

2025 PERSONAL FINANCE CONFERENCE

Welcome



SCHOLAR
ADVISING



**SCHOLAR
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**2025 PERSONAL
FINANCE CONFERENCE**

TAX CONSIDERATIONS FOR RETIREMENT: FROM EARNED INCOME TO DISTRIBUTIONS

HAYDEN COOPER, CPA
HAYDEN@CPACOOOPER.COM



SCHOLAR ADVISING

ABOUT ME



Bachelors from Dixie State University



Masters from Wake Forest University



Started at RSM US LLP



Started Cooper CPA PLLC in 2021



Experienced with all types of tax returns. Also perform bookkeeping, payroll, and financial statement preparation



SCHOLAR ADVISING

AGENDA

Earned Income

- W2 vs 1099
- LLC's & S-Corporations

Distributions

- Qualified Charitable Distributions (QCD's)
- Required Minimum Distributions (RMD's)
- Roth IRA Conversions

EARNED INCOME

Most likely before retirement you received W2 from your employer

It is common in retirement to be hired as outside consultant (1099 contractor)

WHAT IS THE DIFFERENCE BETWEEN W2 & 1099?

Void <input type="checkbox"/>		a Employee's social security number		Copy D – For Employer OMB No. 1545-0008	
b Employer identification number (EIN)		1 Wages, tips, other compensation 70000.00		2 Federal income tax withheld 10000.00	
c Employer's name, address, and ZIP code COOPER CPA PLLC		3 Social security wages 70000.00		4 Social security tax withheld 4340.00	
		5 Medicare wages and tips 70000.00		6 Medicare tax withheld 1015.00	
		7 Social security tips		8 Allocated tips	
d Control number		9		10 Dependent care benefits	
e Employee's name, address, and ZIP code HAYDEN COOPER		11 Nonqualified plans		12a See instructions for box 12	
		13 Statutory employee Retirement plan Third-party sick pay <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		12b	
		14 Other		12c	
				12d	
15 State Employer's state ID number NC	16 State wages, tips, etc. 70000.00	17 State income tax 5000.00	18 Local wages, tips, etc.	19 Local income tax	20 Locality name

Form **W-2** Wage and Tax
Statement
Copy D – For Employer

REV 11/30/23 QBDT

2023

Department of the Treasury—Internal Revenue Service
For Privacy Act and Paperwork Reduction
Act Notice, see separate instructions.

WHAT IS THE DIFFERENCE BETWEEN W2 & 1099?

☐ VOID ☐ CORRECTED

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no. COOPER CPA PLLC		OMB No. 1545-0116 Form 1099-NEC (Rev. January 2024) For calendar year <u>2023</u>		Nonemployee Compensation	
PAYER'S TIN	RECIPIENT'S TIN				1 Nonemployee compensation \$ 70,000.00
RECIPIENT'S name HAYDEN COOPER Street address (including apt. no.) City or town, state or province, country, and ZIP or foreign postal code					2 Payer made direct sales totaling \$5,000 or more of consumer products to recipient for resale <input type="checkbox"/> 3 4 Federal income tax withheld \$ 5 State tax withheld \$ 6 State/Payer's state no. 7 State income \$
Account number (see instructions)					

Form **1099-NEC** (Rev. 1-2024)

www.irs.gov/Form1099NEC

Department of the Treasury - Internal Revenue Service

Form	1040	Department of the Treasury • Internal Revenue Service U.S. Individual Income Tax Return	2022	OMB No. 1545-0047	(R) Use Only - Do not write or staple in this space.
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Filing Status ☒ Single ☐ Married filing jointly ☐ Married filing separately (MFS) ☐ Head of household (HOH) ☐ Qualifying surviving spouse (QSS)

Check only one box. If you checked the MFS box, enter the name of your spouse. If you checked the HOH or QSS box, enter the child's name if the qualifying person is a child but not your dependent.

Your first name and middle initial HAYDEN	Last name COOPER	Your social security number 123 45 6789
If joint return, spouse's first name and middle initial	Last name	Spouse's social security number

Home address (number and street). If you have a P.O. box, see instructions. Apt. no.

City, town, or post office. If you have a foreign address, also complete spaces below. State ZIP code

Foreign country name Foreign province/state/county Foreign postal code

Presidential Election Campaign Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund. ☐ You ☐ Spouse

Digital Assets At any time during 2022, did you: (a) receive (as a reward, award, or payment for property or services); or (b) sell, exchange, gift, or otherwise dispose of a digital asset (or a financial interest in a digital asset)? (See instructions.) ☐ Yes ☒ No

Standard Deduction Someone can claim: ☐ You as a dependent ☐ Your spouse as a dependent ☐ Spouse itemizes on a separate return or you were a dual-status alien

Age/Blindness You: ☐ Were born before January 2, 1958 ☐ Are blind Spouse: ☐ Was born before January 2, 1958 ☐ Is blind

Dependents (see instructions):

If more than four dependents, see instr. and check here <input type="checkbox"/>	(1) First name Last name	(2) Social security number	(3) Relationship to you	(4) Check the box if qualifies for (see instr.): Child tax credit Credit for other dependents

Income

Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld.

If you did not get a Form W-2, see instructions.

1a Total amount from Form(s) W-2, box 1 (see instructions) STMT 1	1a 10,000.
b Household employee wages not reported on Form(s) W-2	1b
c Tip income not reported on line 1a (see instructions)	1c
d Medicaid waiver payments not reported on Form(s) W-2 (see instructions)	1d
e Taxable dependent care benefits from Form 2441, line 26	1e
f Employer-provided adoption benefits from Form 8839, line 29	1f
g Wages from Form 8919, line 6	1g
h Other earned income (see instructions)	1h
i Nontaxable combat pay election (see instructions) 1i	
z Add lines 1a through 1h	1z 10,000.

Attach Sch. B if required.

2a Tax-exempt interest	2a	b Taxable interest	2b 100.
3a Qualified dividends	3a	b Ordinary dividends	3b
4a IRA distributions	4a	b Taxable amount	4b
5a Pensions and annuities	5a	b Taxable amount	5b
6a Social security benefits	6a	b Taxable amount	6b

Standard Deduction for - ☐ Single or married filing separately, \$12,950 ☐ Married filing jointly or qualifying surviving spouse, \$25,900 ☐ Head of household, \$19,400 ☐ If you checked any box under Standard Deduction, see instructions.

7 Capital gain or (loss). Attach Schedule D if required. If not required, check here <input type="checkbox"/>	7
8 Other income from Schedule 1, line 10	8 70,000.
9 Add lines 1z, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income	9 80,100.
10 Adjustments to income from Schedule 1, line 26	10 4,946.
11 Subtract line 10 from line 9. This is your adjusted gross income	11 75,154.
12 Standard deduction or itemized deductions (from Schedule A)	12 12,950.
13 Qualified business income deduction from Form 8995 or Form 8995-A	13
14 Add lines 12 and 13	14 12,950.
15 Subtract line 14 from line 11. If zero or less, enter -0-. This is your taxable income	15 62,204.

LHA For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions.

Form 1040 (2022)

SCHEDULE C
(Form 1040)

Department of the Treasury
Internal Revenue Service

Profit or Loss From Business

(Sole Proprietorship)

Go to www.irs.gov/ScheduleC for instructions and the latest information.
Attach to Form 1040, 1040-SR, 1040-NR, or 1041; partnerships must generally file Form 1065.

OMB No. 1545-0074

2022
Attachment
Sequence No. **09**

Name of proprietor

Social security number (SSN)

HAYDEN COOPER

123-45-6789

A Principal business or profession, including product or service (see instructions)

B Enter code from instructions

C Business name. If no separate business name, leave blank.

D Employer ID number (EIN) (see instructions)

E Business address (including suite or room no.)

City, town or post office, state, and ZIP code

F Accounting method: (1) ☒ Cash (2) ☐ Accrual (3) ☐ Other (specify) _____

G Did you "materially participate" in the operation of this business during 2022? If "No," see instructions for limit on losses ☒ Yes ☐ No

H If you started or acquired this business during 2022, check here _____

I Did you make any payments in 2022 that would require you to file Form(s) 1099? See instructions ☐ Yes ☒ No

J If "Yes," did you or will you file required Form(s) 1099? ☐ Yes ☒ No

Part I Income

1 Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked	1	70,000.
2 Returns and allowances	2	
3 Subtract line 2 from line 1	3	70,000.
4 Cost of goods sold (from line 42)	4	
5 Gross profit. Subtract line 4 from line 3	5	70,000.
6 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	6	
7 Gross income. Add lines 5 and 6	7	70,000.

Part II Expenses. Enter expenses for business use of your home **only** on line 30.

