

Egidio Lennon Wealth Management

BUSINESS REVIEW



Staying the Course

I hope you are all off to a happy and healthy 2024.

The headline entering 2023 was not “if” but “when” the recession would happen. We were coming off a year of double-digit inflation and an aggressive fed rate hike policy which looked like was only going to end with a recession.

How did it end? Surprisingly, the S&P 500 ended up 26% in 2023 without a recession. It wasn't a smooth ride, 2023 was filled with plenty of volatility and of course, the market was fueled by those “magnificent 7” stocks (Apple, Google, Nvidia, Amazon, Tesla, Microsoft, and Meta). Those 7 stocks alone averaged 111% in 2023 whereas the remaining equal weighed index (496 stocks) averaged 12%.

As we enter 2024, we are still dealing with some of the same issues as in 2023, continued wars along with an upcoming election. The good news is the significant progress we have made on inflation which now has the fed talking about a possible rate cut this year. This news led to a much more “healthy” recovery in the 4Q that was led by many positions (not just the magnificent 7) including bonds.

As always, we remain committed to sticking with a diversified portfolio that is suitable and aligns with your short- and long-term goals. Not letting market headlines dictate our investment strategy.

We hope you enjoy our 2024 newsletter, we shared some upcoming events, new team members, news articles, and some fun pictures of our 2023 events highlighted by another great Christmas event where we raised a tremendous number of toys for the CT Children's Foundation thanks to many of your generous donations.

We are looking forward to seeing you all at our upcoming reviews, seminars, and client events.

Best regards,

Mark Egidio and Marc Lennon

Egidio Lennon Business Review

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EGIDIO ~ LENNON
WEALTH MANAGEMENT

CHESHIRE 20 Realty Drive, Cheshire, CT 06410 **MADISON** | **SOUTHPORT**
www.EgidioLennon.com | Phone: (203) 439-0732

Key Retirement & Tax Numbers for 2024



RETIREMENT PLANS

Employees who participate in 401(k), 403(b), and most 457 plans can defer up to \$23,000 in compensation in 2024 (an increase from \$22,500 in 2023); employees age 50 and older can defer up to an additional \$7,500 in 2024. Employees participating in a SIMPLE retirement plan can defer up to \$16,000 in 2024 (an increase from \$15,500 in 2023).

IRAs

The limit on annual contributions to a Traditional IRA and Roth IRA (combined) is at \$7,000 in 2024 (an increase from \$6,500 in 2023) with individuals age 50 and older able to contribute an additional \$1,000. For individuals who are covered by a workplace retirement plan, the deduction for contributions to a traditional IRA is phased out for the following modified adjusted gross income (AGI) ranges:

	2023	2024
SINGLE/HEAD OF HOUSEHOLD (HOH)	\$73,000 - \$83,000	\$77,000 - \$87,000
MARRIED FILING JOINTLY (MFJ)	\$116,000 - \$136,000	\$123,000 - \$143,000
MARRIED FILING SEPARATELY (MFS)	\$0 - \$10,000	\$0 - \$10,000

NOTE: The 2024 phaseout range is \$230,000 - \$240,000 (up from \$218,000 - \$228,000 in 2023) when the individual making the IRA contribution is not covered by a workplace retirement plan but is filing jointly with a spouse who is covered.

The modified AGI phaseout ranges for individuals making contributions to a Roth IRA are:

	2023	2024
SINGLE/HEAD OF HOUSEHOLD (HOH)	\$138,000 - \$153,000	\$146,000 - \$161,000
MARRIED FILING JOINTLY (MFJ)	\$218,000 - \$228,000	\$230,000 - \$240,000
MARRIED FILING SEPARATELY (MFS)	\$0 - \$10,000	\$0 - \$10,000

ESTATE AND GIFT TAX

- The annual gift tax exclusion is at \$18,000 for 2024, up from \$17,000 in 2023.
- The gift and estate tax basic exclusion amount for 2024 is \$13,610,000, up from \$12,920,000 in 2023.

