

WCM October Newsletter



DID YOU KNOW

RMD and QCDs from your IRA.

Nicola has been reaching out to clients to help ensure RMD's are taken. Did you know the details about RMD?

MONTHLY COMMENTARY

A Cautionary Tale

“If a man is hit by 700,000 bullets, it’s hard to tell which one killed him.”

- Rafael di Tella-

DOING GOOD TOGETHER

Look to our Newsletters over the next couple of months for opportunities to join us in making a difference.

Integrity, diligence
& unwavering commitment



Thank you for the continued trust you place in us and our office. Our practice continues to grow because of you. Your referrals are the best compliment that you can give.

DID YOU KNOW?**Understanding Required Minimum Distributions for account owners!**

Did you know that you can set up your RMD to happen automatically? Why would you want to make the RMD automatic?

What If a Participant Fails to Take Their Required RMDs?

Participants that fail to take an amount at least equal to his/her RMD for any year may be subject to a 50% federal penalty tax. Pursuant to SECURE Act 2.0 beginning in the 2023 tax year:

- The penalty tax is 25% on the amount of the RMD that was not taken for the taxable year

The provision also reduces the penalty from 25% to 10% if all of the following occur:

- The participant receives a distribution during the "correction window" for the amount of the missed RMD from the IRA. The last day of the correction window is the earliest of:
 - The date of mailing a notice of deficiency with respects to the penalty tax;
 - The date on which the penalty tax is assessed; or
 - the last day of the second taxable year that begins after the end of the taxable year in which the penalty tax is imposed.
- The participant submits a return during the correction period reflecting the penalty tax

The participant would pay the penalty tax on his/her federal income tax return for the calendar year in which the distribution shortfall occurs.

Waiver of the Penalty Tax: The IRS can waive this penalty tax if a participant can show that any shortfall in the amount of distributions was due to reasonable error and that they are taking appropriate steps to remedy the shortfall. The account owner should be referred to their tax advisor for assistance with completing IRS form 5329. Below are steps generally taken to request a waiver:

- Complete the applicable section of the IRS Form 5329
- Attach a statement of explanation.
- File the Form 5329 and statement of explanation with the IRS along with his or her Form 1040

The IRS will review the information provided and decide whether to grant the request for a waiver. If no information is received from the IRS after filing Form 5329, it can be assumed that the waiver has been granted. The IRS will notify a participant by means of an invoice for the penalty due if it does not grant the waiver.

Charitably minded investors can satisfy RMDs with QCDs

Do you give to charity and have an RMD to take out each year? See this link above for more information about Qualified Charitable Distributions (QCD) from your IRA.



A Cautionary Tale

October 2023

“If a man is hit by 700,000 bullets, it’s hard to tell which one killed him.”

-Rafael di Tella-

By Mark Lazar MBA, CFP®

Mark Lazar is an independent writer with Pathway to Prosperity and is not affiliated with Raymond James. Views expressed by this writer are the current opinions of this author and not necessarily those of Raymond James & Associates.

In the early part of the 20th century, Argentina boasted the [9th](#) highest [GDP](#) per capita in the world, rivaling Germany and France, and surpassing Austria, Italy, Finland and Japan. Ample land, fertile soil, moderate climate, abundant natural resources (oil, natural gas, copper, gold, aluminum, zinc, etc.), numerous sea ports, capital inflows, an educated workforce, and a liberal democracy checked all of the boxes for a flourishing, free society. Argentina’s future looked bright. However, today, Argentina is in the thralls of hyperinflation ([124%](#)), is the [biggest IMF debtor](#), and GDP per capita is [lower](#) than it was in 2015. What went wrong?



Item	YTD Change
Dow Jones Ind Avg	1.09%
S&P 500 Index	11.68%
EAFE Foreign Index	4.49%
Emerging Market Index	-.38%
Barclays Agg Bond Index	-1.21%
10-Year Inflation Forecast	2.35%
Unemployment Rate	3.8%

*: Market index data as of 9/30/2023 (*The Stock Indexes mentioned are unmanaged and cannot be invested into directly. Past performance is no guarantee of future results.*)

Between 1930 and 1946 Argentina witnessed a seismic political shift, during which [seven](#) of the following eight presidents were military generals, the most notable being Juan Peron, who was elected in 1946. Peron quickly moved to support all labor unions, and under his government the number of public employees grew [four times](#) faster than the population, which [crowded out](#) the private sector. In 1947, espousing the words of John Maynard Keynes, Perone’s Finance Minister [argued](#) that “It was necessary to resort to deficit financing, which would [inject vitality into the economy.](#)” The following year, public spending [tripled](#) in comparison to 1946.