8 Advertising	8		18 Office expense	18	
9 Car and truck expenses (see instructions)	9		19 Pension and profit-sharing plans	19	
10 Commissions and fees	10		20 Rent or lease (see instructions):		
11 Contract labor (see instructions)	11		a Vehicles, machinery, and equipment	20a	
12 Depletion	12		b Other business property	20b	
13 Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13		21 Repairs and maintenance	21	
14 Employee benefit programs (other than on line 19)	14		22 Supplies (not included in Part III)	22	
15 Insurance (other than health)	15		23 Taxes and licenses	23	
16 Interest (see instructions):			24 Travel and meals:		
a Mortgage (paid to banks, etc.)	16a		a Travel	24a	
b Other	16b		b Deductible meals (see instructions)	24b	
17 Legal and professional services	17		25 Utilities	25	
28 Total expenses before expenses for business use of home. Add lines 8 through 27a	28		26 Wages (less employment credits)	26	
29 Tentative profit or (loss). Subtract line 28 from line 7	29	70,000.	27 a Other expenses (from line 48)	27a	
30 Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method. See instructions. Simplified method filers only: Enter the total square footage of (a) your home: _____ and (b) the part of your home used for business: _____ Use the Simplified Method Worksheet in the instructions to figure the amount to enter on line 30	30		b Reserved for future use	27b	
31 Net profit or (loss). Subtract line 30 from line 29. • If a profit, enter on both Schedule 1 (Form 1040), line 3, and on Schedule SE, line 2. (If you checked the box on line 1, see instructions.) Estates and trusts, enter on Form 1041, line 3. • If a loss, you must go to line 32.	31	70,000.			
32 If you have a loss, check the box that describes your investment in this activity. See instructions. • If you checked 32a, enter the loss on both Schedule 1 (Form 1040), line 3, and on Schedule SE, line 2. (If you checked the box on line 1, see the line 31 instructions.) Estates and trusts, enter on Form 1041, line 3. • If you checked 32b, you must attach Form 6198. Your loss may be limited.			32a All investment is at risk.		
			32b Some investment is not at risk.		

LHA For Paperwork Reduction Act Notice, see the separate instructions.
220001 11-02-22

Schedule C (Form 1040) 2022



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**SCHEDULE SE
(Form 1040)**

Department of the Treasury
Internal Revenue Service

Self-Employment Tax

Go to www.irs.gov/ScheduleSE for instructions and the latest information.
Attach to Form 1040, 1040-SR, or 1040-NR.

OMB No. 1545-0047

2022
Attachment
Sequence No. **17**

Name of person with self-employment income (as shown on Form 1040, 1040-SR, or 1040-NR) **HAYDEN COOPER** Social security number of person with self-employment income **123 45 6789**

Part I Self-Employment Tax

Note: If your only income subject to self-employment tax is church employee income, see instructions for how to report your income and the definition of church employee income.

A If you are a minister, member of a religious order, or Christian Science practitioner and you filed Form 4361, but you had \$400 or more of other net earnings from self-employment, check here and continue with Part I

Skip lines 1a and 1b if you use the farm optional method in Part II. See instructions.

1a	Net farm profit or (loss) from Sch. F, line 34, and farm partnerships, Sch. K-1 (Form 1065), box 14, code A	1a	
	If you received social security retirement or disability benefits, enter the amount of Conservation Reserve	1b	
b	Program payments included on Schedule F, line 4b, or listed on Schedule K-1 (Form 1065), box 20, code AH		
Skip line 2 if you use the nonfarm optional method in Part II. See instructions.			
2	Net profit or (loss) from Schedule C, line 31; and Schedule K-1 (Form 1065), box 14, code A		
	(other than farming). See instructions for other income to report or if you are a minister or member of a religious order	2	70,000.
3	Combine lines 1a, 1b, and 2	3	70,000.
4a	If line 3 is more than zero, multiply line 3 by 92.35% (0.9235). Otherwise, enter amount from line 3	4a	64,645.
	Note: If line 4a is less than \$400 due to Conservation Reserve Program payments on line 1b, see instructions		
b	If you elect one or both of the optional methods, enter the total of lines 15 and 17 here	4b	
c	Combine lines 4a and 4b. If less than \$400, stop; you don't owe self-employment tax. Exception: If less than \$400 and you had church employee income, enter -0- and continue	4c	64,645.
5a	Enter your church employee income from Form W-2. See instructions for definition of church employee income	5a	
b	Multiply line 5a by 92.35% (0.9235). If less than \$100, enter -0-	5b	
6	Add lines 4c and 5b	6	64,645.
7	Maximum amount of combined wages and self-employment earnings subject to social security tax or the 6.2% portion of the 7.65% railroad retirement (tier 1) tax for 2022	7	147,000
8a	Total social security wages and tips (total of boxes 3 and 7 on Form(s) W-2) and railroad retirement (tier 1) compensation. If \$147,000 or more, skip lines 8b through 10, and go to line 11	8a	10,000.
b	Unreported tips subject to social security tax from Form 4137, line 10	8b	
c	Wages subject to social security tax from Form 8919, line 10	8c	
d	Add lines 8a, 8b, and 8c	8d	10,000.
9	Subtract line 8d from line 7. If zero or less, enter -0- here and on line 10 and go to line 11	9	137,000.
10	Multiply the smaller of line 6 or line 9 by 12.4% (0.124)	10	8,016.
11	Multiply line 6 by 2.9% (0.029)	11	1,875.
12	Self-employment tax. Add lines 10 and 11. Enter here and on Schedule 2 (Form 1040), line 4	12	9,891.
13	Deduction for one-half of self-employment tax. Multiply line 12 by 50% (0.50). Enter here and on Schedule 1 (Form 1040), line 15	13	4,946.

Part II Optional Methods To Figure Net Earnings (see instructions)

Farm Optional Method. You may use this method only if (a) your gross farm income¹ wasn't more than \$9,080, or (b) your net farm profits² were less than \$8,540.

14	Maximum income for optional methods	14	6,040
15	Enter the smaller of: two-thirds (2/3) of gross farm income ¹ (not less than zero) or \$6,040. Also, include this amount on line 4b above	15	

Nonfarm Optional Method. You may use this method only if (a) your net nonfarm profits³ were less than \$8,540 and also less than 72.189% of your gross nonfarm income,⁴ and (b) you had net earnings from self-employment of at least \$400 in 2 of the prior 3 years. Caution: You may use this method no more than five times.

16	Subtract line 15 from line 14	16	
17	Enter the smaller of: two-thirds (2/3) of gross nonfarm income ⁴ (not less than zero) or the amount on line 16. Also, include this amount on line 4b above	17	

¹ From Sch. F, line 9; and Sch. K-1 (Form 1065), box 14, code B.

² From Sch. F, line 34; and Sch. K-1 (Form 1065), box 14, code A, minus the amount you would have entered on line 1b had you not used the optional method.

³ From Sch. C, line 31; and Sch. K-1 (Form 1065), box 14, code A.

⁴ From Sch. C, line 7; and Sch. K-1 (Form 1065), box 14, code C.

For Paperwork Reduction Act Notice, see your tax return instructions.

224501 11-16-22 LHA

Schedule SE (Form 1040) 2022



SCHOLAR ADVISING

Form	1040	Department of the Treasury - Internal Revenue Service U.S. Individual Income Tax Return	2022	OMB No. 1545-0074	(Use Only - Do not write or staple in this space.)
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Filing Status ☒ Single ☐ Married filing jointly ☐ Married filing separately (MFS) ☐ Head of household (HOH) ☐ Qualifying surviving spouse (QSS)
 Check only one box. If you checked the MFS box, enter the name of your spouse. If you checked the HOH or QSS box, enter the child's name if the qualifying person is a child but not your dependent.

Your first name and middle initial HAYDEN	Last name COOPER	Your social security number 123 45 6789
If joint return, spouse's first name and middle initial	Last name	Spouse's social security number

Home address (number and street). If you have a P.O. box, see instructions. Apt. no.

City, town, or post office. If you have a foreign address, also complete spaces below. State ZIP code

Foreign country name Foreign province/state/county Foreign postal code

Presidential Election Campaign Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund. ☐ You ☐ Spouse

Digital Assets At any time during 2022, did you: (a) receive (as a reward, award, or payment for property or services); or (b) sell, exchange, gift, or otherwise dispose of a digital asset (or a financial interest in a digital asset)? (See instructions.) ☐ Yes ☒ No

Standard Deduction Someone can claim: ☐ You as a dependent ☐ Your spouse as a dependent ☐ Spouse itemizes on a separate return or you were a dual-status alien

Age/Blindness You: ☐ Were born before January 2, 1958 ☐ Are blind Spouse: ☐ Was born before January 2, 1958 ☐ Is blind

Dependents (see instructions):

(1) First name Last name	(2) Social security number	(3) Relationship to you	(4) Check the box if qualifies for (see instr.)	Child tax credit	Credit for other dependents

Income

Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld.

If you did not get a Form W-2, see instructions.

1a Total amount from Form(s) W-2, box 1 (see instructions) STMT 1	1a	10,000.
b Household employee wages not reported on Form(s) W-2	1b	
c Tip income not reported on line 1a (see instructions)	1c	
d Medicaid waiver payments not reported on Form(s) W-2 (see instructions)	1d	
e Taxable dependent care benefits from Form 2441, line 26	1e	
f Employer-provided adoption benefits from Form 8839, line 29	1f	
g Wages from Form 8919, line 6	1g	
h Other earned income (see instructions)	1h	
i Nontaxable combat pay election (see instructions) 1i		
z Add lines 1a through 1h	1z	10,000.
2a Tax-exempt interest	2a	
3a Qualified dividends	3a	
4a IRA distributions	4a	
5a Pensions and annuities	5a	
6a Social security benefits	6a	
b Taxable interest	2b	100.
b Ordinary dividends	3b	
b Taxable amount	4b	
b Taxable amount	5b	
b Taxable amount	6b	
c If you elect to use the lump-sum election method, check here (see instructions)		
7 Capital gain or (loss). Attach Schedule D if required. If not required, check here	7	
8 Other income from Schedule 1, line 10	8	70,000.
9 Add lines 1z, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income	9	80,100.
10 Adjustments to income from Schedule 1, line 26	10	4,946.
11 Subtract line 10 from line 9. This is your adjusted gross income	11	75,154.
12 Standard deduction or itemized deductions (from Schedule A)	12	12,950.
13 Qualified business income deduction from Form 8995 or Form 8995-A	13	
14 Add lines 12 and 13	14	12,950.
15 Subtract line 14 from line 11. If zero or less, enter -0-. This is your taxable income	15	62,204.