STANDARD DEDUCTION

These amounts have been adjusted as follows:

	2023	2024
SINGLE	\$13,850	\$14,600
HOH	\$20,800	\$21,900
MFJ	\$27,000	\$29,200
MFS	\$13,850	\$14,600

ALTERNATIVE MINIMUM TAX (AMT)

	2023	2024
Maximum AMT Exemption Amount		
SINGLE/HOH	\$81,300	\$85,700
MFJ	\$126,500	\$133,300
MFS	\$63,250	\$66,650
AMT Income Exemption Phaseout Threshold		
SINGLE/HOH	\$578,150	\$609,350
MFJ	\$1,156,300	\$1,218,700
MFS	\$578,150	\$609,350
AMT Tax Rate (26% rate applies to AMTI at or below amount; 28% applies to AMTI above amount)		
ALL OTHER	\$220,700	\$232,600
MFS	\$110,350	\$116,300

Everything you need to know about Trusts

You may have heard the term discussed in financial advising or estate planning conversations, but what exactly is a trust? In the most basic terms, a trust is a legal arrangement in which assets are held for the benefit of someone else (the beneficiary). There are many types of trusts for various goals, and complex trust law makes it necessary to hire an experienced attorney to help you establish one. First, though, it's important to understand the basics to help you figure out whether a trust is right for your planning needs; here, your financial advisors can help guide you in the right direction.



WHY CREATE A TRUST?

Trusts are popular estate planning tools because they can be used for many purposes, including:

Estate Planning



Trusts can provide control and flexibility over the distribution of assets, minimize estate taxes, and preserve assets for your children until they are grown (in case you should die while they are still minors). Trusts can also help avoid the expense and delay of probate, as they allow for the seamless transfer of assets to beneficiaries without the need for court involvement.

Asset Protection



Certain trusts can shield assets from potential creditors or legal claims. Placing assets in an irrevocable trust effectively removes them from your personal ownership, which makes them less vulnerable to financial liabilities or potential lawsuits. Trusts also allow you to set specific rules for distributing your assets, such as how much money a beneficiary can receive each year, an age when they can start to receive funds, or even how the funds can be used (e.g., for education only).

Tax Benefits



Creating a trust can shift part of your income tax burden to beneficiaries in lower tax brackets. Also, if certain conditions are met, assets placed in an irrevocable trust may be protected from estate tax after your death.

Protection in Case of Illness or Disability



Living trusts can be used to help you protect and manage your assets if you become incapacitated. If you can no longer handle your own affairs, your trustee steps in and manages your property. Your trustee has a duty to administer the trust according to its terms and must always act with your best interests in mind. Without a trust, a court could appoint a guardian to manage your property.

Charitable Giving



Charitable trusts allow you to support causes you care about while potentially enjoying tax benefits. These trusts can provide income for you or your beneficiaries during your lifetime, with the remaining assets designated for charitable organizations after your death.

WHAT ARE THE DRAWBACKS OF A TRUST?

Be sure to discuss the pros and cons of setting up any trust with your attorney and financial professional. While there can be many advantages of this type of arrangement, consider these potential drawbacks as well:

- A trust can be expensive to set up and maintain—trustee fees, professional fees, and filing fees may need to be paid.
- Depending on the type of trust you choose, you may give up some control over the assets in the trust.
- Maintaining the trust and complying with recording and notice requirements can take upconsiderable time.
- Income generated by trust assets and not distributed to trust beneficiaries may be taxed at a higher income tax rate than your individual rate.

WHAT ARE THE DIFFERENT TYPES OF TRUSTS?

The type of trust you choose will depend on what you're trying to accomplish. In fact, you may need more than one type of trust to meet all your goals.

Living (Revocable) Trust

You create a living trust during your lifetime to maintain control over property such as your house, a boat, or investments. Assets that pass through a living trust are not subject to probate—they don't get treated like the property in your will. Instead, the trustee will transfer the assets to the beneficiaries according to your instructions. The transfer can be immediate, or if you want to delay the transfer, you can opt for the trustee to hold the assets until a specific time, like when the beneficiary reaches a certain age.



Living trusts are appealing because they are revocable. You maintain control—you can change the trust or even dissolve it for as long as you live. Living trusts are also private. Unlike a will, a living trust is not part of the public record. No one can review the details of the trust documents unless you allow it.

Despite these benefits, living trusts have some drawbacks. Assets in a living trust are not protected from creditors, and you are subject to income taxes on income earned by the trust. In addition, you cannot avoid estate taxes using a living trust.

Irrevocable Trust

Unlike a living trust, an irrevocable trust typically can't be changed or dissolved once it has been created. You generally can't remove assets, change beneficiaries, or rewrite any of the terms of the trust. Still, an irrevocable trust can be a valuable tool for tax planning, asset protection, and charitable giving.



