The Davis Group

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TRUSTED ADVISORS TO DELTA PILOTS SINCE 1987

THREE WAYS THE DAVIS GROUP

STRIVES TO EARN AND KEEP YOUR TRUST

Expertise and attention to details

Serving Delta Pilots since 1987, the advisors at The Davis Group understand thoroughly Delta Benefit Plans. Because they have focused on the Delta Pilot's objective to maximize retirement benefits, you can trust they will help you reach your individual objectives.

Raymond James

LIFE WELL PLANNED. That is the Raymond James philosophy. They seek to put you first – just as The Davis Group does. The relationship the advisers at The Davis Group establish with their Delta Pilot clients is only strengthened by the resources of Raymond James.

Complimentary Comprehensive Wealth Management Plan

Let The Davis Group demonstrate their expertise and start earning your trust with a complimentary Comprehensive Wealth Management Plan.

February 2020

THE DAVIS GROUP
WEALTH SERVICES

The Davis Group

Trusted Advisors for Delta Pilots since 1987

IN MEMORIA

In Memoria

1950 ~ 2019
Mark was a devoted father, husband, grandfather, and provider. Mark Ray Davis returned to his Heavenly Father on December 14, 2019 in Provo, UT at the age of 68. He was born in Inglewood, CA, on December 29, 1950 to Ray Francis Davis and Nadine Krause Davis. He married Kara Jo Powell on April 11, 1997 in Pleasant Grove, UT.
He loved his big family and cherished spending time with them on trips to the beach, at the cabin, or hosting marathon Aquire board game nights with the boys. He was a dedicated financial planner who loved his work and genuinely cared about each of his clients. He loved keeping things neat and clean and was always sharply dressed - even when doing yard work. He served well in his church callings and always enjoyed singing in the church choir. We will miss his extra creamy "Mark Davis Special" Thanksgiving mashed potatoes, his endless optimism, and his devotion to his "fur baby" Nacho. He was the epitome of service, dedication, love, and selfless generosity. The extraordinary way he lived his life will serve to guide those he left behind.
He is survived by his wife, Kara; his children: Maria (Michael) Crowder and Ray Davis; his step-children: Steffany (Shane) Layland, Justin (Denise) Clement, Celeste (Robert) Green, Gregory Clement, Lindsi (James) Gabler, and Douglas Clement; his 15 grandchildren; and his sisters: Beverly (Bruce) McMaster, and Karen (Brent) Finch. He was preceded in death by his parents and his sister, Gayle Riley.
Funeral Services will be held Saturday, December 21, 2019 at 11 AM in the Highland 7th Ward meeting house, 5212 W. Country Club Dr. A viewing will be held Friday from 6-8 PM at Anderson & Sons Lone Peak Chapel, 6141 W. 11000 N., Highland, and Saturday at the church from 9:00-10:30 AM. Burial will be in Highland Cemetery. Please share a memory at andersonmortuary.com .
You will be extremely missed...until we meet again Scuba Steve!

The SECURE Act Offers New Opportunities for Individuals and Businesses

The SECURE Act (Setting Every Community Up for Retirement Enhancement Act) is major legislation that was passed by Congress as part of a larger spending bill and signed into law by the president in December. Here are a few provisions that may affect you. Unless otherwise noted, the new rules apply to tax or plan years starting January 1, 2020.

If you're still saving for retirement

To address increasing life expectancies, the new law repeals the prohibition on contributions to a traditional IRA by someone who has reached age 70½. Starting with 2020 contributions, the age limit has been removed, but individuals must still have earned income.

If you're not ready to take required minimum distributions

Individuals can now wait until age 72 to take required minimum distributions (RMDs) from traditional, SEP, and SIMPLE IRAs and retirement plans instead of taking them at age 70½. (Technically, RMDs must start by April 1 of the year following the year an individual reaches age 72 or, for certain employer retirement plans, the year an individual retires, if later).

If you're adding a child to your family

Workers can now take penalty-free early withdrawals of up to $5,000 from their qualified retirement plans and IRAs to pay for expenses related to the birth or adoption of a child. (Regular income taxes still apply.)

