



Q4 2021

human investing®





# WELCOME!

## HERE'S OUR CONVERSATION FOR TODAY:

2022 retirement plan updates

---

401(k) and your tax return

---

A market correction & your 401(k) account

---

Your retirement plan checklist

hi

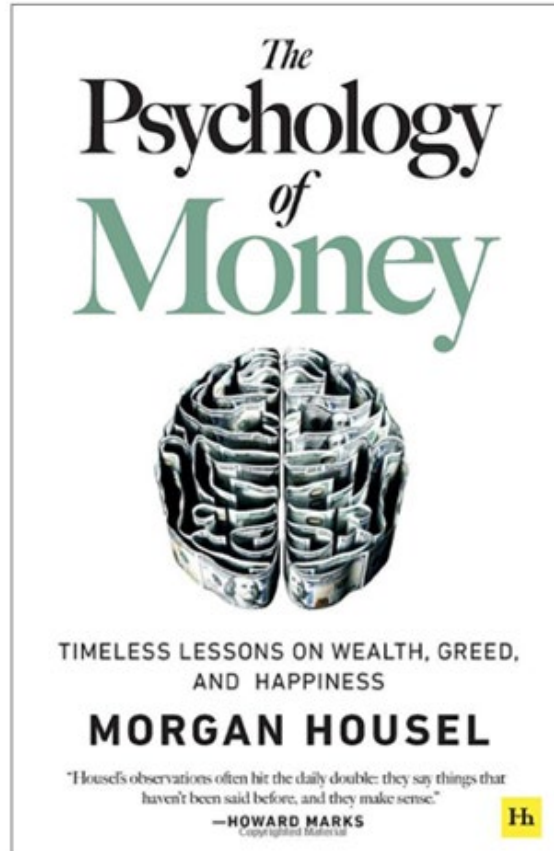
# Meet Today's Team

---

Andrew Nelson, Partner



Nicole Wilson, CPA



human investing® / *WORKPLACE ADVISORY*

## RETIREMENT PLAN SERVICES FOR THE MOST DESIRABLE COMPANIES IN OREGON

human investing®

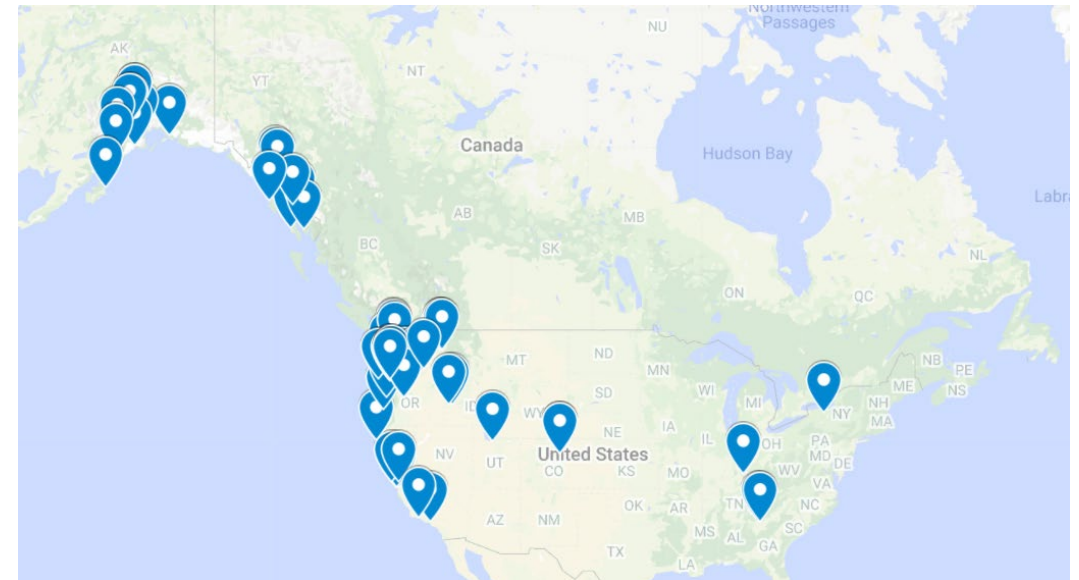
EMPLOYER	RECORDKEEPER	PLAN ADVISOR (US)
<ul style="list-style-type: none"><li>+ Sponsors the plan for employees</li><li>+ Delegates fiduciary responsibility</li><li>+ Mandates to act in the best interest of participants and beneficiaries</li></ul>	<ul style="list-style-type: none"><li>+ Tracks transactions and assets in the plan</li><li>+ Provides plan website</li><li>+ Provides overall database for the plan</li><li>+ Tests and 5500 files in order to keep plan compliant</li></ul>	<ul style="list-style-type: none"><li>+ Selects and monitors investments</li><li>+ Offers employee advice and education</li><li>+ Acts as a 3(38) fiduciary</li><li>+ Drives plan design and benchmarking discussions</li></ul>