Standard Deduction for -

- Single or Married filing separately, \$12,950
- Married filing jointly or Qualifying surviving spouse, \$25,900
- Head of household, \$19,400
- If you checked any box under "Standard Deduction," see instructions.

LHA For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions.

Form 1040 (2022)

Tax and Credits

16	Tax (see instructions). Check if any from Form(s): 1 <input type="checkbox"/> 8814 2 <input type="checkbox"/> 4972 3 <input type="checkbox"/>	16	9,307.
17	Amount from Schedule 2, line 3	17	
18	Add lines 16 and 17	18	9,307.
19	Child tax credit or credit for other dependents from Schedule 8812	19	
20	Amount from Schedule 3, line 8	20	
21	Add lines 19 and 20	21	
22	Subtract line 21 from line 18. If zero or less, enter -0-	22	9,307.
23	Other taxes, including self-employment tax, from Schedule 2, line 21	23	9,891.
24	Add lines 22 and 23. This is your total tax	24	19,198.

Payments

25	Federal income tax withheld from:	
a	Form(s) W-2	25a
b	Form(s) 1099	25b
c	Other forms (see instructions)	25c
d	Add lines 25a through 25c	25d
26	2022 estimated tax payments and amount applied from 2021 return	26
27	Earned income credit (EIC)	27
28	Additional child tax credit from Schedule 8812	28
29	American opportunity credit from Form 8863, line 8	29
30	Reserved for future use	30
31	Amount from Schedule 3, line 15	31
32	Add lines 27, 28, 29, and 31. These are your total other payments and refundable credits	32
33	Add lines 25d, 26, and 32. These are your total payments	33

Refund

34	If line 33 is more than line 24, subtract line 24 from line 33. This is the amount you overpaid	34
35a	Amount of line 34 you want refunded to you. If Form 8888 is attached, check here <input type="checkbox"/>	35a
b	Routing number	c Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings
d	Account number	
36	Amount of line 34 you want applied to your 2023 estimated tax	36
37	Subtract line 33 from line 24. This is the amount you owe.	37

Amount You Owe

38	Estimated tax penalty (see instructions)	38	692.
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Third Party Designee

Do you want to allow another person to discuss this return with the IRS? See instructions ☒ Yes. Complete below. ☐ No

Designee's name	Phone no.	Personal identification number (PIN)
Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.		
Your signature	Date	Your occupation
Spouse's signature, if a joint return, both must sign.	Date	Spouse's occupation

Joint return? ☐ See instructions. Keep a copy for your records.

Phone no. _____ Email address _____

Paid Preparer Use Only

Preparer's name	Preparer's signature	Date	PTIN	Check it: <input type="checkbox"/> Self-employed
Firm's name	Firm's EIN			Phone no. (336) 774-1400
Firm's address				

**SHOULD YOU SET
UP AN LLC?**

**WILL AN LLC
DECREASE YOUR
TAXES?**



Consult an Attorney



Limited liability protection



Credibility



Tax Options (S-Corporation)



**SCHEDULE C
(Form 1040)**Department of the Treasury
Internal Revenue Service
Name of proprietor**Profit or Loss From Business**

(Sole Proprietorship)

Go to www.irs.gov/ScheduleC for instructions and the latest information.
Attach to Form 1040, 1040-SR, 1040-NR, or 1041; partnerships must generally file Form 1065.

OMB No. 1545-0074

2022
Attachment
Sequence No. 09**HAYDEN COOPER**

Social security number (SSN)

123-45-6789**A** Principal business or profession, including product or service (see instructions)**B** Enter code from instructions**C** Business name. If no separate business name, leave blank.**D** Employer ID number (EIN) (see instructions)**E** Business address (including suite or room no.)

City, town or post office, state, and ZIP code

F Accounting method: (1) ☒ Cash (2) Accrual (3) Other (specify) _____**G** Did you "materially participate" in the operation of this business during 2022? If "No," see instructions for limit on losses ☒ Yes ☐ No**H** If you started or acquired this business during 2022, check here _____**I** Did you make any payments in 2022 that would require you to file Form(s) 1099? See instructions Yes ☒ No**J** If "Yes," did you or will you file required Form(s) 1099? Yes ☐ No**Part I Income**

1 Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked	1	70,000.
2 Returns and allowances	2	
3 Subtract line 2 from line 1	3	70,000.
4 Cost of goods sold (from line 42)	4	
5 Gross profit. Subtract line 4 from line 3	5	70,000.
6 Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	6	
7 Gross income. Add lines 5 and 6	7	70,000.

Part II Expenses. Enter expenses for business use of your home **only** on line 30.

8 Advertising	8		18 Office expense	18	
9 Car and truck expenses (see instructions)	9		19 Pension and profit-sharing plans	19	
10 Commissions and fees	10		20 Rent or lease (see instructions):		
11 Contract labor (see instructions)	11		a Vehicles, machinery, and equipment	20a	
12 Depletion	12		b Other business property	20b	
13 Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13		21 Repairs and maintenance	21	
14 Employee benefit programs (other than on line 10)	14		22 Supplies (not included in Part III)	22	
15 Insurance (other than health)	15		23 Taxes and licenses	23	
16 Interest (see instructions):			24 Travel and meals:		
a Mortgage (paid to banks, etc.)	16a		a Travel	24a	
b Other	16b		b Deductible meals (see instructions)	24b	
17 Legal and professional services	17		25 Utilities	25	
28 Total expenses before expenses for business use of home. Add lines 8 through 27a	28	0.	26 Wages (less employment credits)	26	
29 Tentative profit or (loss). Subtract line 28 from line 7	29	70,000.	27 a Other expenses (from line 48)	27a	
30 Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method. See instructions. Simplified method filers only: Enter the total square footage of (a) your home: _____ and (b) the part of your home used for business: _____ Use the Simplified Method Worksheet in the instructions to figure the amount to enter on line 30	30		27 b Reserved for future use	27b	
31 Net profit or (loss). Subtract line 30 from line 29. • If a profit, enter on both Schedule 1 (Form 1040), line 3, and on Schedule SE, line 2. (If you checked the box on line 1, see instructions). Estates and trusts, enter on Form 1041, line 3. • If a loss, you must go to line 32.	31	70,000.			
32 If you have a loss, check the box that describes your investment in this activity. See instructions. • If you checked 32a, enter the loss on both Schedule 1 (Form 1040), line 3, and on Schedule SE, line 2. (If you checked the box on line 1, see the line 31 instructions.) Estates and trusts, enter on Form 1041, line 3. • If you checked 32b, you must attach Form 6198. Your loss may be limited.			32a All investment is at risk		
			32b Some investment is not at risk		

LHA For Paperwork Reduction Act Notice, see the separate instructions.
220001 11-02-22

Schedule C (Form 1040) 2022

**SCHOLAR ADVISING**

HOW TO REDUCE SELF EMPLOYMENT TAXES

S-Corporations



A form is filed with the IRS
that elects to have the LLC
taxed as an S-Corporation

S-CORPORATIONS

Pros

- Tax savings on Self-Employment taxes
- Pass-through taxation
- Credibility
- Liability protection

Cons

- Tax reporting complexity
- Reasonable salary requirement
- Professional fees





Department of the Treasury
Internal Revenue Service
Ogden, UT 84201-0038

Notice	CP261
Notice date	February 26, 2024
Employer ID number	
To contact us	Phone 800-829-0115
Page 1 of 2	

K0697-0073407 P004 T00144 00073407 1 AR 0 547



0073407



We've accepted your S Corporation election

You will be treated as an S Corporation starting December 4, 2023

We've accepted your S Corporation election.
As a result, your tax year will end in December,
and you will be treated as an S Corporation
starting December 4, 2023.

What you need to do

You don't need to take any action.

Review this notice to understand some of your obligations and responsibilities as an S Corporation.

Keep in mind

Payments to shareholder-employees for services rendered:

- You must determine a reasonable salary when a shareholder-employee of an S corporation provides services to the corporation.
- Payments to a shareholder-employee for services provided to an S corporation are wages and are subject to employment taxes.
- We may re-characterize distributions paid to a shareholder as salary if the distribution was paid in lieu of reasonable compensation (Revenue Ruling 74-44).

You should inform shareholders of their need to track stock and debt basis. A shareholder is responsible for calculating their stock and debt basis in the corporation. Please remind the shareholder of this requirement.



