



PLANNING FOR THE “GREAT SUNSET”

I hope this message finds you well and thriving in your pursuits. As your trusted wealth management firm,

we always seek planning opportunities and ways to address your goals proactively.

At the end of 2025, we anticipate the sunset of the landmark Tax Cuts and Jobs Act (TCJA), a change that could significantly impact your estate or overall financial plan.

When signed into law in 2017, the TCJA effectively doubled the estate and gift tax basic exclusion amount, currently up to \$13.61 million per person (\$27.22 for married couples). But this provision was only temporary and will expire at the end of 2025 when it will be reduced to approximately half that amount—unless Congress acts.

The uncertainty creates an opportunity to review your long-term goals to determine if you need any adjustments. Remember, effective planning means considering how tax rates might change; it's wise to prepare now.

Your Janney Financial Advisor can help review your current financial plan and advise whether it needs updating due to possible tax law changes. On page three, you can also read more about what to consider for next year's potential sunset. In the months ahead, our team of experts will provide resources and updates to help keep you informed.

Enhancements to Our Client Portal

Janney continues to invest in enhancing your experience and help you manage and organize your finances.

Our client portal, Online Access, provides convenience, transparency, and efficiency through its digital tools. With our latest enhancements, information on your portfolio has never been easier to obtain. A new navigation menu highlights Janney's features, including Financial Wellness tools, Market Commentary, Bill Pay, Document Vault, eDelivery, and more. We are also continually improving My Net Worth, including an enhanced asset aggregation experience that provides a more holistic view of your finances.

If you haven't already done so, I encourage you to utilize these resources to help stay current on your plan. If you're not enrolled in Online Access, visit www.myjanney.com today.

Enjoy the remainder of your summer, and, as always, thank you for trusting Janney to help you reach your financial goals. ■

— Tony Miller, *President*

A Medicare Primer

WEDNESDAY, SEPTEMBER 18
12:00 PM ET

Are you or someone in your family turning age 65 soon? This exclusive client event on navigating Medicare—with basic information on coverage, costs, plan options, and more—is not to be missed.

Register by visiting: www.Janney.com/Medicare

* Registration password if prompted, "Janney"





ECONOMIC OUTLOOK

SUMMER 2024



Mark Luschini, Chief Investment Strategist

Mark serves as Janney's Chief Investment Strategist, a recognized thought leader among industry and national media with more than 30 years of investment industry experience. He is a sought-after speaker for professional conferences and events.

The economy continues to hum along albeit with some signs that its pace is beginning to moderate. Belying the marked slowdown in headline GDP growth for the first quarter, however, is a measure of consumption, the primary driver of economic activity in the U.S., which barely slipped from the torrid pace posted in the last quarter of 2023. There are reasons to believe that rate of consumption is unsustainable, but underestimating the consumer's willingness to spend is dangerous. Still, harkening back to the statement made in last quarter's missive, the job market is key to subsidizing this economic expansion so our attention will be riveted to news flow around employment.

Consumer confidence has taken a drubbing as reports on the inflation front have yet to relieve concerns about elevated prices voiced by households across a wide swath of income cohorts. To be sure, the change in the rate of inflation has slowed, with recent data posting numbers that while still above the Federal Reserve's bogey of 2%, are at least slowly edging closer. That, however, has yet to dispel the angst felt by households when shopping excursions to the store for food, clothing, and gasoline apply intense pressure on budgets.

The San Francisco Federal Reserve has conducted frequent analysis on the subject of "excess savings," the estimated amount of money accumulated during the pandemic from

unfilled demand and fiscal largesse over and above pre-Covid trend savings levels. From a peak of more than \$2 trillion two years ago, those incremental savings have been spent down to the point where a recent update from the study's authors submit that it has been depleted. Clearly, that does not imply that all savings have been exhausted, rather if accurate, it means that consumers will need to rely more heavily on income from wages for priming their spending behavior.