# human investing<sup>®</sup>

- We are partnered with 60 different retirement plans.
- The largest employer has over 2,000 employees.
- The smallest employer has less than 15 employees.
- We have been a B-Corp since 2014.

We are connecting with humans all over the country.

---



# 2022

## Contribution Limits

<b>401K PLAN LIMITS</b>	<b>2022</b>	<b>2021</b>
401K Elective Deferrals	\$20,500	\$19,500
Catch-up Contribution Limit	\$6,500	\$6,500
Annual Deferred Contribution Limit	\$61,000	\$58,000
Annual Compensation Limit	\$305,000	\$290,000
Highly Compensated Employees	\$135,000	\$130,000

<b>OTHER RETIREMENT PLANS</b>	<b>2022</b>	<b>2021</b>
HSA (Health Savings Account)	Single: \$3,650 Family: \$7,300	Single: \$3,600 Family: \$7,200
IRA Contributions	\$6,000	\$6,000
IRA Catch-up Contribution Limit	\$1,000	\$1,000
Simple IRA	\$14,000	\$13,500
Simple IRA Catch-up Limit	\$3,000	\$3,000
SEP IRA	\$61,000	\$58,000

# 2022 FEDERAL INCOME TAX BRACKETS

<b>Tax Rate</b>	<b>Income (Single)</b>	<b>Income (Married)</b>
<b>10%</b>	Up to \$10,275	Up to \$20,550
<b>12%</b>	\$10,276 to \$41,775	\$20,551 to \$83,550
<b>22%</b>	\$41,776 to \$89,075	\$83,551 to \$178,150
<b>24%</b>	\$89,076 to \$170,050	\$178,151 to \$340,100
<b>32%</b>	\$170,051 to \$215,950	\$340,101 to \$431,900
<b>35%</b>	\$215,951 to \$539,900	\$431,901 to \$647,850
<b>37%</b>	Over \$539,900	Over \$647,850

<https://smartasset.com/taxes/income-taxes>



# 2022 FEDERAL INCOME TAX BRACKETS

3% increase compared to 2021

Tax Rate	Income (Single)	Income (Married)
10%	Up to \$10,275 ←	Up to \$20,550
12%	\$10,276 to \$41,775	\$20,551 to \$83,550 ←
22%	\$41,776 to \$89,075	\$83,551 to \$178,150
24%	\$89,076 to \$170,050	\$178,151 to \$340,100
32%	\$170,051 to \$215,950	\$340,101 to \$431,900
35%	\$215,951 to \$539,900	\$431,901 to \$647,850
37%	Over \$539,900	Over \$647,850