If you're paying education expenses

Individuals with 529 college savings plans may now be able to use account funds to help pay off qualified student loans (a $10,000 lifetime limit applies per beneficiary or sibling). Account funds may also be used for qualified higher-education expenses for registered apprenticeship programs. Distributions made after December 31, 2018, may qualify.*

If you're working part-time

Part-time workers who log at least 500 hours in three consecutive years must be allowed to participate in a company's elective deferral retirement plan. The previous requirement was 1,000 hours and one year of service. The new rule applies to plan years beginning on or after January 1, 2021.

If you're an employer offering a retirement plan

Employers that offer plans with an automatic enrollment feature may automatically increase employee contributions until they reach 15% of pay (the previous cap was 10% of pay). Employees will have the opportunity to opt out of the increase.

Small employers may also benefit from new tax credit incentives. The tax credit that small businesses may take for starting a new retirement plan has increased. Employers may now take a credit equal to the greater of (1) $500 or (2) the lesser of (a) $250 times the number of non-highly compensated eligible employees or (b) $5,000. The previous maximum credit amount allowed was 50% of startup costs up to a maximum of $1,000 (i.e., a $500 maximum credit).

In addition, a new tax credit of up to $500 is available to employers that launch a new SIMPLE IRA or 401(k) plan with automatic enrollment.

These credits are available for three years, and employers that qualify may claim both credits.

*There are generally fees and expenses associated with 529 savings plan participation. Investments may lose money or not perform well enough to cover college costs as anticipated. Investment earnings accumulate on a tax-deferred basis, and withdrawals are tax-free if used for qualified higher-education expenses. For withdrawals not used for qualified higher-education expenses, earnings may be subject to taxation as ordinary income and possibly a 10% federal income tax penalty. Discuss the tax implications of a 529 savings plan with your legal and/or tax advisors; these can vary significantly from state to state. Most states offer their own 529 plans, which may provide advantages and benefits exclusively for residents and taxpayers, including financial aid, scholarship funds, and protection from creditors.

Before investing in a 529 savings plan, consider the investment objectives, risks, charges, and expenses carefully. Obtain the official disclosure statements and applicable prospectuses — which contain this and other information about the investment options, underlying investments, and investment company — from your financial professional. Read these materials carefully before investing.

THE DAVIS GROUP
WEALTH SERVICES

Closing Gaps in Your Insurance Coverage

Buying insurance is about sharing or shifting risk, but you may think you're covered for specific losses when, in fact, you're not. Here are some common coverage gaps to consider when reviewing your own insurance coverage.

Life insurance

In general, you want to have enough life insurance coverage (when coupled with savings and income) to allow your family to continue living the lifestyle to which they're accustomed. But changing circumstances may leave a gap in your life insurance coverage.

For example, if you have life insurance through your employer, a job change could affect your coverage. Your new employer may not offer the same amount of insurance, or the policy provisions may differ. Review your income, savings, and expenses annually to help ensure that the amount of life insurance you have matches your needs.

Homeowners insurance

It may not be clear from reading your homeowners policy which perils are covered and how much damage will be paid for. It's important to know what your homeowners policy covers and, more important, what it doesn't cover.

You might think your insurer would pay the full cost to replace your home if it were destroyed by a covered occurrence. But many policies place a cap on replacement cost up to the face amount stated on the policy. You may want to check with a building contractor to get an idea of the replacement cost for your home, then compare it to your policy to be sure you have enough coverage.

Even if your policy states that "all perils" are covered, most policies carve out many exceptions or exclusions to this general provision. For example, damage caused by floods, earthquakes, and hurricanes may be covered only by special addendums to your policy, or in some cases by separate insurance policies altogether. Also, your insurer may not cover the extra cost of rebuilding attributable to more stringent building codes, or your policy may limit how much and how long it will pay for temporary housing while repairs are made.

To help avoid these gaps in coverage, review your policy annually with your insurer. Also pay attention to notices you may receive. What may look like boilerplate language could actually be significant changes to your coverage. Don't rely on your interpretations — ask for an explanation from your insurer or agent.