When you transfer assets into the trust (these must be assets you don't mind losing control over), you may have to pay gift taxes on the value of the property transferred at the time of transfer. If you have given up control of the property, all of the property in the trust is out of your taxable estate. That means your ultimate estate tax liability may be less, resulting in more passing to your beneficiaries. Property transferred to your beneficiaries through an irrevocable trust will also avoid probate. As a bonus, property in an irrevocable trust may be protected from your creditors.

Testamentary Trust



A testamentary trust allows you to specify how your assets should be distributed and managed for your beneficiaries. It is created through a will and only takes effect upon the trustor's death. At that point, selected assets in your will be distributed into the trust. From that point on, these work very much like other trusts. The terms of the trust document control how the assets are managed and distributed to your heirs. Since you have a say in how the terms are written, these types of trusts give you a certain amount of control over how the assets are used, even after your death.

As always, we appreciate your trust in us and aim to help you figure out the best financial plan to help you meet your goals. If you have any questions about this article, please reach out to our office at 203-439-0732. If you are interested in more information about Estate Planning, please feel free to join one of our many Estate Planning Seminars taking place throughout the year - see information below for more details

Authored in part by Commonwealth Financial Network and Broadridge.

This material has been provided for general informational purposes only and does not constitute either tax or legal advice. Although we go to great lengths to make sure our information is accurate and useful, we recommend you consult a tax preparer, professional tax advisor, or lawyer.

Estate Planning Seminars

You're Invited

LEARN THE BASICS OF

- Estate Planning • Estate Taxes
- Wills vs Trusts • Medicaid planning

Wednesday, March 6th
12:00 pm - 2:00 pm

Speaker - Vincent A Liberti Jr. - Estate Planning Attorney

Wednesday, March 13th
12:00 pm - 2:00 pm

Speaker - Robert J Santoro - Estate Planning Attorney

TO REGISTER:

Contact Joanne Daley
203-533-4968

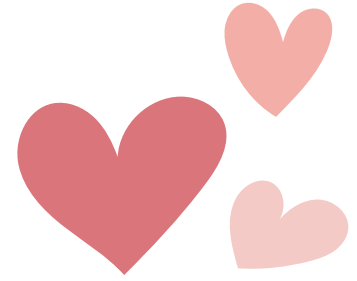
joanne@egidiolennon.com

**Cheshire Office
Conference Center
20 Realty Drive,
Cheshire, CT**

ELWM ANNOUNCEMENTS

Baby Girl Grillo

On December 18th Jessica Grillo and her husband Justin welcomed a beautiful baby girl Camila Marie. Jessica is enjoying her new role as a mom.



A Warm Welcome to our New Employees



Emily Normandin
Wealth Management Associate

Emily is a Wealth Management Associate with Egidio Lennon Wealth Management focusing on supporting Marc Lennon's clients. Emily started her career working with teachers, helping them set up their retirement plans, before moving on to independent wealth management where she focused her time on retirement planning as well as building comprehensive financial plans. Having a few teachers in her life, she is excited to resume working with them. Emily is a CERTIFIED FINANCIAL PLANNER™ professional and holds Series 7, 63, 65, and Life Accident and Health FINRA licenses. Emily graduated from Bentley University with a bachelor's degree in corporate finance and accounting. Emily lives in West Hartford and enjoys spending time with family and friends.



Lisa LeVasseur
Senior Client Service Associate

Lisa joined our team in October of 2023 as a Senior Client Service Associate. She focuses on supporting Mark Egidio and Brittany Feller's clients alongside Julia Milewski. Lisa has an extensive background in the financial services industry and has played a key role in every aspect of the client service experience. She has an excellent working knowledge of client account processes, procedures, and onboarding of new clients, as well as maintaining and servicing accounts on an ongoing basis. Lisa attended Post College and lives in Watertown with her partner Joe and has two adult sons. She enjoys reading, cooking, traveling, and spending time with family and friends.



Nicholas Mydlo
Chartered Financial Analyst &
Client Service Associate

Nick joined our team in October 2023 as a Chartered Financial Analyst for the firm's Wealth Advisor Team with an additional focus on client service for Mark Egidio and Brittany Feller's clients. He started his career as a portfolio management analyst at JP Morgan Asset Management before spending the last five years as a Debt Capital Markets banker at BMO Capital Markets where he helped corporate clients with debt advisory and capital markets execution.