The diminution of the incremental tailwind to consumption that was augmented by those "excess savings" means that consumer spending as an economic driver will likely lose some velocity going forward. So far, increases in the employment ranks, the lack of visible signs that layoff announcements are precipitating a mass shedding of workers, wage gains that are still occurring and exceeding inflation's bite, and rising but not yet worrisome delinquencies mostly confined to those with credit card and auto loan balances, suggest the spending impulse remains well fortified.

While always important to align asset allocation decisions to those factors bespoke to each investor, we generally remain constructive on stocks and find bonds appealing for income and ballast in a diversified portfolio. However, the course of inflation, a vexing political environment, and geopolitical tensions that could induce a risk premium in markets, are all reasons to stay prepared for bouts of volatility. ■

JANNEY IN THE COMMUNITY



Brush-Up Our Veterans

Members of our Branch Office in Bethlehem, Pennsylvania recently painted the exterior of a veteran's home through the "Brush-up Our Veterans" project. The project helps with property maintenance for low-income, elderly, honorably discharged, or permanently disabled veterans.



Philadelphia Children's Alliance

Attendees of our Capital Market Group's annual meeting collected items and raised over \$4,000 for the Philadelphia Children's Alliance, which works to ensure that all children in Philadelphia are safe from abuse.



Wall Street Run and Heart Walk

Over 35 members from our New York and New Jersey branch offices recently participated in the American Heart Association's 2024 Wall Street Run & Heart Walk. More than \$6,000 was raised to benefit the American Heart Association.

6 TAX PLANNING OPPORTUNITIES BEFORE THE TCJA SUNSETS

The Tax Cuts and Jobs Act (TCJA) brought major changes to the individual tax code—but it's slated to sunset at the end of 2025. What might this mean to you as a taxpayer? Here are a few changes expected:

- Income tax brackets are scheduled to return to pre-TCJA levels (e.g., the top tax bracket increasing from 37% to 39.6%). Wealthier taxpayers can expect a measurable increase in their effective tax rate.
- As of 2024, individuals can currently transfer up to \$13.61 million and a married couple can transfer a total of up to \$27.22 million (either during your life or as part of your estate) without triggering federal gift or estate taxes and nearly doubling the standard deduction amount from \$13,000 to \$24,000. This amount is expected to be cut almost in half for the 2026 tax year.

Barring any action on the part of Congress, these changes will expire on December 31, 2025, and will revert to pre-TCJA levels. Now is a good time to put a tax plan in place and make the most of this favorable tax climate.

Estate and gift taxes

If you are a family with taxable estates over \$7 million (\$14 million for a married couple) you may want to consider these strategies:

1. **Annual cash gifts**— Gift up to \$18,000/year (\$36,000 for married couples filing jointly) without triggering gift or estate taxes. It's a simple way to transfer wealth to the next generation.
2. **Accelerated 529 plan gifts**— Accelerate five years of gifts to educational accounts for any child, grandchild, other relative, or friend—up to \$90,000 annually (\$180,000 for a married couple) to help fund future education costs while reducing your taxable estate.

3. **Dynasty trusts**— Haven't used all your lifetime gift tax exemption? Gift those assets to a dynasty trust for future generations. Any income and appreciation generated can be transferred without estate or gift taxes. Fund the trust with life insurance and increase its value further.
4. **Irrevocable life insurance trusts (ILITs)**— Purchase a survivorship policy owned by an ILIT to transfer wealth outside your taxable estate. The death benefit paid out to your beneficiaries is also tax-free.

Income and capital gains taxes

Explore these strategies to take advantage of the current lower tax brackets:

5. **Roth IRA conversions**— Roths have two clear advantages over traditional IRAs (e.g., no required minimum distributions and all growth and distributions are tax-free). But, converting to a Roth will require you to pay income taxes upfront on the amount you convert. Do it before 2026 and you can take advantage of current lower tax brackets.
6. **Capital gains harvesting**— If you anticipate higher capital gains tax rates, consider selling some highly appreciated securities prior to the sunset so taxes due from a sale now may be lower than in the future. Since wash sale rules only apply to harvesting losses, you could repurchase the same securities at a stepped-up cost basis to help reduce future gains without disrupting your portfolio allocations.