Auto insurance

Which drivers and what vehicles are covered by your auto insurance? Most policies provide coverage for you and family members residing with you, but it's not always clear-cut. For instance, a child who is living in a college dorm is probably covered, but a child who lives in an off-campus apartment might be excluded from coverage. If you and your spouse divorce, which policy insures your children, particularly if they are living with each parent at different times of the year? Notify your insurer about any change in living arrangements to avoid a gap in coverage.

Other gaps include no coverage for damaged batteries, tires, and shocks. And you might not be covered for stolen or damaged mobile phones or other electronic devices. Your policy may also limit the amount paid for a rental while your vehicle is being repaired.

In fact, insurance coverage for rental cars may also pose a problem. For instance, your own collision coverage may apply to the rental car you're driving, but it may not pay for all the damage alleged by a rental company, such as loss of use charges. If you're leasing a car long term, your policy may cover the replacement cost only if the car is a total loss or is stolen. But that amount may not be enough to pay for the outstanding balance of your lease. Gap insurance can cover any difference between what your insurer pays and the balance of your lease.

Policy terms and conditions aren't always easily understood, and you may not be sure what's covered until it's time to file a claim. So review your insurance policy to help ensure you've filled all the gaps in your coverage.

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How can I lower my credit card debt?

If you find that you are struggling to pay down a credit card balance, here are some strategies that can help eliminate your credit card debt.

Pay off cards with the highest interest rate first. If you have more than one card that carries an outstanding balance, one option is to prioritize your payments according to their interest rates. Send as large a payment as you can to the card with the highest interest rate and continue making payments on the other cards until the card with the highest interest rate is paid off. You can then focus your repayment efforts on the card with the next-highest interest rate, and so on, until they're all paid off.

Apply for a balance transfer with another card. Many credit card companies offer highly competitive balance transfer offers (e.g., 0% interest for 12 months). Transferring your credit card balance to a card with a lower interest rate may enable you to reduce interest fees and pay more against your existing balance. Most balance transfer offers charge a fee (usually a percentage of the balance transferred), so be sure to do the calculations to make sure it's cost-effective before you apply.

Pay more than the minimum. If you pay only the minimum payment due on a credit card, you'll continue to carry the bulk of your balance forward without reducing your overall balance. Instead, try to make payments that exceed the minimum amount due. For more detailed information on the impact that making just the minimum payment will have on your overall balance, you can refer to your monthly statement.

Look for available funds to make a lump-sum payment. Are you expecting an employment bonus or other financial windfall in the near future? If so, consider using those funds to eliminate or pay down your credit card balance.

How can I improve my credit report?

Most lenders use credit report information to evaluate the creditworthiness of potential borrowers. Borrowers with good credit are presumed to be more creditworthy and may find it easier to obtain a loan, often at a lower interest rate.

You can do a number of things to help improve what's on your credit report, including the following.

Pay bills on time. Your credit report provides information to lenders regarding your payment history. For the most part, a lender may assume that you can be trusted to make timely monthly debt payments in the future if you have done so in the past. Consequently, if you have a history of late payments and/or unpaid debts, a lender may consider you to be a high credit risk and turn you down for a loan.

Limit credit inquiries. Each time you apply for credit, the lender will request a copy of your credit report. The lender's request then appears as a "hard inquiry" on your credit report. Too many of these inquiries in a short amount of time could be viewed negatively by a potential lender, since it may indicate that the borrower has a history of being turned down for loans or has access to too much credit.

Build a credit history. You may have good credit, but not enough of it. As a result, you may need to build up more of your credit history before a lender deems you worthy to take on new debt.

Correct errors on your report. Uncorrected errors on a credit report could make it difficult for a lender to accurately evaluate creditworthiness and could result in a loan denial. If you have errors on your credit report, it's important to correct your report by disputing inaccurate or incomplete information,

Finally, if you are ever turned down for a loan, you can find out why. Under federal law, you are entitled to a free copy of your credit report as long as you request it within 60 days of receiving notice of a company's adverse action against you. Federal law also entitles you to a free annual credit report from all three credit reporting agencies (Experian, Equifax™, and Trans Union™). You can obtain this report by visiting AnnualCreditReport.com.

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