Nick graduated from Bentley University with a bachelor's degree in mathematics and finance. He is a CFA Charterholder and holds his FINRA Series 7 and 63 securities registrations. Nick is active in community service, spending weekends as a Patient Care volunteer at The Connecticut Hospice. He looks forward to dedicating his time and effort to working with clients to develop and follow through on plans that help them live long, fulfilling lives with financial security.

ELWM Clients and their friends are invited to participate in ELWM 's

ANNUAL SHRED EVENT



5 | 4 | 2024

20 Realty Drive, Cheshire, CT.

Saturday, May 4th,
9 am - 12 pm

Free
Client and
Community Event,
Bring a friend!
Refreshments will
be served!

ALL MATERIALS WILL BE SAFELY SHREDED ON-SITE BY SHRED-IT®

To continue making this event special, we will again be accepting donations for The Cheshire Food Pantry and Animal Haven of North Haven. In the past 10 years, thanks to our crew, clients, and community, we have donated over 2.5 tons of food and over 700 pounds of dog food & treats!!!



Each quarter, two clients are randomly selected to WIN a \$100 gift card to their favorite restaurant.

TO ENTER - Email Joanne@egidiolennon.com with your favorite restaurant. If you have previously entered you are still in the running!

 **FAVORITE RESTAURANT Gift Card Giveaway**
\$100

GOOD LUCK



Teacher Appreciation Week
May 6th - May 10th
2024

TO ENTER:
email -
Joanne@egidiolennon.com



Attention Teachers!
REGISTER TO WIN
An overstuffed Teacher Supply Tote filled with all your classroom needs. 3 winners every quarter.



Aurora, CO (October, 2023)

Commonwealth Financial Network®, a national firm dedicated to providing financial advisors with holistic, integrated business solutions, gathered its community of affiliated advisors, home office staff, and industry partners for education, connection, and inspiration at its National Conference:

Find the Good: Rethink What's Possible.

Our team took part in this signature event and harnessed the power of practical insights and meaningful connections and applied them to their practices in an evolving and competitive industry.



Members of the ELWM team show off their inner Picasso while working on a "Find the Good" mural.



Attendees were encouraged to head over to the Puppy Pen in between sessions

~ April couldn't resist the snuggles

THE NATIONAL CONVENTION IS A TIME FOR THE ELWM TEAM TO CONNECT, NETWORK AND TEAMBUILD - THE TEAM LOOKS FORWARD TO NEXT YEAR'S CONFERENCE IN ORLANDO, FLORIDA



ELWM EVENTS



Holiday Open House & Toy Drive



Another tremendous toy donation to the CT Children's Foundation thanks to our amazing clients and staff!





Mark Egidio
 President
 ext 231
mark@egidiolennon.com



Marc Lennon
 Managing Partner
 ext 227
marc@egidiolennon.com



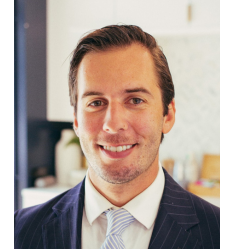
John Grosso
 Wealth Advisor
 ext 277
john@egidiolennon.com



Jessica Grillo
 Wealth Advisor
 ext 226
jessica@egidiolennon.com



Brittany Feller
 Wealth Advisor
 ext 293
brittany@egidiolennon.com



James Munro
 Wealth Advisor
 ext 234
james@egidiolennon.com



Emily Normandin
 Wealth Management Associate
 ext 240
emilyn@egidiolennon.com



Joanne Daley
 Director of Marketing
 ext 230
joanne@egidiolennon.com



Julia Milewski
 Client Relationship Manager
 ext 300
julia@egidiolennon.com



Lisa LeVasseur
 Senior Client Service Associate
 ext 229
lisa@egidiolennon.com



Nicholas Mydlo
 Chartered Financial Analyst
 ext 221
nicholas@egidiolennon.com



Nicole Grillo
 Client Service Associate
 ext 220
nicole@egidiolennon.com



Stephanie Schech
 Client Service Associate
 ext 235
stephanie@egidiolennon.com



April Lunn
 Client Service Associate
 ext 225
april@egidiolennon.com



Meg MacGregor
 Client Service Associate
 ext 232
meg@egidiolennon.com



Sally Novak Janin
 Client Service Associate
 ext 269
sally@egidiolennon.com



Kade Huang-Savino
 Finance Intern
 203-439-0732
kade@egidiolennon.com



Emily Solomon
 Finance Intern
 203-439-0732
emily@egidiolennon.com