Perone [closed the economy](#) to foreign capital and competition, nationalized railways, utilities, and a number of industrial and shipping companies, and created public financial institutions to finance government controlled industrial development. He went on to nationalize bank deposits and mortgage credit. Foreign trade was relegated to the control of (nationalized) the [IAPI](#), a state agency.

Peronists believed they could simply [print money](#) ([modern monetary theory](#)) to pay for their socialist agenda, hence they denounced central bank independence, and ceded monetary policy to government control. Not surprisingly, tax revenues didn't keep up with growing government expenditures, and the central printed money to purchase government bonds. This, of course, resulted in a falling peso and soaring inflation.

[Clientelist](#) political practices, political favoritism, and populist redistribution of wealth and income fomented the collapse of traditional democratic institutions. Supreme Court justices were [put on political trial](#), forced to resign, and replaced with justices friendly to Peronist policies. Political opponents were imprisoned, government oversight and power were strengthened via nationalization of private industry and a regulatory framework that diminished property rights and rule of law. The government launched a massive propaganda/indoctrination campaign targeting schools to promote Marxist ideology and values. Perón and his highly popular wife, Eva Perón, excused such policies, as well as violent protests, in the name of social justice.

As inflation worsened, [price controls](#) were implemented, and evictions (of nonpaying tenants) were suspended, which further undermined property rights, increased transaction costs, and decimated [capital investment](#). The effects were rampant inflation and subversive macroeconomic instability. In less than ten years, Peronist [corporatism](#) and populism exploited the weakness of the institutional environment by dismantling the rule of law to the point of breakdown.

Perone and his compatriots weren't necessarily bad people. Rather, they likely believed their policies would serve the common good. But the road to hell is paved with good intentions. Civilizations rise and fall based on ideas, and some ideas are simply better than others. Freedom is better than oppression. [Free trade](#) promotes wealth creation whereas [protectionism](#) benefits favored companies/industries. Free markets create wealth, [command economies](#) do the opposite.

The history of Argentina is by no means a unique one. A similar tale could have been told about Venezuela, Brazil, Peru, Mexico, or a dozen other countries. In each case, bureaucrats in the capital city embraced ideas and promoted policies that were, and always will be, anathema to liberty and prosperity. But perhaps the loss of freedom and prosperity is the tuition each generation must pay to learn that socialism always ends in weeping and gnashing of teeth.

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WCM Team This Month

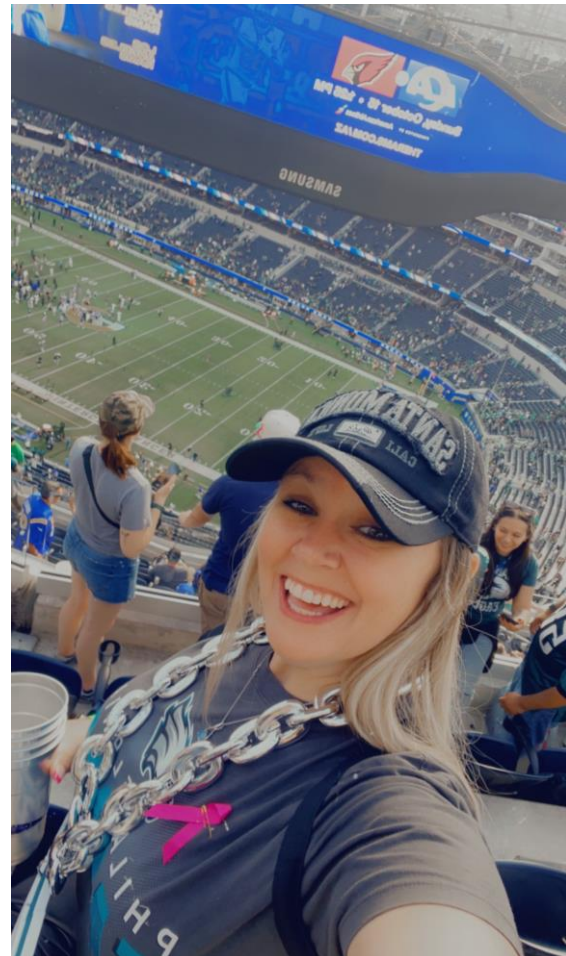


Stan

Stan, Ronda and her parents at Balloon Fiesta in Albuquerque while visiting clients there.

Nicola

Nicola enjoying an NFL game!





John

John Surfing at Jordanelle on a late weekend in October



Rees

Rees having fun with Lisa and Trish.



Matt

Matt with Charli.

Jon

Jon with Jin and his parents eating Omakase at Itto sushi for his Birthday! A great 16 course meal all at the discretion of the Chef!





Susan

Susan and Tim on vacation in Mexico!

Jessica

Jessica camping with her family.





Reed

Reed and Lisa riding bikes in Park City with friends

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