary Trust Fund supporting local nonprofits.

Scott met with Brian Ferguson of Newtown Investment Management Group this week to discuss his fund's 2022 performance. Brian is the Senior Portfolio Manager of BNY Mellon Dynamic Large Cap Value

Weathering Financial Storms

by A. Scott White, CFP®, ChFC®, CLU®
President, Scott White Advisors

As a CERTIFIED FINANCIAL PLANNER™ here in Florida, I've seen my fair share of natural disasters and the financial impact they can have on individuals and communities. Hurricane Ian, in particular, has left many people reeling from the damage and loss of property. 5.2 million in relief has been dispersed, but that does not cover the damage to our area and will not allow everyone to rebuild.

For many individuals, the financial impact of Hurricane Ian will be felt for years to come. The likelihood of natural disasters are the reason reviewing insurance coverage prior to retirement, as well as annually, is an important factor for maintaining the life you desire in retirement. It's important to remember that insurance policies can vary widely, and retirees in particular may face different coverage concerns. Make sure your policy has enough coverage to replace your property, and that your policy includes provisions for things like temporary housing, food, and other necessities.

Inflation is another factor that can impact the financial stability of individuals in the wake of a natural disaster. While inflation has averaged around 2% per year over the last 50 years, it is important to remember that inflation can vary widely from year to year and can have a significant impact on the cost of goods and services. This can be particularly challenging for those recovering from a natural disaster, as the cost of rebuilding and repairs is likely to increase as a result of inflation.

Despite the challenges that come with a natural disaster like Hurricane Ian, it is important to stay focused on your investment policy statement and to maintain a long-term perspective. Your investment policy statement is a roadmap for your financial journey, and it should reflect your goals, risk tolerance, and investment timeline. It's essential to maintain your focus on your investment policy statement, even in the face of a disaster, as it will help you stay on track and make informed decisions about your finances.

Being mindful of insurance coverage concerns, the impact of inflation, and staying focused on your investment policy statement, are your best options to weather any "financial" storm that you may endure.

5 Changes to Required Minimum Distribution Rules in 2023

by A. Scott White, CFP®, ChFC®, CLU®
President, Scott White Advisors

Setting Every Community Up for Retirement Enhancement Act (SECURE 1.0) was enacted in 2019 to make it easier for Americans to save money in retirement. The SECURE 2.0 bill, passed late 2022, builds on changes established by the original Act. Here's what you need to know.

1. Increase of Applicable Age for RMDs

Prior to passage of the SECURE 1.0 legislation, RMDs were generally required to start after reaching age 70½. The 2019 legislation changed the required starting age to 72 for those who had not yet reached age 70½ before January 1, 2020. SECURE 2.0 raises the trigger age for required minimum distributions to age 73 and it increases the age again, to age 75, starting in 2033.

2. RMD Penalty Tax Decreased

The penalty for failing to take a required minimum distribution is historically a 50% excise tax on the amount by which you fell short of the required distribution amount. However, the SECURE 2.0 legislation reduces this RMD tax penalty to 25% of the shortfall, effective in 2023. Also effective in 2023, the Act establishes a two-year period to correct a failure to take a timely RMD distribution, with a resulting reduction in the tax penalty to 10%.

3. Elimination of Lifetime RMDs from Roth Employer Accounts

A Roth IRA owner has never had to take RMDs from the Roth IRA while he or she is alive. The same has not been true for Roth employer plan accounts. Plan participants have been required to take minimum distributions from these accounts upon reaching their RMD age or avoid the requirement by rolling over the funds in the Roth employer plan account to a Roth IRA. That will change in 2024. The SECURE 2.0 legislation eliminates the lifetime RMD requirements for all Roth employer plan account participants, even those participants who had already commenced lifetime RMDs. (Any lifetime RMD from a Roth employer account attributable to 2023, but payable in 2024, is still required.)

4. New Spouse Beneficiary Options for Employer Plans

Beginning in 2024, the SECURE 2.0 legislation provides that when a participant has designated his or her spouse as the sole beneficiary of an employer plan, a special option is available if the participant dies before required minimum distributions have commenced. This new provision from SECURE 2.0 legislation will permit a surviving spouse to elect to be treated as the employee.

5. New Annuity Option Flexibility

Starting in 2023, the SECURE 2.0 legislation makes specific changes to the required minimum distribution rules that allow for some additional flexibility for annuities held within qualified employer retirement plans and IRAs. Allowable options may include:

- Annuity payments that increase by a constant percentage, provided certain requirements are met
- Lump-sum payment options that shorten the annuity payment period
- Acceleration of annuity payments payable over the ensuing 12 months
- Payments in the nature of dividends
- A final payment upon death that does not exceed premiums paid less total distributions made

These are just five of the nearly 100 provisions in the SECURE 2.0 legislation. The rules regarding required minimum distributions are complicated. Though we have described the changes here that will provide significant benefit to individuals, the rules remain difficult to navigate, and you should consult a tax professional to discuss your individual situation.

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