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HOLMES & GRIFFETH
FINANCIAL PLANNERS
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THE NEST EGG

PROTECTING, PRESERVING AND BUILDING OUR CLIENTS' ASSETS

AVOIDING SPOUSAL BENEFICIARY MISTAKES IN 5 EASY STEPS

Who is a spouse beneficiary? A spouse beneficiary must be married to the account owner at the time of the account owner's death, and he or she must be named on the beneficiary form (or inherit directly through the document default provisions). A spouse beneficiary has a number of unique options.

1. **Split the inherited account if necessary.** A spouse beneficiary can take advantage of the special spousal rules if they are the sole beneficiary of an IRA account. If other beneficiaries have been named, the spouse can still take advantage of these special provisions by transferring their portion of the inherited IRA to a separate account by December 31 of the year following the year of the IRA owner's death.

2. **Will a spouse beneficiary need money prior to 59½?** If a spouse beneficiary needs money from the IRA prior to age 59½, they will likely want to remain a beneficiary of the inherited account. Death is an exception to the 10% early distribution penalty, so by staying as a beneficiary they'll avoid paying the 10% penalty. The account should be retitled as a properly titled inherited IRA. A spouse that remains a beneficiary does not need to take RMDs from the account until the year the deceased spouse would have turned 72.

3. **Transfer the inherited IRA into a spouse beneficiary's account.** A spouse beneficiary should generally roll the inherited IRA into their own name. Once a younger spouse beneficiary reaches age 59½, there's no advantage to remaining a beneficiary, and a spousal rollover or transfer should be done. There is no deadline for this transaction. NO other beneficiary has this option.

4. **Name new beneficiaries.** A surviving spouse should name their own beneficiaries. If no beneficiaries have been named and the surviving spouse dies, the remaining assets will pass according to the default provisions in the custodial document. This is frequently the estate of the now deceased spouse, which could eliminate the stretch option for beneficiaries or add unnecessary time and expenses by tying the assets up in probate.

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5. **Consider a disclaimer.** Before taking any action regarding an inherited IRA, a surviving spouse should evaluate whether a full or partial disclaimer would be advantageous. Using a disclaimer, some or all of the inherited IRA can be passed to contingent beneficiaries, potentially extending the stretch IRA and reducing the future impact of estate taxes.

Source: Ed SLott & Company, www.IRAhelp.com

HOW DOES DOLLAR COST AVERAGING WORK?

When you're in a traffic jam on the highway, you may find yourself trying to merge into whichever lane is moving fastest at the moment, only to find yourself falling behind drivers that stayed in one lane the whole time. ***In the same way, you may feel the urge to time the stock market, attempting to put your money in and take it out at just the right moment—a behavior that can work against you.***

The market fluctuates, sometimes unpredictably, and often discipline and a steady hand are more effective than attempting a clever trading strategy. Dollar-cost averaging is a simple investing method that can help ensure that you invest regularly and buy more stock when prices are cheap and less when they're expensive. The strategy helps you avoid making emotional decisions in the heat of the moment and doesn't require that you pore over research, hoping to anticipate the next market move.

How dollar-cost averaging works

Dollar-cost averaging can potentially soften the effect of market fluctuations and allow you to take advantage of long-term trends. Rather than investing in one lump sum, you put a given amount of money in the stock market on a regular schedule regardless of the way prices are trending. When you do this, you naturally buy more stocks when prices are down and fewer when stocks are up, which can reduce your average cost per share.

Example of dollar-cost averaging

Let's see what dollar-cost averaging looks like in action. For this example, say you've decided to invest $500 in the same stock on the 15th of every month. Because the price is always changing, you end up purchasing different numbers of shares from month to month. A year of investing might look like this:

	Cost per share	Amount invested	Shares purchased
January 15	$50	$500	10
February 15	$52	$500	9
March 15	$35	$500	14
April 15	$38	$500	13
May 15	$40	$500	12
June 15	$45	$500	11
July 15	$50	$500	10
August 15	$52	$500	9
September 15	$54	$500	9
October 15	$56	$500	8
November 15	$70	$500	7
December 15	$80	$500	6
Totals		**$6,000**	**118**

In this scenario, you end up holding 118 shares of stock on December 15, for which you paid an average of $51.83 per share, far lower than the $80 stock price experienced in December. Because you kept the dollar amount the same every month, you naturally purchased more shares as the price per share dropped and fewer shares as it rose back up, winding up with a better average price.