SCHOLAR ADVISING

NO S-CORP		WITH S-CORP		S-CORP ADMINISTRATIVE COSTS	
NET PROFIT	70,000	NET PROFIT	70,000	S-CORP TAX RETURN	1,000
		W2 INCOME	28,000	PAYROLL PROCESSING	1,200
		S-CORP INCOME	42,000	YEARLY ACCOUNTING FEES	2,200
SE TAX	9,891	SE TAX FROM W2	4,284	LLC SET UP COSTS	
INCOME TAX	4,483	INCOME TAX	4,764	S-CORP FRANCHISE TAX	25
TOTAL TAXES	14,373	TOTAL TAXES	9,048	LLC ANNUAL REPORT	200
				LEGAL FEES & TAXES	225
		S-CORP COSTS	2,425		
				TOTAL S-CORP COSTS	2,425
NET CASH AFTER TAXES	55,627	NET CASH AFTER TAXES	58,527		
				INCOME ASSUMPTIONS	
S-CORP SAVINGS	2,901			GROSS INCOME	70,000
				BUSINESS DEDUCTIONS	
				NET PROFIT	70,000

NO S-CORP		WITH S-CORP		S-CORP ADMINISTRATIVE COSTS	
NET PROFIT	15,000	NET PROFIT	15,000	S-CORP TAX RETURN	1,000
		W2 INCOME	6,000	PAYROLL PROCESSING	1,200
		S-CORP INCOME	9,000	YEARLY ACCOUNTING FEES	2,200
SE TAX	2,119	SE TAX FROM W2	918	LLC SET UP COSTS	
INCOME TAX	-	INCOME TAX	-	S-CORP FRANCHISE TAX	25
TOTAL TAXES	2,119	TOTAL TAXES	918	LLC ANNUAL REPORT	200
				LEGAL FEES & TAXES	225
		S-CORP COSTS	2,425	TOTAL S-CORP COSTS	2,425
NET CASH AFTER TAXES	12,881	NET CASH AFTER TAXES	11,657		
S-CORP SAVINGS	(1,224)			INCOME ASSUMPTIONS	
				GROSS INCOME	15,000
				BUSINESS DEDUCTIONS	
				NET PROFIT	15,000

NO S-CORP		WITH S-CORP		S-CORP ADMINISTRATIVE COSTS	
NET PROFIT	30,000	NET PROFIT	30,000	S-CORP TAX RETURN	1,000
		W2 INCOME	12,000	PAYROLL PROCESSING	1,200
		S-CORP INCOME	18,000	YEARLY ACCOUNTING FEES	2,200
SE TAX	4,239	SE TAX FROM W2	1,836	LLC SET UP COSTS	
INCOME TAX	22	INCOME TAX	-	S-CORP FRANCHISE TAX	25
TOTAL TAXES	4,261	TOTAL TAXES	1,836	LLC ANNUAL REPORT	200
				LEGAL FEES & TAXES	225
		S-CORP COSTS	2,425		
				TOTAL S-CORP COSTS	2,425
NET CASH AFTER TAXES	25,739	NET CASH AFTER TAXES	25,739		
				INCOME ASSUMPTIONS	
S-CORP SAVINGS	(0)			GROSS INCOME	30,000
				BUSINESS DEDUCTIONS	
				NET PROFIT	30,000

NO S-CORP		WITH S-CORP		S-CORP ADMINISTRATIVE COSTS	
NET PROFIT	150,000	NET PROFIT	150,000	S-CORP TAX RETURN	1,000
		W2 INCOME	60,000	PAYROLL PROCESSING	1,200
		S-CORP INCOME	90,000	YEARLY ACCOUNTING FEES	2,200
SE TAX	21,194	SE TAX FROM W2	9,180	LLC SET UP COSTS	
INCOME TAX	13,404	INCOME TAX	14,957	S-CORP FRANCHISE TAX	25
TOTAL TAXES	34,599	TOTAL TAXES	24,137	LLC ANNUAL REPORT	200
		S-CORP COSTS	2,425	LEGAL FEES & TAXES	225
				TOTAL S-CORP COSTS	2,425
NET CASH AFTER TAXES	115,401	NET CASH AFTER TAXES	123,439		
S-CORP SAVINGS	8,037			INCOME ASSUMPTIONS	
				GROSS INCOME	150,000
				BUSINESS DEDUCTIONS	
				NET PROFIT	150,000

EARNED INCOME IN RETIREMENT

Are you concerned about liability? If no, LLC not needed

Are you concerned about credibility? If no, LLC not needed

Will self-employment income be significant (Greater than \$30-40K/year)?
If no, S-Corp election not needed

MINIMIZE TAXES ON RETIREMENT DISTRIBUTIONS

Qualified
Charitable
Distributions
(QCD's)

Roth IRA
conversions

Withdraw
strategically with
the help of your
financial advisors

REQUIRED MINIMUM DISTRIBUTIONS (RMD'S)



Applicable for Traditional IRA, SEP IRA, SIMPLE IRA, and employer sponsored plans such as 403b and 401K's.



You must take your first RMD for the year which you reach age 73. However, you can delay the first one until April 1st of the following year but you would be doubling up the next year.



RMD is calculated by dividing the prior December 31 balance by a life expectancy factor

QUALIFIED CHARITABLE DISTRIBUTIONS

QCD's allow IRA owners age 70½ or over to transfer up to \$100,000 to charity tax-free each year.

QCD's count toward the IRA owner's RMD distribution for the year

WHEN DOES A QCD MAKE SENSE?



You are charitably inclined anyway



You generally take the standard deduction, or you are just barely over the itemized deduction threshold



Save on Medicare premiums (IRMAA adjustments)

	STD DEDUCTION		BARELY ITEMIZE		VERY CHARITABLE	
ADJUSTED GROSS INCOME	200,000	200,000	200,000	200,000	200,000	200,000
QCD	-	10,000	-	20,000	-	100,000
ADJUSTED GROSS INCOME	200,000	190,000	200,000	180,000	200,000	100,000
ITEMIZED DEDUCTIONS						
MEDICAL	-	-	-	-	-	-
STATE & LOCAL TAXES	10,000	10,000	10,000	10,000	10,000	10,000
MORTGAGE INTEREST	4,000	4,000	4,000	4,000	4,000	4,000
CHARITABLE DONATIONS	10,000	-	20,000	-	100,000	-
ITEMIZED DEDUCTIONS	29,200	29,200	34,000	29,200	114,000	29,200
TAXABLE INCOME	170,800	160,800	166,000	150,800	86,000	70,800
SAVINGS		10,000		15,200		15,200



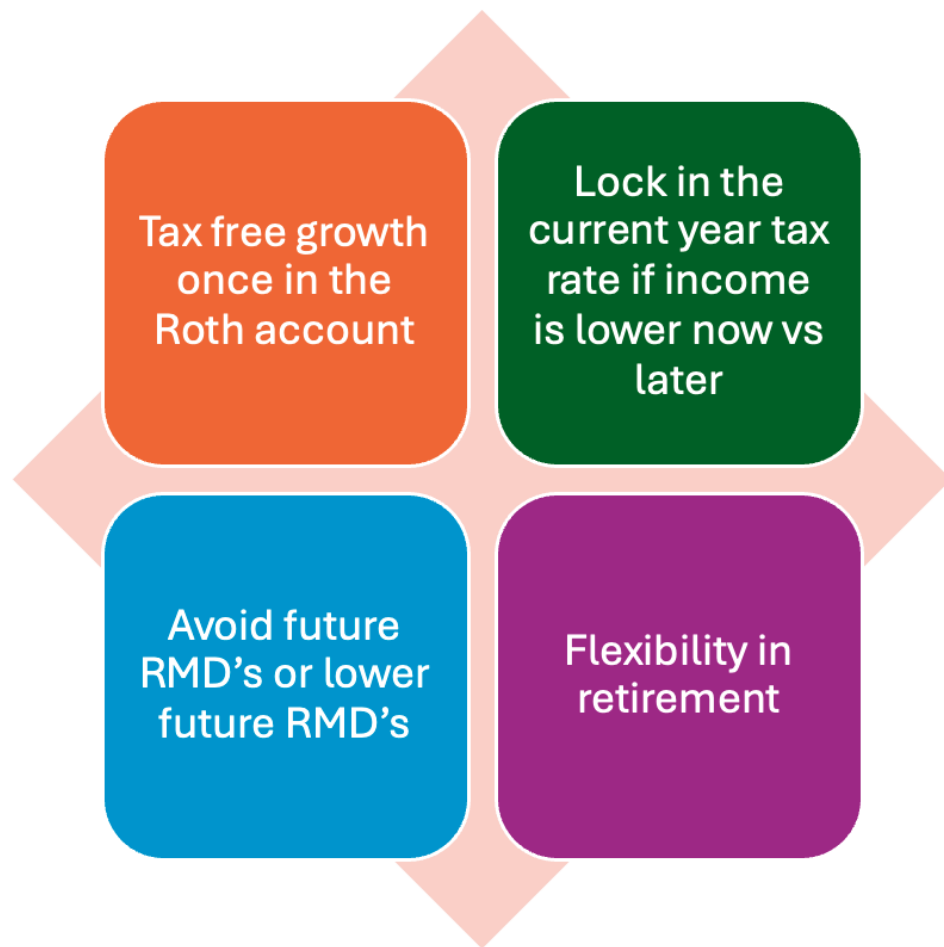
ROTH IRA CONVERSIONS

You can convert traditional IRA to Roth IRA

Conversions are taxable

Between the age of when you retire and when you reach the age of RMD's is an optimal time to convert to Roth IRA because your income is lower

WHY WOULD YOU WANT TO CONVERT TO ROTH AND PAY TAX NOW?