# 2022 FEDERAL INCOME TAX BRACKETS

	<b>Tax Rate</b>	<b>Income (Single)</b>	<b>Income (Married)</b>
	<b>10%</b>	Up to \$10,275	Up to \$20,550
	<b>12%</b>	\$10,276 to \$41,775	\$20,551 to \$83,550
	<b>22%</b>	\$41,776 to \$89,075	\$83,551 to \$178,150
	<b>24%</b>	\$89,076 to \$170,050	\$178,151 to \$340,100
<b>ROTH</b> →	<b>32%</b>	\$170,051 to \$215,950	\$340,101 to \$431,900
	<b>35%</b>	\$215,951 to \$539,900	\$431,901 to \$647,850
	<b>37%</b>	Over \$539,900	Over \$647,850



2022 retirement plan updates

---

**401(k) and your tax return**


---

A market correction & your 401(k) account

---

Your retirement plan checklist



The image shows a rustic interior space with a prominent brick wall. In the foreground, there is a dark wooden table surrounded by several yellow chairs with metal frames. To the left, a wooden bar counter is visible with a yellow stool underneath. On the brick wall, two wooden skis are leaning vertically. Two warm-toned pendant lights hang from the ceiling. The overall atmosphere is cozy and industrial.

Your 401(k) &  
Your 2021 Tax Return



A W-2 Form includes  
all the 401(k) information  
needed for tax returns.

a Employee's social security number		Safe, accurate, FAST! Use		Visit the IRS website at www.irs.gov/efile			
b Employer identification number (EIN)		1 Wages, tips, other compensation \$70,000	2 Federal income tax withheld \$10,000				
c Employer's name, address, and ZIP code Employer 123 1800 Kindness Street Portland, OR 97201		3 Social security wages \$70,000	4 Social security tax withheld \$4,340				
		5 Medicare wages and tips \$70,000	6 Medicare tax withheld \$1,015				
		7 Social security tips	8 Allocated tips				
d Control number		9	10 Dependent care benefits				
e Employee's first name and initial Last name Suff.		11 Nonqualified plans		12a See instructions for box 12 D   \$8,000			
		13 Statutory employee Retirement plan Third-party sick pay <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>	12b AA   \$3,000				
		14 Other		12c		12d	
f Employee's address and ZIP code							
15 State Employer's state ID number OR	16 State wages, tips, etc. \$70,000	17 State income tax \$4,900	18 Local wages, tips, etc.	19 Local income tax	20 Locality name		

# 2021 W2 Example

2021 taxable wages	\$70,000	>>> box 1
2021 pre-tax contribution	(\$8,000)	>>> box 12a
2021 roth contribution	\$3,000	>>> box 12b
<b>2021 taxable income</b>	<b>\$62,000</b>	

(notice employer 401(k) contributions do not appear)

# 2021 tax returns are due soon

# 401(k) Tax Form Exceptions

You took a withdrawal from your 401(k) account during the year.

1 Gross distribution \$ _____		OMB No. 1545-0119  <b>2021</b> Form <b>1099-R</b>	<b>Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.</b>	
<b>2a</b> Taxable amount \$ _____		Copy 1 For State, City, or Local Tax Department		
<b>2b</b> Taxable amount not determined <input type="checkbox"/>		Total distribution <input type="checkbox"/>		
<b>3</b> Capital gain (included in box 2a) \$ _____		<b>4</b> Federal income tax withheld \$ _____		
<b>5</b> Employee contributions/ Designated Roth contributions or insurance premiums \$ _____		<b>6</b> Net unrealized appreciation in employer's securities \$ _____		
<b>7</b> Distribution code(s) _____	IRA/ SEP/ SIMPLE <input type="checkbox"/>	<b>8</b> Other \$ _____ %		
<b>9a</b> Your percentage of total distribution %		<b>9b</b> Total employee contributions \$		
<b>14</b> State tax withheld \$ _____	<b>15</b> State/Payer's state no. _____	<b>16</b> State distribution \$ _____		
<b>17</b> Local tax withheld \$ _____	<b>18</b> Name of locality _____	<b>19</b> Local distribution \$ _____		

You completed a direct rollover.

