



## What the Most Sweeping Tax Law in 30 Years Means for You

By Mark Sipos

The Tax Cuts and Jobs Act of 2017 is the most sweeping change to the tax code in over 30 years. Understanding these new tax laws and working proactively within them can save taxpayers thousands of dollars. We would like to highlight the major changes of this new tax legislation and how it impacts individual taxpayers.

President Trump's tax plan calls for maintaining the seven brackets found under the old law, however, the new law reduces the rates 2-3% across the various bracket income levels. It's worth noting that the new tax brackets have dramatically increased the income levels within each bracket, so more of your taxable income will be taxed at lower tax rates!

There are deductions to consider as well. Changes are coming for taxpayers who take the standard deduction and for those who itemize. The Trump tax plan increases the standard deduction to \$12,000 (for individuals) and \$24,000 (for married couples filing jointly), effectively doubling these standard deductions under the old law.

Taxpayers who itemize can write off their state and local income, property and general sales tax payments on their federal tax return. This effectively prevents double taxation. Starting in tax year 2018, that deduction is capped at \$10,000.

Under prior law, homeowners could deduct their mortgage interest payments on mortgages up to \$1 million. The new tax plan limits the deduction for mortgages up to \$750,000. Interest on home equity lines can no longer be deducted unless the money is directly used to substantially improve your residence. This new law is retroactive, so existing home equity lines will be affected.

The new act also eliminates the following itemized deductions: moving expenses (except for military personnel), financial advisor and tax preparation fees, home office deductions, and employee business expenses. Also beginning in 2019 – alimony will no longer be a deduction, nor will it be required to be claimed as income by the spouse receiving it. This law is in effect for any divorces finalized and signed in 2018.

The new law does retain the medical deduction of allowing medical expenses of 7.5% or more of adjusted gross income through 2018. The threshold then increases to 10% of adjusted gross income starting in 2019. It expands the charitable deduction from 50% of adjusted gross income to 60%. The new legislation retains the deduction



Mark Sipos

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**THE FINANCIAL  
QUARTERBACK<sup>SM</sup>**  
WITH JIM LINEWEAVER, CFP®

LEADING INTO **FOX NEWS SUNDAY**  
ON **FOX8**

**Sunday, October 21<sup>st</sup> : The Basics of Estate Planning**  
With Special Guest Mike Solomon, Partner at Solomon, Steiner & Peck, LTD

**Sunday, October 28<sup>th</sup> : Keep it All in the Family**  
With Special Guest Mike Solomon, Partner at Solomon, Steiner & Peck, LTD

**Sunday, November 4<sup>th</sup> : Lower Your Taxes by Changing Your Residence**  
With Special Guest Mark Sipos, Director of LFG Tax Services, LTD



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# LETTER FROM THE PRESIDENT

by Jim Lineweaver, CFP®, President and Founder



2018 marks a major milestone in Lineweaver Financial Group history. When I started the company 25 years ago in 1993, my vision of improving the lives and retirements of families was just getting started. When I think back to those early days and compare it to where Lineweaver Financial Group stands today, I can't help but be proud of the hard work we've done, and the things we have accomplished.

In the last few years we have opened new office locations, which has expanded our reach to areas such as Mentor, Westlake, and most recently, Akron. Meanwhile, at our headquarters in Valley View, we continue to grow as a company. We have made major changes to our website,

providing easier online account access to our clients, and making our informative materials such as our blogs, articles and whitepapers more readily available.

Many of you were familiar with our segment on the Golden Opportunities show which ended earlier this year. We are now featured every Sunday on Fox 8 just before the 10 AM news with Chris Wallace, as part of our own segment, "The Financial Quarterback." We will continue to provide helpful financial planning strategies and tips through this new program, and we hope to serve as a valuable retirement resource.

Of course, none of these things would be possible without our clients. On behalf of everyone at Lineweaver Financial Group, I want to thank you for placing your trust in us, and for providing us with the opportunity to carry out your financial vision.

*Here's to another 25 years!*

**Forbes**

Check out Jim's article in Forbes to learn about the importance of coordination between your advisors from Cleveland's very own Financial Quarterback™.

## 2018 CLIENT APPRECIATION

For this year's Client Appreciation, we chose to celebrate Lineweaver Financial Group's silver anniversary and say "Cheers to 25 Years!" Special thanks to everyone who was in attendance, especially those who dressed up for the occasion. Together we raised over \$1,400 for Harvest for Hunger, and we're still tallying up the amount of food we received in donations! We sincerely appreciate you joining us for what turned out to be a wonderful evening.



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for student loan interest and retirement savings. The Act also expands the 529 savings plans for tuition at private and religious K-12 schools and some home schooling expenses. Ohio also expanded its 529 plan tax deduction from \$2,000 to \$4,000 per child, per year.

Personal exemption deductions have been eliminated. To compensate for this, the new tax law has expanded the Child Tax Credit. The Trump tax plan increases this credit to \$2,000 for children under 17 (doubled from \$1,000). Filers may claim the full credit if they have income up to \$200,000 for single filers (up from \$75,000) and up to \$400,000 for married couples (up from \$110,000). The new law also expands this credit by allowing a \$500 tax credit for each non-child dependent. These include elderly parents and children over 17 years of age.