ISSUES IN ESTATE PLANNING TODAY: PROTECTING YOUR ASSETS AND LEGACY IN UNCERTAIN TIMES

**J. AARON BENNETT
CARRUTHERS & ROTH, P.A.
GREENSBORO, NC
336-478-1105
JAB@CRLAW.COM**

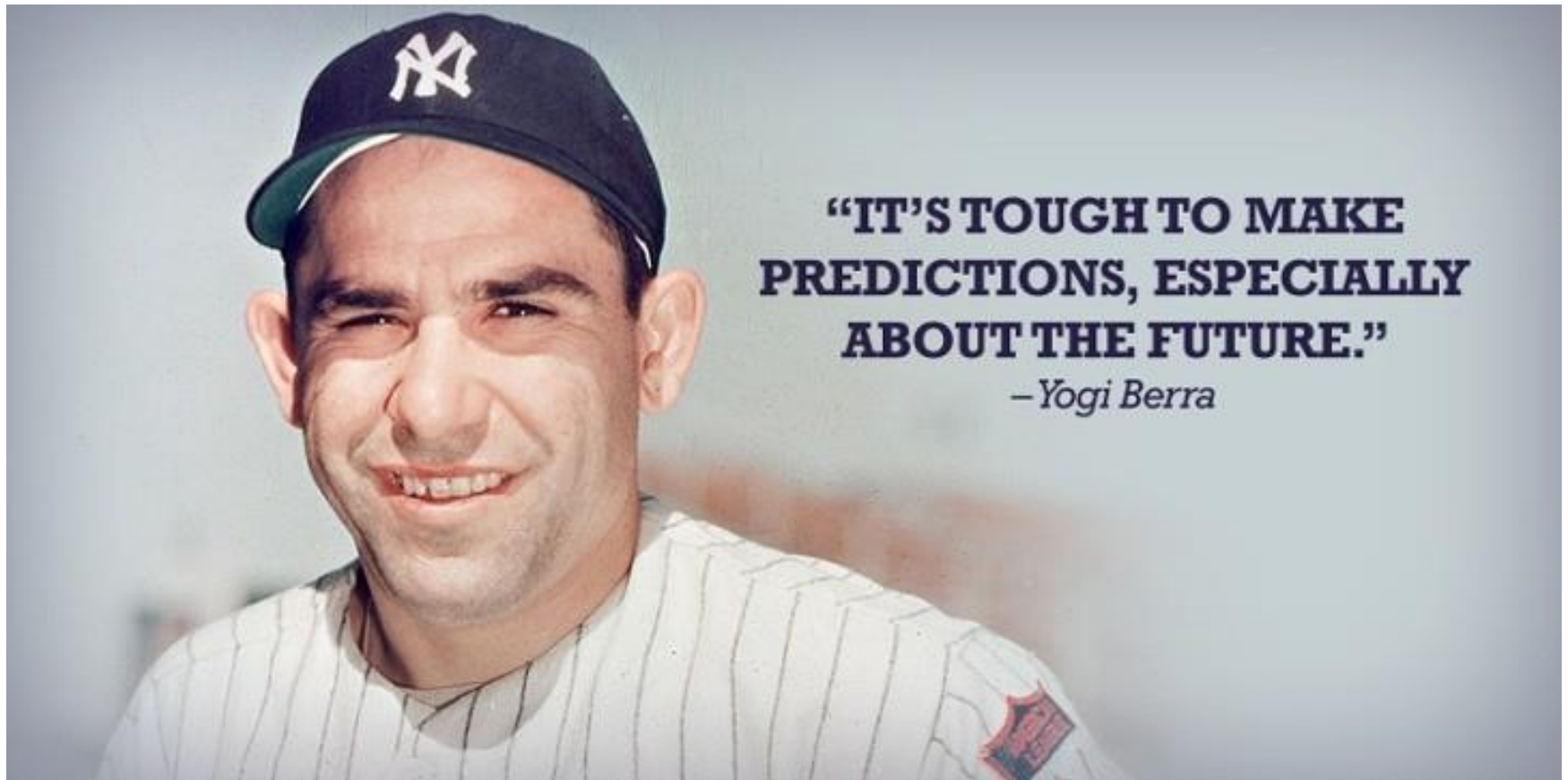


Confusing directions.

Alexei Talimonov



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ATTORNEYS AT LAW



GOALS OF TRUST AND ESTATE PLANNING

- Transfer your wealth, values, and a legacy to family members, friends, and charities
- Appoint decision makers to be your advocate, both during your lifetime and following your death
- Communicates your plans and desires in as tax-efficient and cost-effective means possible



KEY ESTATE PLANNING ISSUES TO ADDRESS

- Planning for Incapacity
- How Your Assets are Titled or Owned
- Probate Considerations
- Last Will and Testament
- Trust Considerations
- Income, Estate, and Gift Tax Planning



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BASIC BUT IMPORTANT “LIFETIME” DOCUMENTS

- General Durable Power of Attorney
 - Appoint agent with broad legal authority to act on your behalf, without the need for court incompetency proceedings
- Health Care Power of Attorney
 - Appoint one or more persons with authority to make medical decisions on your behalf
 - Can limit agent’s authority to make certain types of decisions
- Living Will or Advanced Directive
 - Directs the withholding of life support, nutrition, and/or hydration in critical medical situations
 - Does not prevent emergency care or CPR efforts



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HOW AN ASSET IS OWNED IMPACTS HOW THE ASSET IS DISTRIBUTED AT THE OWNER'S DEATH

- Types of Ownership:
 - Individual Ownership
 - Tenancy in Common
 - Joint Tenancy with Rights of Survivorship
 - Payable or Transferable on Death
- Considerations:
 - Access by owner's creditors (including a joint owner's creditors, even where joint owner was added for convenience)
 - Post-death distribution is a matter of contract, and is followed regardless of what Will/Trust may say



BENEFICIARY DESIGNATIONS

- Increased reliance on beneficiary designations to dictate estate planning requires greater vigilance
- Mistakes in beneficiary designations may occur:
 - A newly married person fails to add his or her spouse
 - A former spouse is still designated as beneficiary
 - Children or grandchildren are not added
 - A spouse or other beneficiary who faces medical or creditor concerns is designated
 - A minor child is named rather than a trust for the minor child
 - Beneficiary designations don't necessarily carryover after merger of financial institutions



LAST WILL AND TESTAMENT

- Your Will controls the disposition of your probate assets.
- The following are not probate assets:
 - TOD/POD accounts, beneficiary designated accounts, assets titled with right of survivorship, or assets titled in the name of a trust
- Failure to have a Will, or intestacy, may cause various problems:
 - Your spouse may not receive your entire probate estate
 - Property passing to minor children may require complicated court supervision
 - You are not able to name your executor, trustee or the guardian for your children



LAST WILL AND TESTAMENT

A properly written Will can provide a number of practical and tax benefits:

- The proper handling of estate debts and taxes
- The orderly distribution of estate assets
- The creation of trusts for individuals or charitable organizations
- The selection of one or more executors to manage the estate
- The selection of one or more trustees to manage a trust created by the Will
- The selection of a guardian for a minor child



PROBATE — WHAT IS IT?

Downside of relying on Will to control disposition of your estate:

- Assets passing through the Will go through **probate** – the estate administration process under the jurisdiction of the Clerk of Court in the County where the decedent resided
 - Probate is (or can be):
 - Time consuming or slow
 - Unnecessarily complicated
 - Expensive (probate fees and legal fees) - the terms of the Will, identity of the beneficiaries, and value of the probate assets becomes a matter of public record after death
 - Public
- Original *wet ink signature* Will required



PROBATE — HOW TO AVOID IT?

- Joint Tenants with Right of Survivorship (or tenancy by entirety for spousal real estate in NC)
- Payable on Death or Transfer on Death (POD or TOD)
- Beneficiary Designation
- Assets owned by Revocable Trust before death

PROBATE AVOIDANCE — REVOCABLE TRUSTS

- Established during life (hence “living” trust)
- Contains dispositive provisions like those typically found in the Will
- Invisible for income tax purposes during life
- Remains revocable and amendable during life
- Assets owned by the trust at death are not subject to probate
- Efficient strategy to transfer control of trust assets in the event of incapacity or death



OTHER COMMON USES OF TRUSTS

Minor beneficiaries:

Provide proper management for a minor child or other beneficiary

Credit Shelter Trust:

Utilize the estate tax exemption of the deceased spouse to maximize use of decedent's estate tax exemption

Blended family/remarriage:

Ensure assets benefit a current spouse but are also preserve the assets for children from a prior or current marriage

Special Needs:

Benefit a special needs beneficiary without disqualifying the beneficiary from certain governmental benefits programs

Financial management issues:

Protect assets from the creditors of a beneficiary

Closely held businesses:

Provide a long-term business management and succession



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COMMON TRUST PROVISIONS

- Timing and amount of distributions to the beneficiary
 - Distributions standards:
 - Health, education, maintenance, and support
 - Health and education only
 - Sole discretion trust
 - Age based distributions:
 - i.e., 1/3rd at age 25; 1/2 at age 30; remainder at age 35
 - Lifetime trust
 - Special circumstances:
 - Business/profession start-up costs
 - Wedding expenses
 - Downpayment on primary residence
 - Provisions to incentivize productive behaviors
 - Trust distributions equal to beneficiary's verifiable earned income
 - Trust distributions contingent on negative drug testing



FEDERAL ESTATE AND GIFT TAX

- **2025:**
 - Annual Exclusion: \$19,000
 - Federal Gift and Estate Tax Exemption: **\$13.99 million**
 - Spousal portability
- **2026:**
 - The 2017 Tax Cuts & Jobs Act expires on December 31, 2025
 - Federal Gift & Estate Tax exemptions will drop back down to
 - **\$5 million**, indexed for inflation, ~ \$7 million
 - (unless Congress takes action before then)



WINDOW OF OPPORTUNITY FOR SUBSTANTIAL GIFTING

- More time to make “use it or lose it” gifting decisions
- Making large gifts now won’t harm estates after 2025
84 Fed. Reg. 64,995, (Nov. 26, 2019)
- Risks to further delaying gifts:
 - Asset appreciation between now and the date of the gift (future gift of appreciated asset uses more exemption than a gift now)
 - Congress could act sooner to reduce exemptions or prohibit common gifting strategies (Grantor Trusts, discount rules)