1 Gross distribution \$ _____		OMB No. 1545-0119  <b>2021</b> Form <b>1099-R</b>	<b>Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.</b>	
<b>2a</b> Taxable amount \$ _____		Copy 1 For State, City, or Local Tax Department		
<b>2b</b> Taxable amount not determined <input type="checkbox"/>		Total distribution <input type="checkbox"/>		
<b>3</b> Capital gain (included in box 2a) \$ _____		<b>4</b> Federal income tax withheld \$ _____		

1 IRA contributions (other than amounts in boxes 2-4, 8-10, 13a, and 14a) \$ _____		OMB No. 1545-0747  <b>2021</b> (rev. April 2020) Form <b>5498</b>	<b>IRA Contribution Information</b>	
<b>2</b> Rollover contributions \$ _____		Copy B For Participant		
<b>3</b> Roth IRA conversion amount \$ _____		<b>4</b> Recharacterized contributions \$ _____		
<b>5</b> FMV of account \$ _____		<b>6</b> Life insurance cost included in box 1 \$ _____		

You defaulted on a 401(k) loan.

1 Gross distribution \$ _____		OMB No. 1545-0119  <b>2021</b> Form <b>1099-R</b>	<b>Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.</b>	
<b>2a</b> Taxable amount \$ _____		Copy 1 For State, City, or Local Tax Department		
<b>2b</b> Taxable amount not determined <input type="checkbox"/>		Total distribution <input type="checkbox"/>		
<b>3</b> Capital gain (included in box 2a) \$ _____		<b>4</b> Federal income tax withheld \$ _____		
<b>5</b> Employee contributions/ Designated Roth contributions or insurance premiums \$ _____		<b>6</b> Net unrealized appreciation in employer's securities \$ _____		
<b>7</b> Distribution code(s) _____	IRA/ SEP/ SIMPLE <input type="checkbox"/>	<b>8</b> Other \$ _____ %		
<b>9a</b> Your percentage of total distribution %		<b>9b</b> Total employee contributions \$		
<b>14</b> State tax withheld \$ _____	<b>15</b> State/Payer's state no. _____	<b>16</b> State distribution \$ _____		
<b>17</b> Local tax withheld \$ _____	<b>18</b> Name of locality _____	<b>19</b> Local distribution \$ _____		