It's true that you would have paid even less if you had put all $6,000 in on March 15, when the price was lowest. But it would likely have been difficult for you to predict the stock's low. By using dollar-cost averaging, you gave yourself an advantage, paying a low average stock price, without having to time the market at all.

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Disciplined investing

It can be hard to predict short-term market movements, even with sophisticated research and analysis. By making investments on a preset schedule, you reduce the potential for human behavior to adversely affect your strategy—by selling everything after a sudden drop in stock prices and locking in a loss, for example.

Instead, you'll naturally buy the dip. That is, you'll buy *more* after the price drops, lowering your average per-share cost and setting you up to take advantage of potential future gains. What's more, if thinking about the ups and downs of the stock market makes you nervous, the simple regularity of dollar-cost averaging can help you keep your emotions in check and stay focused on your long-term goals.

SOURCES
https://www.investor.gov/introduction-investing/investing-basics/glossary/dollar-cost-averaging
https://behavioralscientist.org/how-to-save-investors-from-themselves/ https://www.finra.org/investors/insights/three-things-know-about-dollar-cost-averaging

DO YOU HAVE A FAMILY MEMBER WHO IS CURRENTLY OVERSEAS SERVING IN THE MILITARY OR WHO IS A MISSIONARY?

We would like to send them some smiles through mail and ship a care package to encourage them! ***Please send their name and address to:*** info@holmes-griffeth.com

Knock, Knock.
Who's there?
A Nicholas.
A Nicholas Who?
A Nicholas not much money these days.

Knock, Knock
Who's there?
Cash
Cash who?
No thanks, but I'll take a peanut if you have one.

THE LEGACY OF HOLMES & GRIFFETH

Part 3 of 4—a series Celebrating 20 Years of you placing your trust in us!

MEET THE BUSINESS PARTNERS

In 2015, by the time Jim looked to semi-retire, Brian Standage, his son-in-law, and Deanna Holmes, his niece-in-law, decided to continue the legacy of investing across generations, as business partners for H&G. Their years of building relationships with clients made this an easy decision.

BRIAN STANDAGE — is a Registered Financial Consultant with over 30 years in the financial industry. After receiving his undergraduate degree in Finance from Missouri State University & a Master's from Drury University, he began his career working in the banking industry for nearly a decade. He joined Holmes & Griffeth in 2006 and became a co-owner in 2010.

During Brian's childhood, his family moved many times. But, he always felt like he grew up in Willard, where he lived from elementary school through his high school years. His wife, Jim's oldest daughter, grew up in the area as well, graduating from Logan-Rogersville.

When Brian is not working, you can find him volunteering with his church, on the lake fishing, or grilling on his Big Green Egg.

Brian, and his wife Tamra, have 2 grown children, Chayne (married to Hannah) and Lyndsey (engaged to Carter) who are planning their wedding for next summer. He also welcomed his first granddaughter this summer, as well.

Favorite bible verse: Jeremiah 29:11-14

DEANNA HOLMES — is a Investment Advisor Representative with over 25 years' experience in the financial industry. Deanna received her BBA in Accounting from the University of Texas at San Antonio and went on to work in banking and public accounting prior to moving into financial planning and investments. She came on board with H&G in 2002 and became a co-owner in the firm, in 2005.

Deanna grew up in the beautiful Hill Country of Texas, where she met her husband, Jeff. He was a race horse jockey, and they spent the early years of their marriage on a horse ranch in Northeast Texas, prior to relocating to Missouri, to be closer to family. They enjoy time with their grown children, Shelby (& Derek) and Jared, and running a puppy-hotel for their grand-dogs.

When Deanna is not working, you can find her kayaking, volunteering at Rescue One and with the weekend food backpack program for Willard Schools. She will also begin volunteering at the NICU once Covid restrictions are lifted.

Favorite Bible Verse: Proverbs 3:5-6

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in SW Missouri

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INTRODUCTIONS ARE ALWAYS APPRECIATED!

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SAVE THE DATE!

ANNUAL GOLF TOURNAMENT
Millwood Golf Course
September 13, 2021

OZARKS FOOD HARVEST
THE FOOD BANK

ANNUAL FOOD DRIVE
Ozarks Food Harvest
November 1–20, 2021

LADIES' CHRISTMAS
TEA PARTY
November 30, 2021