



## Retirement Funding

By Matthew Lefelhoc

As the end of the year looms, we wanted to share some reminders and updates regarding retirement account funding for this year and beyond. Here are the annual contribution limits for 2023:

Retirement Plan Type	Under Age 50	Age 50+
Traditional and Roth IRAs*	\$6,500	\$7,500
SIMPLE IRA	\$15,500	\$19,000
Traditional & Roth 401(k)s	\$22,500	\$30,000
SEP IRA or Solo 401 (k)	\$66,000	— — —

\* You have until the tax filing deadline (April 15, 2024) to make **2023** contributions into your Traditional or Roth IRA.

Last year Congress passed Secure Act 2.0 into law, which made changes designed to improve retirement plan savings options. While there were a wide variety of updates, here are some highlights related to retirement plan **funding**, and when these updates and changes will take place.

- **2025:** Retirement plan participants aged 60-63 will be able to make a "special catch-up contribution" of the greater of \$10,000 (\$5,000 for SIMPLE IRA's) or 150% of the regular catch-up contribution
- **2026:** Any catch-up contribution to a retirement plan will have to be made on a Roth basis if your income meets or exceeds \$145,000 (formally a 2024 requirement)

We are here to help navigate through these changes and look for ways that you may be able to use them to your advantage. As always, please give us a call if you would like to chat about how this impacts your plan!



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## 40th Anniversary – Back to the Future

By Aaron Bates

As a kid in the 1980's, I remember when the Jetsons cartoon was a far-out concept and lifestyle. Now, looking back over the history of our Firm, nearly every aspect of our process has been radically changed by technology, and yet we provide the same core advisory services as we did in 1983. Perhaps no other invention has impacted our process more than personal computing, which has spawned automation and mobile technology for us all. Just this week, we were discussing the impact of super computing and artificial intelligence (AI), when decades ago we shared a single computer with floppy disks. In the early days, typists would create final tax returns with a typewriter. Now we have clients who never touch a piece of paper and documents can all be processed electronically. Some on the team recall ordering



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# Q3 2023 Market Recap – The Final Rate Hike?

By Ryan Gilmer

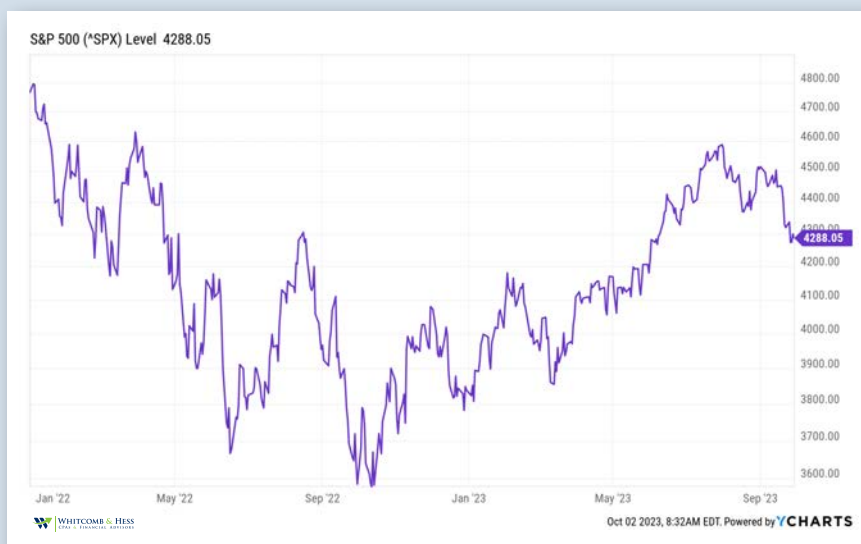
Interest rates have changed significantly in the past 18 months. On March 16, 2022, the federal funds target range was 0–0.25%. The following day, the Federal Reserve raised rates to 0.25–0.50%. Since then, they've hiked rates 10 more times. In all, they raised interest rates 5.25%, with the most recent increase on July 26th.

On September 20th, the Federal Reserve opted to keep rates unchanged at 5.25–5.50%. Over the past year or so, they have been clear about their intentions to continue with rate increases. However, at the most recent press conference, Jerome Powell implied that the hiking cycle may be over.

Economically speaking, higher interest rates should slow economic growth. Since it's costlier to borrow money, people are less likely to buy on credit, especially bigger ticket items like autos or homes. Theoretically, higher interest rates should be a headwind for stock markets. After all, if you can make 5% in a very safe money market fund or treasury bond, investors will demand more of these assets while selling riskier investments like stocks.

In markets, everything is always subject to change. But so far, neither of these things is happening as a result of higher interest rates. According to the Bureau of Economic Analysis, real GDP (which adjusts for inflation) increased by 2.1% annually as of June 2023. This number shows that the economy is still growing, despite recession fears.