The more time you have to prepare, the more options you'll have. Your Janney Financial Advisor (working together with your tax professional) can help build a plan to more effectively manage both your current and future tax liability. ■

This does not constitute and should not be construed as tax advice. Please work with your tax professionals when deciding how to apply this information to your individual situation.

2024 HOUSEHOLD SERVICE FEE

Janney's Household Service Fee of \$150 will be assessed on Friday, September 20. As in previous years, this annual fee will be waived if your overall relationship with Janney meets one of the following criteria:

- You established your Janney accounts in the 2024 calendar year.
- Your family relationship household value is at least \$250,000.
- Your household accounts have in excess of 80% of their value in a fee-based advisory program.
- All of your household accounts are enrolled in Janney's eDelivery service—including your statements and confirmations, proxies and prospectuses, performance reporting, and tax forms. Other investment-related documentation will also be delivered electronically.

You can enroll in eDelivery through Online Access, Janney's secure account portal.

- If you are not registered for Online Access, go to www.myjanney.com and click "Sign up for Online Access."
- Once logged in, select the Profile icon, then click eDelivery Preferences from the list on the left.
- Check the boxes for messages you want to receive for each account number, and click Update eDelivery Preferences.

For more information on the Household Service Fee, refer to the Schedule of Account Services by visiting www.janney.com/wealth-management/disclosures. ■

DISCLOSURES

Payment For Order Flow

With regard to retail customer order flow, Janney does not receive any monetary payment, service, property or other benefit that results in remuneration, compensation, or consideration to Janney from any broker or dealer, national securities exchange, registered securities association, or exchange member for execution, including, but not limited to: research, clearance, custody, products or services; reciprocal agreements for the provision of order flow; adjustment of Janney's unfavorable trading errors, offers to participate as underwriter in public offerings; stock loans or interest accrued thereon; discounts, rebates, or any other reductions of or credits against any fee to, or expense or other financial obligation of, Janney routing such retail customer order flow that exceeds that fee, expense, or financial obligation. With regard to institutional customer order flow, Janney may receive remuneration in the form of rebates from its algorithmic trading services providers. However, any such remuneration is generally offset by fees paid by Janney to its algorithmic service providers for services provided to Janney in the execution of institutional customer orders.

SEC Rule 605 — Disclosure of Order Execution Information

SEC Rule 605 requires that Janney publicly disclose, on a monthly basis, basic standardized information concerning its handling and execution of orders. Please direct any questions you may have to your Financial Advisor.

SEC Rule 606 — Disclosure of Order Routing Information

Under SEC Rule 606, Janney is required to disclose, on a quarterly basis, the identity of the market centers to which it routes a significant percentage of its orders. Janney is also required to disclose the nature of its relationships with such market centers, including any internalization or payment for order flow and reciprocal business arrangements. Janney does not receive any direct payment for directing customer orders to various market centers or broker-dealers. Janney may receive remuneration in the form of rebates from its algorithmic trading services providers. However, any such remuneration is generally offset by fees paid by Janney to its algorithmic service providers for services provided to Janney in the execution of customer orders.

Under SEC Rule 606(b)(1), Janney will provide details on National Market System ("NMS") stock and option non-directed orders in NMS securities including the identity of the venue and the time of execution for the prior six months to clients.

Under SEC Rule 606(b)(3), Janney will, upon request of a client that places not held orders, provide specific disclosures regarding routing and execution of such orders for the prior six months.

Further information about order routing, best execution, and equity securities is available at www.janney.com/wealth-management/disclosures-agreements/disclosures-agreements-service/equities/order-routing-execution-disclosure.