Taxes can get confusing quickly and considering the new tax plan could potentially affect what you pay by thousands of dollars. You want to make sure to consult a tax professional as soon as possible so that appropriate strategies can be implemented.

## HEALTHWATCH

### Staying in Shape Post-Retirement

Once we retire, we tend to bask in our newfound free time, but few of us realize that we should be spending part of that time exercising. Some fitness buffs may treat retirement as a chance to double up on their favorite activities, but for the rest of us, the challenge becomes extracting the most benefit in the least amount of time.

“Consistency is the key,” said Michele Stanten, a certified fitness instructor in Coopersburg, Penn. “Some people who are gung-ho at first try to do an hour of exercise, find it’s too much, and stop. It’s more effective going out for 10 minutes one day, then 10 minutes the next day. Build up gradually and be consistent.”

Stanten consults with SilverSneakers, a free fitness program for seniors that comes with qualifying Medicare plans. It includes access to participating gyms at more than 14,000 locations across the U.S., along with instructor-led yoga, dance and other fitness classes.

Regardless of your goal—to gain muscle mass, lose body fat, lower your cholesterol, improve your heart health—turning exercise into a daily habit helps you stay on track. Just check with your doctor first and heed your body’s signals once you get under way.

“The most important thing is to do something you enjoy,” said Edward Schneider, professor of gerontology at the USC Davis School of Gerontology in Los Angeles, Calif. “Otherwise, you’ll quit.”

Beyond regular workouts, adopt a healthier lifestyle throughout your day. Stroll down every aisle in the supermarket even if you don’t need to. When you go to the mall, park once and walk from store to store, rather than driving from one to the other. By weaving healthy habits into your everyday life, you’ll reap the benefits as you enjoy your retirement.

## ECONOMIC COMMENTARY

Global financial markets posted mixed results during the third quarter of 2018 as investors balanced heightened trade tensions globally with strong earnings, a solid labor market and healthy economic growth here in the U.S. We present a few highlights from the 3Q18 below:

- Despite heightened geopolitical rhetoric, the S&P 500, the Dow Jones Industrial Average and the technology-heavy Nasdaq Composite continued to trade near record highs amid solid economic data and strong corporate earnings. On the economic front, the Federal Reserve held interest rates steady at a range of 1.75% to 2%. However, meeting minutes released from the Fed’s early August session indicated a rate hike was likely when the Fed meets September 25th-26th.
- Developed international equity markets produced mixed results during the third quarter with those in the Pacific ex-Japan region generally lagging those in Europe. On the political front, the resignation of Brexit secretary David Davis renewed fears of the potential economic consequences as the UK prepares to leave the EU in March 2019. In the emerging markets, returns were held back by weak performances from China and Brazil.
- Within fixed income, results were mixed as the 10-year U.S. Treasury tested the key psychological level of 3% several times during the third quarter. Foreign un-hedged bonds and emerging markets debt fell amid the strong U.S. dollar. Investment grade core U.S. fixed income produced lackluster results, while high yield credit fared marginally better.
- Real estate, both in the U.S. and abroad, advanced during the quarter. Similar to the prior quarter, global real estate underperformed U.S. real estate. Commodities ended the quarter lower as metals and soft agriculture prices were weak. Meanwhile, upbeat sentiment in the MLPs space was supported by positive operating results and fundamentals.

An important lesson from 3Q18:

- The third quarter of 2018 was a good reminder that investors must remain mindful of geopolitical risks and the associated volatility that comes with it. The third quarter was marked by heightened global trade rhetoric and ongoing posturing on tariffs. In the U.S., politics is now front and center as we approach the November mid-term elections, leading many to wonder if select policy decisions or election outcomes can derail financial markets. As we approach year-end, it is more important than ever to remain properly diversified. It is our continued belief that remaining patient and adhering to a well-constructed and diversified investment portfolio anchored to your time horizon and goals remains the prudent course of action.



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9035 Sweet Valley Drive

Valley View, Ohio 44125 1-888-313-4009

## PENNY TRIVIA

Did you know? Fun facts about the U.S. Penny

- Pennies were the first coins minted in the U.S.
- The Lincoln penny was designed in 1909 in honor of his 100th birthday.
- There are more one-cent coins produced than any other denomination.
- The average penny lasts 25 years.



## EMPLOYEE SPOTLIGHT

*Jack Onderisin, Processing & Client Services*



Jack is the newest member of the Processing Team. He assists with the processing of new business and helps ensure a smooth transition of transfers and also the establishment of new accounts. Jack works closely with the other members of the processing team by assisting clients with general services issues such as beneficiary and address changes, required minimum distributions, and withdrawals.

Jack graduated from Heidelberg University in 2018 with a Bachelor's Degree in Business Administration. While studying at Heidelberg, he also minored in Economics and German. He enjoys traveling and exploring all types of music, film, and art. In his free time, he can be found playing guitar, reading, or playing sports like softball and basketball.



*If you would like to receive our newsletter through email, please email Annika at [Annika@lineweaver.net](mailto:Annika@lineweaver.net)*