Year to date, US large cap, small cap, and international stocks are all positive (see return table below). While stocks were down significantly during the initial phase of the rate hiking cycle, they have rebounded over the following 12-month period.



So far, we have not seen the economic and financial market weakness that many expected. Of course, these risks remain real. The main takeaway is that investors should always keep an open mind about the future and diversify their investments appropriately.

If you would like to talk about your current investment portfolio or these market risks, please give me a call.



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MARKET UPDATE as of 9/30/23	3rd QTR	2023 YTD	5 YR AVG	10 YR AVG
S & P 500 COMP	-3.27%	13.07%	9.92%	11.92%
RUSSELL 2000	-5.13%	2.54%	2.40%	6.65%
MSCI EAFE	-4.05%	7.59%	3.74%	4.32%
MSCI EMERGING MARKETS	-1.99%	3.73%	1.67%	2.77%
BARCLAYS US AGG BOND	-3.23%	-1.21%	0.10%	1.13%

# Year-End Check List

By Chris Nadler & Tim Hilterman

There are many reasons that you might make a list. Lists can help manage our time efficiently, prioritize tasks, or just make sure we are getting things done. As we approach the end of another year, here are some things you might want to check off your financial planning list.

- **Take your Required Minimum Distribution (RMD)** from your IRA, Inherited IRA, or employer-sponsored plan.
  - If you turned 72 before 12/31/2022, then you may have those to take out of your own retirement accounts.
  - Or if you inherited an IRA from another person, you may have one from there.
- **Maximize your contributions** to your employer-sponsored plan (401k, 403b, 457) for 2023.
  - The maximum contribution limit for those under 50 years old, in 2023, is \$22,500.
    - ◆ Those 50 and older can contribute an additional \$7500.
  - Contributions to employer-sponsored plans for the current tax year, end on 12/31/23 and start at \$0 on 1/1/24. (Unlike IRA's, which you have until the tax filing deadline the following year to fund.)
- **Do some tax planning.**
  - Do you want to convert assets to Roth accounts? Maybe you want to take out more from your pre-tax retirement accounts but aren't sure if that put you in a higher tax bracket.
  - Working with your advisor and CPA can help answer those questions to make sure you are maximizing the tax benefits at your disposal.
  - Similar to contributions to your employer-sponsored plan, taxes start over as the calendar turns to 1/1.

Being proactive about these items can you help plan for the future! It can help maximize tax situations, provide additional assets toward your retirement goals, and avoid unnecessary penalties if RMDs are not taken.

If you have questions or would like to speak with us about how we can help you check these boxes off of your "to-do" list, please give us a call. As we approach another holiday season, we wish you and yours blessings and joy. And we thank you, most importantly, for the opportunity to serve you and your family.



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volumes of books and catalogs each year for tax rules, stock dividend records, and training materials. Now everything is available online. And we still joke about the original discussions around the fax machine coming into practice at Whitcomb & Hess. Some of the team was very skeptical about this new machine that would send messages and documents electronically. We did get the fax machine, but it was quite an ordeal!

While much of how we serve clients has changed with the evolution of technology, what we do and why we do it has not changed a bit. We still help you file taxes, prepare financial statements, manage investment portfolios, and advise on all such matters. Ultimately, we continue to exist to improve the lives of our clients. We still strive to be your most-trusted financial advisor so that you can thrive in life! We embrace technology and aim to be on the front edge of the advancements available to us, but our Core Values and Mission haven't changed since 1983.

The most humbling thing about being in business for 40 years is reflecting on all the lives that have been positively impacted along the way. We have been extremely blessed to have great team members, amazing clients, and wonderful colleagues in the communities we serve. It's been team effort since the beginning, and we are so grateful to be a part of your journey! It's been said, "Alone we go fast, but together we go far." We are delighted to have celebrated this 40th Anniversary with you, and we look forward to celebrating many more.





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Join us for one of our fall seminars: **MILESTONES TO RETIREMENT.**

Planned for our friends aged 55 - 70, Financial Advisors **Tracy Wells, Chris Nadler, and Tim Hilterman** will speak on three important parts of a successful retirement plan while you enjoy a wine tasting and provided hors d'oeuvres.

**RSVP today!**

*Join Us*

## **MILESTONES TO RETIREMENT**

*Three Important Pieces of a Successful Plan*

**One program — Two chances to attend!**

Doors open at 5:30, Seminar from 6:00 - 7:00 | Wine tasting & Hors d'oeuvres provided

**Hosted by: Whitcomb & Hess CPAs & Financial Advisors**

**Thursday, October 19**

1285 Winery  
1285 W Hanley Rd  
Mansfield, OH

**Monday, October 30**

Mt. Vernon Estates  
1041 US-250  
Ashland, OH

Have a friend that would benefit from this information? They're welcome to join us too!  
Seating at each event is limited to 50 guests — RSVP today at [whitcomb.com/milestones](http://whitcomb.com/milestones)