Advisor Connect

Operations Newsletter

JUNE 2021
Issue No. 19

Cybersecurity/Protection Tools

Cybercrime is something that has been on the rise in recent years and we all need to do everything possible to protect client data from being compromised. Below are a couple of recommended ways to keep client data secure and to stay organized:

Sharefile is a great way to send /share confidential documents with Gemmer without worrying about sending unsecure emails. Sharefile is a secure website (similar look to Outlook with folders) where files are uploaded for sharing. To sign up for a free trial please go to www.sharefile.com or contact us if you have any questions.

Keeper is a password manager program Gemmer uses for all of our password needs. Tracking passwords using spreadsheets can be easily hacked. If a hacker incorrectly types into Keeper more than 10 times, the system will time out to prevent the account from getting compromised. This program also has the capability for users to share credentials with other users within the same office (i.e. financial site that has one user ID for the office). For more info please contact us or go to Keepersecurity.com

Schwab also takes several steps to keep client data secure. Click on the Schwab Protection brochure for more details.

Changing Tax Elections at Schwab

It is inevitable that clients will need to change their tax elections on their retirement accounts at some point. Here are the rules on when you will need to have a client sign a form to update them:

- Increase taxes – examples from 0% to 25% or 20% to 25%: **NO** form is needed
- Decrease taxes but stay at or above 10% Fed & 1% CA - example from 25% to 20%: **NO** form is needed

RMD & The Secure Act

On December 20, 2019 the Secure Act was passed into law which made changes for most retirement plans. The bill includes:

- Raising the age to take a Required Minimum Distribution (RMD) from 70 ½ to 72
- Allows workers to contribute to their Traditional IRA's after turning 70 1/2 and participate in 401k plans
- Allows people with a 529 plan to repay student loans
- Allows parents to take a qualified birth or adoption distribution
- Inherited IRA's must be taken within 10 years of the decedent's date of death if the decedent passed after 1/1/2020 for most individuals

Click on the Secure Act brochure for more details.

How is Gemmer responding to the changes?

We have recently updated our RMD procedure to capture the changes set forth by the Secure Act. In our process we have addressed the following:

- Clients that were previously taking their IRA RMD's at age 70 ½ vs. clients that can now take distributions at 72 years old
- Included decedent's date of death for Inherited IRA's
- Indicated the number of years an account has been opened for Inherited IRA's which will keep track of mandatory withdrawals within 10 years

Alternative Mailing Address – Discontinued

- Decrease taxes to 0%: **YES** a form is needed

If your client wants to decrease to no taxes, but wants to keep the old instructions on file, please have them sign the “Tax Withholding Election Form”.

If your client wants to change the instructions completely, please have them sign the “IRA Distribution Form”.

At the beginning of the pandemic, Gemmer set up an alternative address for all overnight packages as we were not in the office to receive any packages. As of June 30th, this alternative address will be discontinued. If you were using this alternative address, please start sending packages to our office again.

Questions? Contact the Operations team at clientrequest@gemmerllc.com