

BOGGS & COMPANY

WEALTH MANAGEMENT

BUILDING OPPORTUNITIES GUIDING GENERATIONAL SUCCESS



MONTHLY FEATURES

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We hope your holiday season has been joyful, relaxing, and full of peace! It's been another great year for Boggs and Company Wealth Management, and we have our wonderful clients to thank. Your trust and partnership throughout 2024 has been our driving force throughout the year as we've grown and expanded our service offerings. May 2025 be as fun and fruitful as 2024 - we look forward to the journey!



MERRY
Christmas
and Happy
Holidays

from our team at
Boggs & Company

IN CASE YOU MISSED IT



Chasing Gold Milton Bulldogs Shine at SOMA State Soccer Tournament!

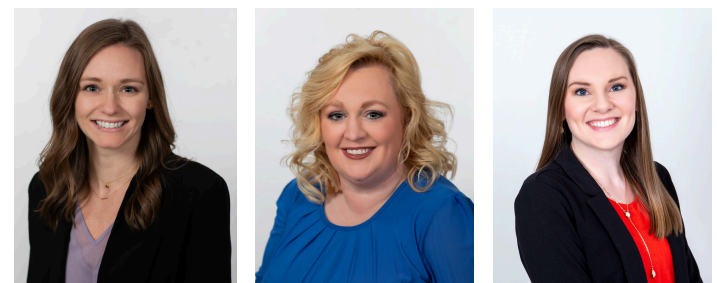
In November, Boggs and Company traveled to the Governor's Academy for the SOMA State Soccer Tournament with their team, the Milton Bulldogs. They won 2 games and tied one game to give them the gold medal in their division! To get involved with the Maryland Special Olympics, visit their website: www.somd.org

Empowering Excellence in Wealth Management



Earlier this month, Mirjhana was fortunate to attend The Barron's Advisor Women Summit. This summit brings together the best minds in the wealth management industry. It is designed to facilitate a free-flowing exchange of information, ideas and insights from the industry's most accomplished women advisors—in the interest of raising the standards of excellence in the wealth management profession.

Celebrate December Birthday Cheers All Month Long to Acknowledge!



Wishing all of our December birthdays a very happy and joyous celebration! Happy Birthday to **Molly** (12/14), **Dage** (12/19), and **Emily** (12/29)!

GET THE MOST OUT OF YOUR RETIREMENT PLANNING AND TAX STRATEGIES

Managing retirement strategies and creating goals can help you stay focused and consistent in your financial efforts. It creates a sense of achievement while you make progress toward the pursuit of a fulfilling retirement and financial independence. However, managing retirement funds and their tax implications can be complex and daunting, especially while trying to stay on top of the ever-changing world of finance, the revision of tax laws, and an unpredictable market.

There are a variety of beneficial retirement funds that you can consider depending on your risk tolerance, your income, the time you have left until you retire, and how you hope to spend your retirement. There is no one right way to invest in retirement as everyone's circumstances are different.

An effective way that retirement funds work together is that they create portfolio diversity and are impacted differently from a tax standpoint. Financial decisions depend on such details as income level (and therefore your tax strategy), your long-term objectives, estate planning goals, and other financial concerns.

Popular funds for people saving and trying to grow their retirement nest egg include:

Stocks

- **Basics of stocks** – Stocks are the percentage of ownership in a company.
- **How are stocks taxed?** – Any profit you make on the sale of a long-term asset (held for more than a year) is taxable at 0%, 15%, or 20% capital gains tax rates, depending on income limits. If you held the shares for a year or less they are taxed at your ordinary tax rate.

Exchange-traded funds (ETFs)

- **Basics of ETFs** – A pooled investment security that is bought and sold like a stock, however, they differ in that they are a collection of different investment vehicles such as companies or government bonds, etc., structured to track various sectors of the market. Some ETFs focus on for example: large, medium, or small-cap growth stocks; short-term treasury bonds, tax-exempt bonds, the S&P 500, the total stock market, the total world stock market and many more.



- **How are ETFs taxed?** – ETFs are taxed on dividends, capital gains, or interest, all are considered income. There are generally five conditions that could impact and determine your tax treatment.
 - **Type of ETF** – Not all ETFs are created equal, and the type of ETF will determine the tax treatment. A financial professional can help you navigate the impact on your financial strategy should you be subject to specific taxes.
 - **Net investment income tax** – If you are a high-net-worth individual, you could be subject to a 3.8 net investment income tax on the sale of an ETF.
 - **Length of holding period** – If you hold an ETF for under a year, the profits earned are considered a short-term capital gain and taxed at a higher rate than if you held it for a year or longer.
 - **Wash sale rule** – If you sell an ETF and turn around and buy a similar one within 30 days, the wash sale rule comes into play which means you can't use the loss to offset another capital gain.
 - **ETF dividend** – If you hold an ETF for more than 60 days before the issuance of a dividend, it is considered a qualified dividend and taxed at a rate between 0% and 20%. If held for less than 60 days, it is taxed at your ordinary income tax rate.

Continued on Page 4

Dividends

- **Qualified dividends** are taxed at long-term capital gains rates, and **non-qualified dividends** are taxed as ordinary income.

Real Estate Investment Tryouts (REITs)

- **Basics of a REIT** – REITs are a fairly low-risk investment opportunity that offers a margin of safety with the potential for future growth.
- **How are REITs taxed?** – Dividends generated from REITs are taxed as ordinary income at the investor's marginal tax rate rather than the qualified dividend rate.

