



2019 NEW YEAR NEWSLETTER

Update on Interest Rates

As we discussed in our last newsletter, the Federal Reserve had telegraphed and then followed through with raising interest rates during 2018. The game plan had been to continue to increase rates, albeit gradually and very modestly during 2019. According to Mr. Peter Eavis, author of the *New York Times* November 19th article entitled “Slowing Global Growth May Lessen the Threat of Rising Rates” an adjustment to the 2019 game plan may occur. “Central bank policymakers tend to hold off on raising interest rates if they believe the economy is decelerating. Higher rates push up borrowing costs for companies and consumers. That, in turn, may prompt them to spend less, which can weaken the economy.” There are signs globally of some sectors starting to show slower growth (e.g. banks and technology) which could lead to weaker economies. If this materializes, the Federal Reserve may decide to slow down their 2019 game plan to raise interest rates over the course of the year. We will all have to wait and see.

In the meantime, we continue to believe that current interest rates for long-term mortgages are very favorable for the borrower. If you are in the market for a mortgage, this continues to be a very good time to consider locking in fixed long term rates. As always every situation needs to be evaluated, so please do not hesitate to contact us to discuss your specific situation.

Tax Year 2018 Retirement Plan Contributions

Please note that we need to receive your 2018 retirement plan contribution checks by April 9, 2019. This will allow us time to process your transaction before the deadline. If you are not able to make this April 9th date, you may send your checks directly to the appropriate investment company. Remember to write the contribution year in the Memo field (e.g. IRA or Roth IRA 2018 contribution) so that it can be coded to the proper tax year.

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Tax Year 2019 Retirement Plan Contribution Amounts

IRAs

Individuals under age 50 may contribute \$6,000 and individuals age 50 and older may make an additional “catch-up” contribution of \$1,000 for a total of \$7,000.

TSA/403(b), 401(k)

The contribution limit for participants under age 50 is \$19,000. Participants age 50 and older may make an additional “catch-up” contribution of \$6,000 for a total of \$25,000.

Simple IRA Deferral Contributions

Participants under age 50 may contribute \$13,000 in 2019. The “catch-up” contribution provision available for participants age 50 and older allows for an additional \$3,000 for a total of \$16,000.

Profit-Sharing Plan Contribution/Deduction Limits

The employer deduction limit for profit-sharing plans remains at 25%. This continues to allow substantially increased annual contributions for employers who use or allow multiple contribution options, such as profit sharing, matching, and after-tax contributions.

RMDs (Required Minimum Distributions) from Retirement Plans for Individuals Turning 70½ in 2019

If you have retirement accounts through our office and you are going to reach the age of 70 ½ in 2019, we will contact you to discuss your RMD options. As always, please feel free to contact us if you have any questions.

Please contact us if you retired last year or are planning to retire in 2019 and are making systematic investments to retirement accounts through our office.

If you are no longer working, we will need to terminate any automatic/systematic investments that you may have had established for your various retirement accounts (i.e. IRAs, Simple IRAs, and SEPs) so that contributions are not made in 2019.

2019 Limits for Tax Deductibility of Long-Term Care Insurance Premiums

Premiums up to the limits below are considered unreimbursed medical expenses and are deductible to the extent that they, along with other unreimbursed medical expenses, exceed 10% of your adjusted gross income.

Amounts above the limits specified below are not treated as a deductible medical expense.

Attained Age before the Close of 2019	Maximum Deduction
40 or less	\$420
more than 40, but not more than 50	\$790
more than 50, but not more than 60	\$1,580
more than 60, but not more than 70	\$4,220
more than 70	\$5,270

1099s - Just a reminder – revised or late 1099s from investment companies are always a possibility

FYI – SEI usually mails out their 1099s on the last day of February. 1099-R's are usually mailed from investment companies on the last day of January.

Representatives of Cambridge do not offer tax advice.

ADV Annual Offer (fee-based clients only)

Each year, the Securities and Exchange Commission (SEC) requires that we offer our Fee Based Asset Management clients (i.e. SEI, IWM (Institute for Wealth Management)) the opportunity to request a copy of Cambridge Investment Research, Inc.'s ADV filing. If you are interested in receiving this ADV filing, please contact our office and we will forward a copy to you.

As always, please do not hesitate to contact us at any time with your questions or concerns.

We wish all of you a New Year filled with peace and joy.

Vikki D. Lenhart
Registered Principal/Investment Advisor Representative
Cambridge Investment Research, Inc.

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Registered Representative/Investment Advisor Representative
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From Lorraine's Kitchen

Cape Cod Wild Cranberry Orange Nut Bread

This is one of my favorite sweet bread recipes to make during the holiday season. Late last fall I went wild cranberry picking in one of the secret bogs in Provincetown. Being privy to the location of wild bogs on the Cape is a hard-fought honor and is not shared often or lightly. After slogging through sand and snow in freezing temperatures and picking for 45 minutes, only to find that I gathered less than one cup of the prized cranberries, I went home and made this bread and savored every single bite. I hope you enjoy it!

Ingredients

2 cups flour
¾ cup sugar
1 ½ teaspoons baking powder
¾ teaspoon salt
½ teaspoon baking soda
¼ cup butter, cut in to small chunks

¾ cup orange juice
1 tablespoon grated orange zest
1 egg, beaten
1 cup chopped cranberries
½ cup chopped walnuts (optional)

Directions

1. Preheat oven to 350 degrees F (175 degrees C). Grease and flour an 8 ½ x 4 ½ inch loaf pan.
2. Combine flour, sugar, baking powder, salt, and baking soda in a mixing bowl. Using a mixer, combine butter into flour mixture until well incorporated. Add orange juice, orange zest, and egg; mix well. Fold in cranberries and walnuts. Spoon batter into the prepared pan.
3. Bake in the pre-heated oven 60-75 minutes until a toothpick inserted into the center comes out clean. Cool in the pan for 10 minutes before removing to cool completely on a wire rack.