Please direct any questions you may have to your Financial Advisor.

FINRA Rule 2267 Investor Education and Protection

BrokerCheck provides investors with the ability to research the professional backgrounds, business practices, and conduct of Financial Industry Regulatory Authority (FINRA) registered brokerage firms and brokers. In connection with this program, investors may call the BrokerCheck Hotline at 800.289.9999 and visit the FINRA website at <http://brokercheck.finra.org/>. An investor brochure that includes information describing the FINRA BrokerCheck Program is available from either of these sources.

Account Information Verification

Financial Industry Regulatory Authority (FINRA) and other securities regulators require that broker-dealers maintain certain information about their clients and verify this information periodically. At the time your account was established, and perhaps on additional occasions since that time, you provided Janney with account information such as your name, address, investment objective, and other data. This information is being confirmed on the last pages of your June 2024 client statement. Please examine the last pages carefully. Promptly contact your Janney Financial Advisor if anything is incorrect, or if you have any questions regarding what is stated on this confirmation. If your information is correct, no action is required.

Option Risks — SEC Rule 9b-1 and FINRA Rule 2360

Pursuant to SEC Rule 19b-1 and FINRA Rule 2360, Janney is advising clients with options accounts that the Options Clearing Corporation has issued the March 2023 Options Disclosure Document (ODD). The ODD contains general disclosures on the characteristics and risks of trading standardized options. The March 2023 ODD contains new language to (i) accommodate cash-settled flexibly structured options on certain fund shares that meet specified criteria as defined in the rules of the options market; (ii) provide additional details on the fungibility of flexibly structured options with standardized options; and (iii) address a scenario where an underlying security price may not be available and the resulting implications for cash-settled flexibly structured options on certain fund shares. In addition, the March 2023 ODD updates language describing when trading in a.m. settled index options may not occur in relation to an option expiration date and, in unusual circumstances, due to market closures.

The March 2023 ODD is available to Janney options clients at "[Characteristics and Risks of Standardized Listed Options](#)".

Annual Disclosure Statement Regarding Partially Called Bonds

Janney is providing this disclosure to inform you of the basic processing applied by Janney regarding the impartial lottery process for callable bonds. When you purchase bonds that are callable in part (i.e., less than the full amount of outstanding bonds may be called), per FINRA Rule 4340 (Securities Callable in Part), Janney is required to run an impartial lottery that calls bonds from client accounts on a randomly selected basis and holds them until the applicable redemption date. The process by which client accounts are randomly selected can be found on the Janney website at: <https://www.janney.com/wealth-management/disclosures-agreements/disclosures-agreements-service/fixed-income-cds/partially-called-bond-lottery-process>.

For more information on partially called bonds, there are several websites with valuable information, including:

- Financial Industry Regulatory Authority: www.finra.org
- FINRA Rule 4340: www.finra.org/rules-guidance/rulebooks/finra-rules/4340
- U.S. Securities and Exchange Commission: www.sec.gov/answers/callablebonds.htm

Working With Janney

Depending on your financial needs and personal preferences, you may opt to engage in a brokerage relationship, an advisory relationship or a combination of both. Each time you open an account, we will make recommendations on which type of relationship is in your best interest based on the information you provide when you complete or update your client profile.

If you engage in a brokerage relationship, you will buy and sell securities on a transaction basis and pay a commission for these services. Our recommendations for the purchase and sale of securities will be based on what is in your best interest and reflect reasonably available alternatives at that time. If you engage in an advisory relationship, you will pay an asset-based fee, which encompasses, among other things, a defined investment strategy, ongoing monitoring, and performance reporting. Your Financial Advisor will serve in a fiduciary capacity for your advisory relationships.

For more information about Janney, please see Janney's Relationship Summary (Form CRS) on www.janney.com/crs, which details all material facts about the scope and terms of our relationship with you and any potential conflicts of interest.

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