GIFTS MUST BE SUBSTANTIAL

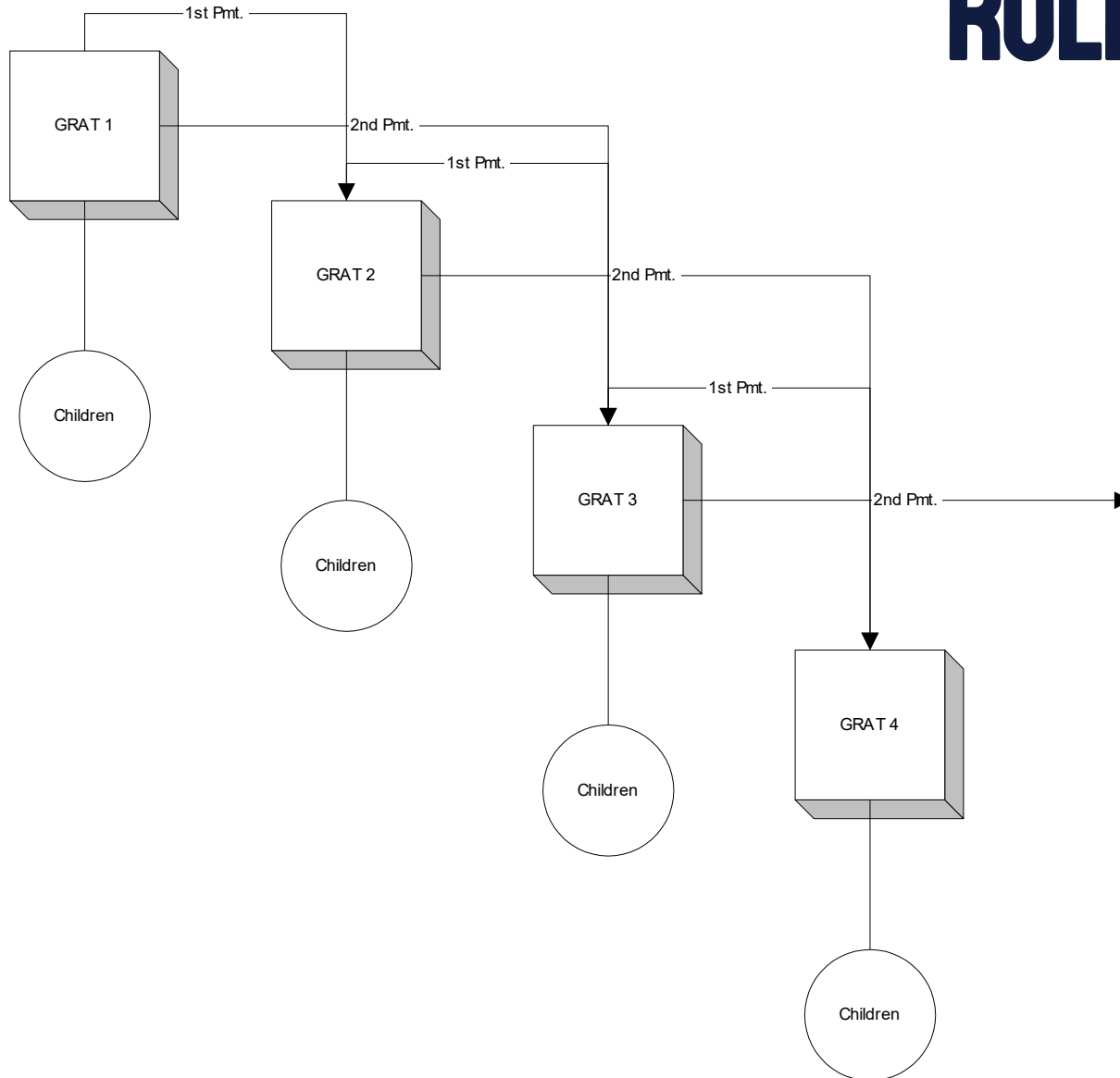
- Ms. Doe makes a gift of \$2 million in 2025 (when the exemption amount is \$13.99 million) but later passes away in 2026 when the exemption is \$7 million. So, Ms. Doe's applicable exclusion amount is \$5 million (the prior gift reduces exemption).
 - \$21 million estate
 - Less: \$ 5 million rem. exemption
 - \$16 million
 - x 40% tax rate
 - \$6.4 million of estate tax
- Important: To take full advantage of tax savings, gifts must exceed what the exemption will be reduced to!

ESTATE TAX FOCUSED GIFTING

- Take advantage of market declines by making gifts of assets likely to appreciate in the future
 - Marketable securities are generally down right now
 - Volatility may dampen value of closely-held businesses and real estate markets
- Consider Grantor Retained Annuity Trusts (GRATs)
 - Transfer of high-yielding and rapidly appreciating asset
 - Grantor retains a fixed annuity interest
 - Future growth removed from gross estate
 - Consider short-term rolling GRATs, particularly when markets are down



ROLLING GRATS



ESTATE TAX FOCUSED GIFTING TECHNIQUES

- Gift to an Intentionally Defective Grantor Trust (IDGT)
 - Assets likely to appreciate
 - Future growth removed from gross estate
 - Grantor pays the income tax
- Sale to an IDGT
 - Not a taxable sale
 - Freezes value
- Spousal Lifetime Access Trust (SLAT)
 - Get the future growth of the asset out of the Grantor's estate
 - Preserve income stream for spouse
- “Wait and See” Disclaimer Trust
 - Transfer to marital trust for spouse's benefit
 - Spouse decides whether to disclaim (9 months to decide)



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IRREVOCABLE LIFE INSURANCE TRUSTS (“ILITS”)

- The trust (“ILIT”) is the owner and beneficiary of a life insurance policy
- The policy death benefit is not subject to the estate tax in the grantor’s estate
- Grantor is not a beneficiary or trustee of the ILIT

CHARITABLE TRUST

- Living Charitable Remainder Trust
 - Grantor retains the right to an annual trust distribution
 - Remainder of the trust passes to charity at the grantor's death
 - Grantor receives an income tax deduction for the charitable remainder value
 - Sale of trust assets are not currently subject to income tax
 - Distributions to the grantor are often subject to income tax

PRIMARY APPROACHES IN EARLIER PLANNING — ESTATE TAX FOCUSED

- Maximize use of Estate and Gift Tax Exemptions
- Maximize Marital Deduction Planning
- Aggressive Lower Valuations
- Use of Lifetime Planning/Charitable Giving/Second to Die Life Insurance



NEW PLANNING APPROACHES — INCOME TAX FOCUSED

- Estate and Gift Tax is not relevant in decision making for most people
- Income Taxes can be substantially more costly (particularly for estates and trusts)
- Shift in focus?
 - Focus is on income tax, particularly tax basis planning
 - Carryover basis vs. step-up basis

INCOME TAX BASIS

- Lifetime transfers:
 - Generally, carry-over basis
 - Basis of gifted property is lower of carryover basis or FMV of asset
- Testamentary transfers:
 - Inherited assets generally receive assets with a “step up” in cost basis equal to the FMV as of date of death
 - Basis step up can provide significant income tax benefits to heirs and beneficiaries



STRATEGIES FOR OBTAINING BASIS STEP UP

- Hold Asset Until Death
- Gift assets “up” a generation
- Argue that IRS Arguments for inclusion apply
- Distribute assets to trust beneficiary before beneficiary’s death
- Use of General Powers of Appointment (“GPOA”)
 - GPOA causes estate inclusion
 - Full GPOA v. Formula GPOA
- Trust modification to cause inclusion in beneficiary’s estate
 - Trust “decanting” to add a testamentary GPOA



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INCOME TAX: TAX DEFERRED RETIREMENT ACCOUNTS

- Had the deceased owner started taking RMDs?
 - Whether Participant's death occurred Pre- or Post-Required Beginning Date is important in determining what rules apply to the beneficiaries
- Was the RMD satisfied for the Participant's year of death?
 - The Beneficiary's RMD requirements begin the year *after* death
 - Year of Death RMD must be taken by December 31st – decedent's RMD rules apply to year of death RMD calculation (not the beneficiary's RMD calculation)
 - If not taken by the decedent before death, it must be taken by the beneficiary (Rev. Ruling 2005-36)
- Who/what is the account beneficiary?
 - Non-Designated Beneficiary – “5-Year Rule”
 - Estate, charities, and non-qualifying trusts
 - Designated Beneficiary – “10-Year Rule”
 - All other individual beneficiaries and qualifying trusts
 - Eligible Designated Beneficiary – “Stretch IRA”
 - Certain individual beneficiaries and certain qualifying trusts for those individuals
 - Spouse, decedent's minor child, disabled, not more than ten years younger



KEY TAKEAWAYS

- Is your planning up-to-date?
- Check beneficiary designations!
- 2026 Exemption Sunset is fast approaching - address potential estate tax exposure with gift and trust planning now
- Don't ignore income tax consequences of inherited assets and retirement accounts



