

Quarterly Newsletter

BLANTON WEALTH MANAGEMENT

August 2024



Welcome!

- We can't believe how quickly 2024 is flying by! We hope you had a great summer. Ours were filled with fun memories, travels, achievements, and the hot hot sun!
- **In this newsletter**, you'll find an article covering 529 plans for K-12 education, some information on estate planning, the latest updates from our team, and a summary of our summers. We hope you find it both engaging and informative.
- Raymond James will be sending yearly disclosures in the coming months. These disclosures are approximately 200 pages long. If you do not have a Client Access login and/or have not opted in for e-delivery, you will receive the disclosures in the mail. If you'd like to receive the disclosures electronically, please reach out to Bethany.
- If you'd like to only receive our newsletter **electronically**, please inform us, and we'll send it exclusively via email.
- **Back to School:** With the 2024-2025 school year quickly approaching, be sure to take a moment to brush up on 529s (see page 3). If you think one might be appropriate for yourself or a family member, don't hesitate to reach out. And we are wishing every student a successful and bright upcoming school year!

Enjoy this month's newsletter!

Blanton Wealth Management - Laura & Bethany

In this newsletter you can expect:

Important Notes (pg. 1)

Yearly Disclosures (pg. 1)

Team Updates (pg. 2)

529 Article (pg. 3)

Estate Planning (pg. 4)



*A note from
your team...*



Laura

Here comes the cliché: “Can you believe summer is almost over?!” 2024 is sailing by, and summer was no different. We’ve been active – Bethany has completed her first step toward getting her licenses and advancing her career by passing the SIE! I am so excited for her and happy to see her hard work paying off. My family and I celebrated my son’s birthday with a trip to Orlando (Disney AND Universal because we’re gluttons for punishment); we visited friends on the SC coast and had burgers at Poe’s; we spent another week in Florida at the Raymond James Summer Development Conference. On that trip, I was pleased to continue to have my decision to join this firm reaffirmed. I remain pleasantly surprised by the resources, support, dedication, and focus on client care at every turn.

Out of office:

We’re closing out the summer right and heading to one of our favorite SC coastal spots: Kiawah Island. I’ll be away **August 5th – 9th**. Should you need anything, please give Bethany a call. I’ll be in Florida again (one perk of joining Raymond James, whose home office is in Tampa) **September 25th – 27th** for the 30th Annual Raymond James Women’s Symposium. I was able to make this trip last year as a part of my due diligence process when I was considering joining, and the support, education, resources, and connections I made were instrumental in helping me decide to join. I am so looking forward to attending again this year, in a more official capacity this time.

Wishing you all a fantastic Q3 and looking forward to staying in touch!



Bethany

Summer 2024 has been a blast! I passed my SIE exam in early June and have been studying hard for my next test. Chicago was filled with delicious food and beautiful views. I visited Wrigley field and watched the Cubs win, attended Drunk Shakespeare and a magic show, and enjoyed the sights of the city on a river boat tour. It was a wonderful trip spent with my mom!

Out of office:

I will be attending the Raymond James Branch Associate Conference in Atlanta **September 11th-13th**. I also have a beach vacation planned for Labor Day weekend at Edisto; I’ll be out of the office on **August 30th**.



Saving for K-12 education with a 529 plan

Learn about using 529 plans for more than just college savings.

529 plans were originally established to help families pay for qualified higher education expenses by offering tax-deferred investment growth and tax-free withdrawals. In 2017, federal tax legislation changed how these accounts can be used. Though individual states may have variations in how they treat these adjustments, one of the most impactful changes is that families can now pay tuition for primary and secondary education using the funds in a 529 plan.

Paying for primary & secondary school

Families can use 529 plans to save and pay for tuition at private, public and religious elementary and secondary schools. The expansion of the “qualified higher education expenses” language means that families can distribute up to \$10,000 (per year, per beneficiary) in connection with enrollment or attendance at these primary and secondary schools.

With the average annual cost of private school tuition at \$12,774, according to Private School Review, that \$10,000 annual withdrawal could make a clear impact on your family’s education expenditures.

K-12 qualified expenses

It’s important to note that tuition is currently the only qualified K-12 use for 529 funds. While the cost of books, computers and other school-related supplies are qualified for post-secondary students, those expenses don’t receive the same tax-advantaged status for primary or secondary students. Similarly, homeschooling expenses and other at-home learning costs aren’t qualified for K-12 students.

Variations by state & plan

At this time, residents of 23 states are eligible for an income tax deduction or credit for 529 plan contributions used to pay for college or K-12 tuition, subject to variation depending on where you live and how much you contribute. And not all states are on the same page – in some states, 529 plan distributions used for K-12 expenses may still be taxable at the state level. Please consult with your tax advisor to best determine how each state may be treating the expenses associated with K-12 education.

Source: savingforcollege.com

Earnings in 529 plans are not subject to federal tax and in most cases state tax, as long as you use withdrawals for eligible college expenses, such as tuition and room and board. However, if you withdraw money from a 529 plan and do not use it on an eligible college expense, you generally will be subject to income tax and an additional 10% federal tax penalty on earnings. As with other investments, there are generally fees and expenses associated with participation in a 529 plan. There is also a risk that these plans may lose money or not perform well enough to cover college costs as anticipated. Most states offer their own 529 programs, which may provide advantages and benefits exclusively for their residents. Investors should consider, before investing, whether the investor’s or the designated beneficiary’s home state offers any tax or other benefits that are only available for investment in such state’s 529 college savings plan. Such benefits include financial aid, scholarship funds, and protection from creditors. The tax implications can vary significantly from state to state.

Raymond James and its advisors do not offer tax advice. You should discuss any tax matters with the appropriate professional.

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The Hidden Risks of Not Having an Estate Plan

An estate plan is a crucial component of financial planning, yet many people overlook its importance. Without an estate plan, several issues can arise, potentially causing stress and financial strain for your loved ones. Here are some potential headaches your loved ones might run into without an estate plan:

Intestate Succession

If you pass away without a will, your estate will be distributed according to your state's intestate succession laws. This means the state decides who inherits your assets, which may not align with your wishes.

Higher Taxes and Fees

An estate plan can help minimize the taxes and fees associated with transferring your assets. Without one, your estate may be subject to higher taxes and probate fees, reducing the amount your beneficiaries receive.

Delayed Distribution of Assets

The probate process can be lengthy, especially if there are disputes or complications. Without an estate plan, the distribution of your assets can be significantly delayed, leaving your loved ones without the financial support they may need.

Unintended Beneficiaries

Without a clear plan, your assets might end up in the hands of unintended beneficiaries. For instance, if you have remarried and have children from a previous marriage, your current spouse might inherit everything, leaving your children with nothing.

Creating an estate plan is essential to ensure that your assets are distributed according to your wishes and to provide peace of mind for your loved ones. It's never too early to start planning for the future!

Thank you for reading!

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