Social Security

- **The basics of Social Security** – If you worked and paid into Social Security for at least ten years you are eligible for retirement benefits. You can start collecting Social Security benefits at age 62, however, if you are able to delay taking your benefits, the longer you wait until age 70 the benefits will increase.
- **How is Social Security taxed?** – Social Security Tax is essentially the adjusted gross income (AGI) plus non-taxable interest, plus ½ of Social Security benefits, if the number is above the specified amount for the tax year you have to pay federal income tax. There are different percentages of your Social Security benefits that you have to pay depending on marital status and income level. Keep in mind also that there are 12 or 13 states that also tax SS benefits.
- Both employers and employees pay a percentage of their wages up to a taxable maximum, whatever it might be that year. Self-employed persons pay both percentages, for example, in 2024 employees and employers paid 6.2 percent of wages. Self-employed pay 12.4 percent.
- If Social Security is your only source of income, there is no tax.



Review your tax situation periodically

As life happens, certain events could trigger a tax event such as working past retirement, deciding to tax Social Security, and dealing with the changing costs of healthcare. Or the tax law itself may change which could impact you-- for example, if the income brackets change, bumping you into a higher bracket, the percentage of tax you pay could increase. Depending on what type of plan you have, you will pay taxes differently.

Managing retirement accounts and the tax implications that come into play can be incredibly complex. As always, Boggs & Company is here to answer any questions you may have. Schedule an appointment by calling (301) 798-7669 or reaching out via email to info@boggsandcompany.com.

Important Disclosures

This material was created for educational and informational purposes only and is not intended as ERISA, tax, legal or investment advice. If you are seeking investment advice specific to your needs, such advice services must be obtained on your own separate from this educational material. Investing in stock includes numerous specific risks including: the fluctuation of dividend, loss of principal and potential illiquidity of the investment in a falling market. An investment in Exchange Traded Funds (ETF), structured as a mutual fund or unit investment trust, involves the risk of losing money and should be considered as part of an overall program, not a complete investment program. An investment in ETFs involves additional risks such as not diversified, price volatility, competitive industry pressure, international political and economic developments, possible trading halts, and index tracking errors. A Roth IRA offers tax deferral on any earnings in the account. Qualified withdrawals of earnings from the account are tax-free. Withdrawals of earnings prior to age 59 ½ or prior to the account being opened for 5 years, whichever is later, may result in a 10% IRS penalty tax. Limitations and restrictions may apply. Traditional IRA account owners should consider the tax ramifications, age and income restrictions in regards to executing a conversion from a Traditional IRA to a Roth IRA. The converted amount is generally subject to income taxation. All information is believed to be from reliable sources; however, LPL Financial makes no representation as to its completeness or accuracy. This article was prepared by LPL Marketing Solutions.

LPL Tracking #659526

HOW TO BE PREPARED AS A SMALL BUSINESS OWNER

Meeting with a Lender

Meeting with a business lender can be both an exciting and anxious time. One way to alleviate some of the stress is to be as prepared as possible for when you sit down to discuss a potential loan. Generally, business loans require significant documentation.

With that said, it is critical to be organized and have everything in order when it comes time to meet with a business lender. Remember, lenders will carefully look at your business and personal finances. It can take days or even months to process your information. Some of the more common documents to have on hand include

W-2 Forms and other important tax documents (1099s) –

These documents help lenders verify income and their sources.

Pay Stubs (proof of income) – Knowing where a borrower earns their money allows a lender to determine if they will be able to repay the loan.

Any other business licenses you may hold – Lenders are interested in this information because it helps to prove that any other businesses you own are operated legally.

A business plan for why you are seeking a loan – Along with submitting your loan application, your loan program may also want you to provide a well-thought-out business plan.

A professional resume – Some lenders want evidence of business management experience.

Financial statements (if you have them) – For people who have a stake in a business, some loan programs request your financial statements from that business for at least a year. These may include:

- Balance Sheet
- Cash Flow Statement
- Income Statement
- Bank Statements

Business and personal credit reports – Your credit report, both personal and business (if you have one), from the three main credit bureaus (Equifax, Experian, and TransUnion). It shows lenders how responsible you are in managing debt. The information on the credit report includes:

- How many credit accounts you have open and closed
- The length of your credit history
- The diversity of your credit
- Whether you have or had delinquent payments
- The number of times you have applied for a line of credit (credit card, car loan, personal loan, etc.)

A budget – Providing lenders with how you budget money, especially a budget for a business you run, shows you know how to manage spending and saving. It also gives them more information about the financial health of a business that you already own. If you don't own or run a business, a detailed personal budget wouldn't hurt as it can give a lender some more insight into your spending habits.

Proof of identification – Identification is essential so the lender can be sure that you are who you say you are.

Please reach out to us to help you prepare for your meeting with a business lender. Schedule an appointment by calling (301) 798-7669 or reaching out via email to info@boggsandcompany.com.

Important Disclosures

The opinions voiced in this material are for general information only and are not intended to provide specific advice or recommendations for any individual.

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LPL Tracking # 646206

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HOLIDAY

Operating Hours

DEC 24	CLOSED STARTING AT 12 PM
DEC 25	CLOSED
JAN 01	CLOSED

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