MEDICARE BASICS

PHIL FERRARA, CFP® , RICP® , CRPC®



SCHOLAR ADVISING

THE SILVER TSUNAMI

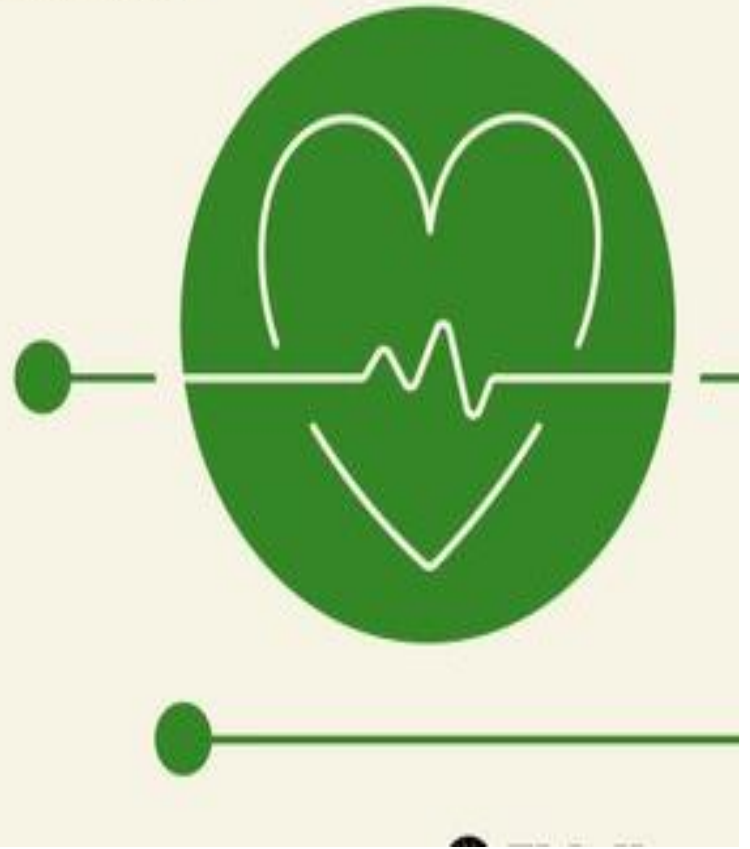




Fidelity Investments' 23rd Annual **Retiree Health Care Cost Estimate**

\$165,000

The average amount a
65-year-old retiring in 2024
could expect to spend on
health care costs in retirement.



January 31, 1940

FIRST SOCIAL SECURITY RECIPIENT



SCHOLAR ADVISING

July 30, 1965

FIRST MEDICARE RECIPIENT



SCHOLAR ADVISING

WHAT IS MEDICARE?



Medicare is a federally funded health insurance program run by CMS.

Medicare Parts A and B are known as 'Original Medicare'.

Medicare was established in 1965.

WHO CAN JOIN MEDICARE?



People 65+ years old,
even if they still work.

U.S. citizens or legal
residents living in the U.S.
for at least 5 years.

Under 65 with a qualifying
disability or condition
(ALS, ESRD, etc.).

MEDICARE ENROLLMENT PERIODS

Initial Enrollment Period (IEP):
Starts 3 months before and
ends 3 months after turning 65.

Annual Enrollment Period
(AEP): October 15 - December
7.

Special Enrollment Period
(SEP):

The Alphabet Soup of Medicare



MEDICARE PART A



Covers inpatient hospital stays, skilled nursing, home health, and hospice.

No premium for most people (paid Medicare taxes for 10+ years). You paid FICA (1.45%)

Deductible and Daily Copay. You need a supplement or Advantage plan to absorb these costs

MEDICARE PART B



Covers medical procedures, doctor visits, outpatient services, and more.

Monthly premium: Starts at \$185 (*varies by income and goes up annually).

Generally, 20% co-insurance for services after the deductible is met with NO LIMIT

Late enrollment penalty: 10% of the standard Part B premium for each full 12-month period you were eligible but didn't enroll (permanent)

MEDICARE SUPPLEMENT (MEDIGAP)

Helps cover out-of-pocket costs of Original Medicare (deductibles, co-pays, etc.).

Sold by private companies, standardized into plans A-N. G is the most popular.

Premiums vary by provider and increase over time. Pricing differs by state

Can be used with any provider that accepts Medicare.



MEDICARE PART D (PRESCRIPTION DRUG COVERAGE)



Provides prescription drug coverage. Deductibles vary per plan but can be as high as \$590

Plans have different formularies (list of covered drugs). Like Medicare Advantage, plans change each year

Cost varies by plan, with different co-pay tiers. (no more donut hole)

Even if you're not taking medications at age 65, skipping Part D can trigger penalties and leave you vulnerable to high costs later.

MEDICARE PART C (ADVANTAGE)



Combines Part A & B and often includes Part D (prescription drugs), dental and vision.

Offered by private insurers approved by Medicare. It is managed care (PPO or HMO)

May require in-network doctors and referrals for specialists. Has co-pays and co-insurance.

Out-of-pocket costs vary by plan. Doctors in network could change (annual notice of change)

TRADITIONAL MEDICARE WITH A SUPPLEMENT OR MEDICARE ADVANTAGE (MEDICARE C). WHICH PATH WILL YOU TAKE?



WHY CHOOSE TRADITIONAL MEDICARE (WITH MEDIGAP SUPPLEMENT POLICY)

Freedom to see any doctor or hospital that accepts Medicare nationwide.

Medigap policy covers the 20% Part B coinsurance, leading to little out-of-pocket expense. You will pay an annual premium for this coverage

Standardized benefits across the country – no regional plan variations.

No need for prior authorizations for covered services.

TRADITIONAL MEDICARE (A&B) WITH A MEDICARE SUPPLEMENT



SCHOLAR ADVISING

GUARANTEED ISSUE RIGHTS

You have guaranteed issue rights (no medical underwriting) when you enroll in Medicare Part B at 65 and buy a Medigap policy within 6 months.

WHY CHOOSE MEDICARE ADVANTAGE MEDICARE C

Often includes extra benefits like dental, vision, hearing, and gym memberships.

May have lower monthly premiums than Medigap and standalone Part D plans.

Caps annual out-of-pocket costs, unlike Original Medicare

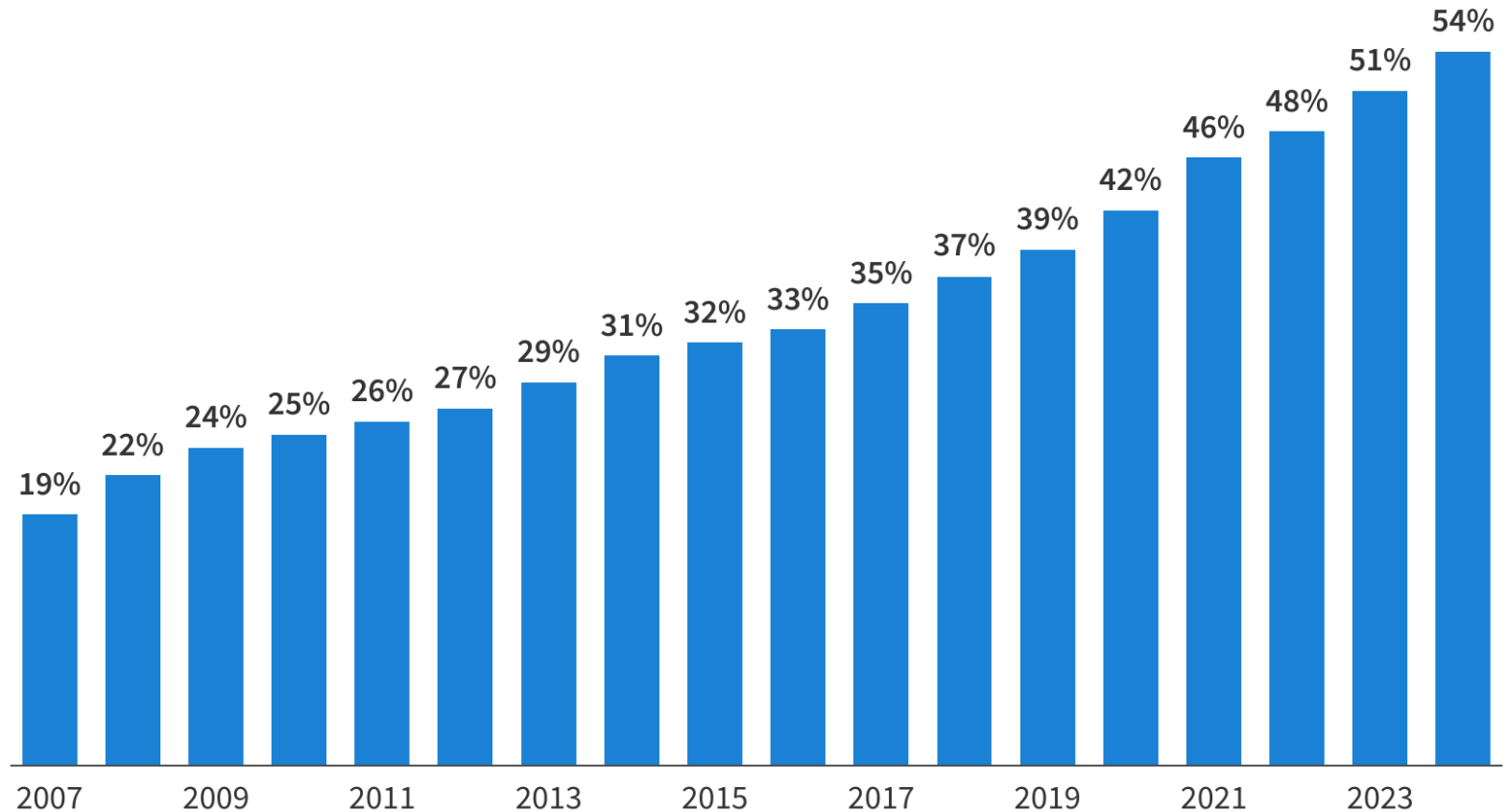
Can be a good option for those who prefer an all-in-one healthcare plan.

MEDICARE ADVANTAGE



Figure 1

Total Medicare Advantage Enrollment, 2007-2024



Note: Enrollment data are from March of each year. Includes Medicare Advantage plans: HMOs, PPOs (local and regional), PFFS, and MSAs. About 61.2 million people are enrolled in Medicare Parts A and B in 2024.

Source: KFF analysis of CMS Medicare Advantage Enrollment Files, 2010-2024; Medicare Chronic Conditions (CCW) Data Warehouse from 5 percent of beneficiaries, 2010-2016; CCW data from 20 percent of beneficiaries, 2017-2020; CCW data from 100 percent of beneficiaries, 2021-2022, and Medicare Enrollment Dashboard 2023-2024.

KFF

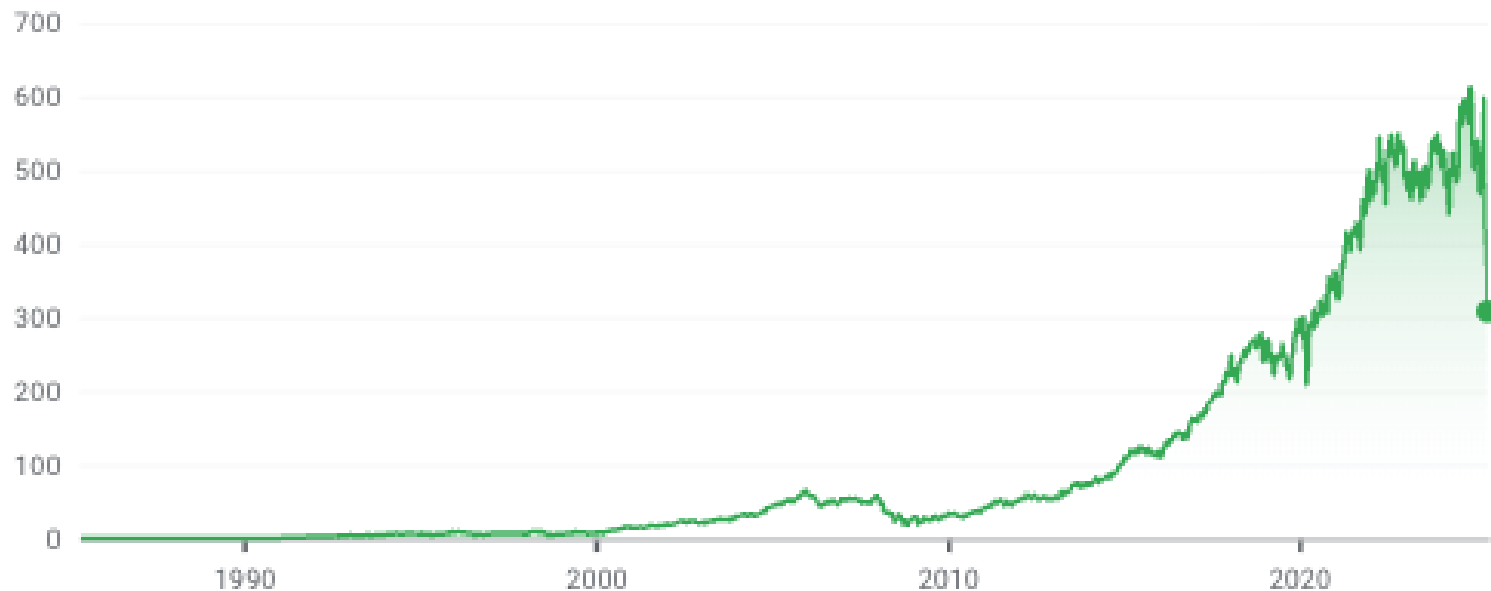
UnitedHealth Group Inc

\$308.01 ↑113,977.78% +307.74 MAX

Pre-market: **\$288.55** (↓6.32%) **-19.46**

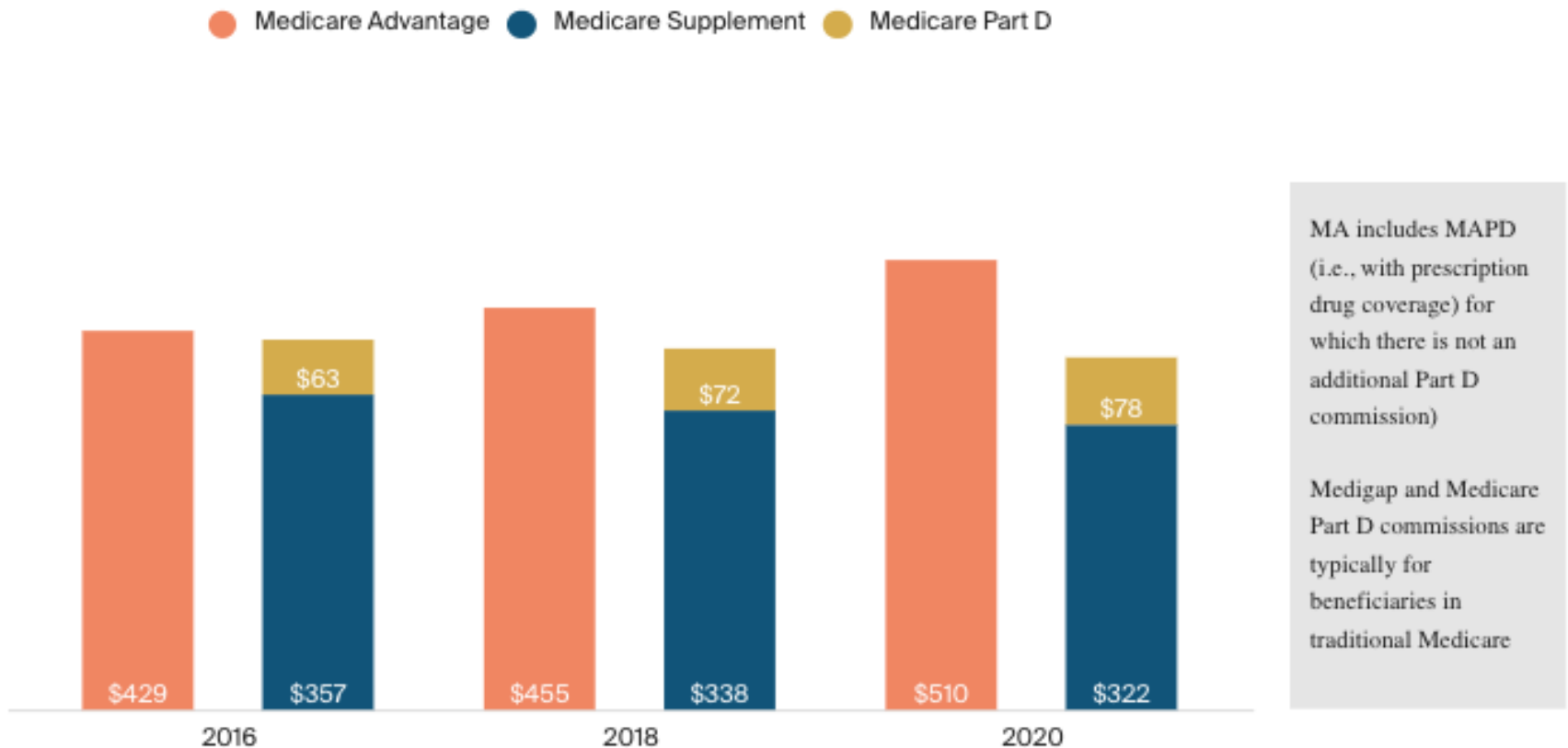
Closed: May 15, 6:25:22 AM UTC-4 • USD • NYSE • Disclaimer

1D 5D 1M 6M YTD 1Y 5Y MAX



[Compare to](#)

Nationally, An Increase in Medicare Advantage Commissions, Drop in Medigap Commissions, 2016–2020



HEALTH SAVINGS ACCOUNTS & MEDICARE

You cannot contribute to an HSA once enrolled in any part of Medicare.

If working past 65, delay Medicare Part A & B to keep contributing to an HSA.

Stop HSA contributions at least 6 months before enrolling in Medicare.

You can still use HSA funds for qualified medical expenses, including Medicare premiums (except Medigap).

Withdrawals for non-medical expenses after age 65 are penalty-free but taxable as income.

INCOME RELATED MONTHLY ADJUSTMENT AMOUNT (IRMAA)

The higher your income, the more you pay in Medicare premiums

IRMMA is an additional charge on Medicare Part B and Part D

IRMAA is calculated based on your Modified Adjusted Gross Income from two years prior

If your income has dropped due to retirement or other life events, you can appeal IRMAA (Form SSA-44)

**QUESTIONS?
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FROM TULIPS TO TECH

WHAT MARKET MANIAS TEACH US ABOUT
INFLATION TODAY

Stephan Shipe, Ph.D., CFA, CFP®



WHAT ARE WE WATCHING



GOLD AND SAFE ASSETS

- Increased interest in “safe” assets
- Bonds become more exciting
- Need to watch gold’s volatility and expectations
 - Comparable to equities

POLICY

- Big Beautiful Bill x TCJA
- SALT implications and QBI deductions
- Audit trends
- Global policy and uncertainty (trade and currency)

ECONOMIC FACTORS

- Inflation numbers continuing to stabilize
- Tariff implications and market reaction
- Increased probability of a rate decrease
- Unemployment numbers and AI impact

QUESTIONS?



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2025 PERSONAL FINANCE CONFERENCE

Thank you for attending.