2022 retirement plan updates

---

401(k) and your tax return

---

**A market correction & your 401(k) account**

---

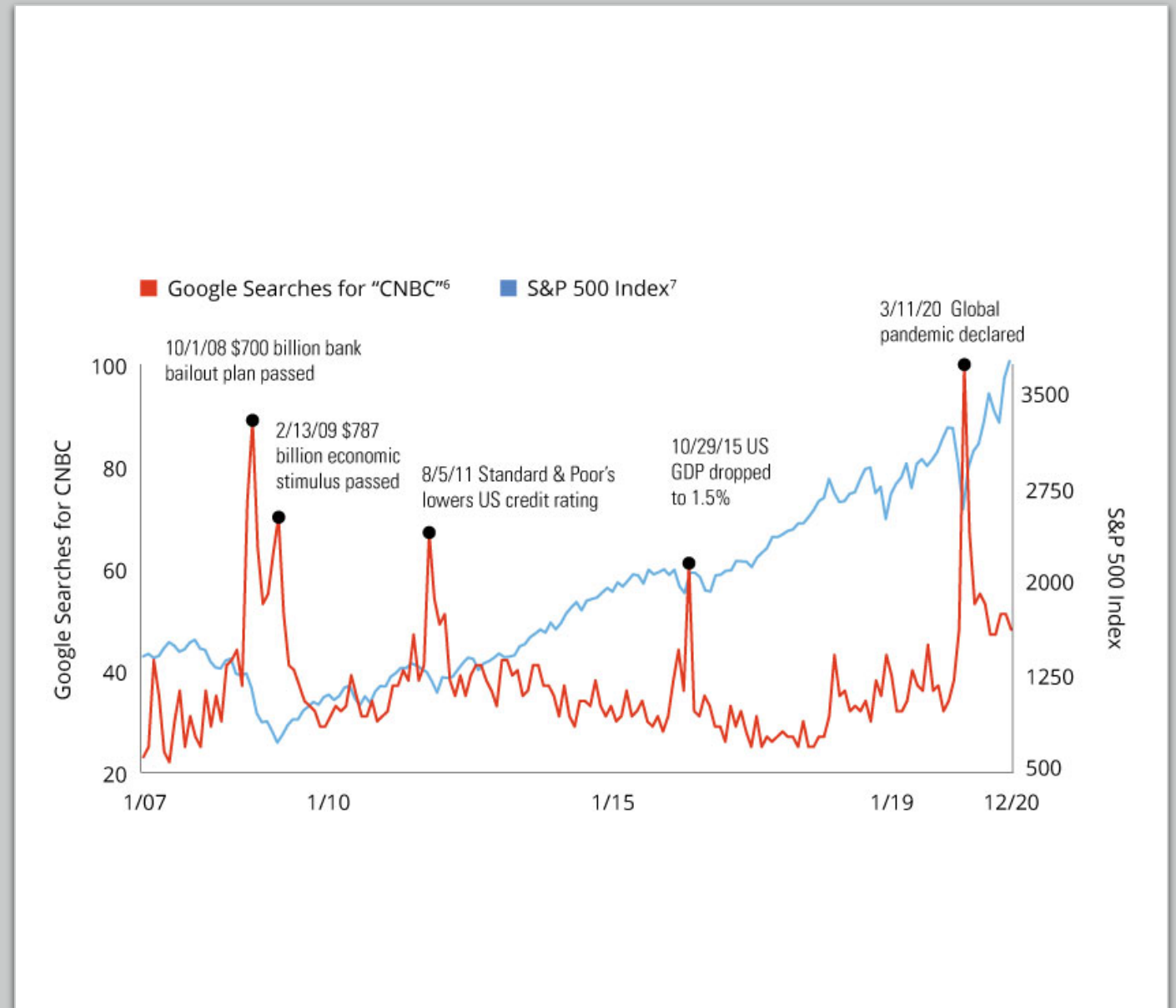
Your retirement plan checklist

**Statistically speaking**, the market will have another correction. Emotionally speaking, **it's going to be uncomfortable.**

- Stock market corrections happen (down at least 20%), on average, **every 1.84 years.**
- Market pullbacks of 10%+ occurred in **13 of the past 22 years.**
- We receive, on average, **10x more calls** when this happens.

# Human Behavior When Markets Fall

1. Putting Market declines into perspective
2. Having tools when this occurs
3. Understanding the long-term ramifications of timing the market incorrectly





# PEOPLE ARE WORRIED ABOUT STOCK MARKET CORRECTION.

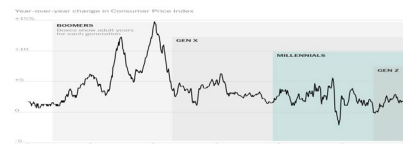
## How to tell if a stock market dip is turning into a crash

Bull markets, like the human investors that compose them, are mortal—and sometimes they die in a spectacular and bloody fashion. Trouble is, you never know for sure when [a few days of big losses](#) represent a mere dip (or to some, a buying opportunity) and what is the start of bigger decline. But there are at least four signs that appear when equities are approaching the abyss.

## 2022 home prices will keep rising at or near double digits, predicts the analyst who called the current housing boom

### Is a Stock Market Crash Looming? Here's What the Data Says You Should Be Focused On

History may not be investors' friend in the near term, but it's one of their greatest long-term allies.



## PACKED PORTS AND EMPTY SHELVES: INSIDE THE ISSUES BEHIND THE U.S. SUPPLY CHAIN CRISIS

60 Minutes follows the U.S.'s struggling supply chain, from choked ports on the West Coast, to packed rail yards in Chicago. Along the way, we found finger-pointing, huge profits, and massive losses.



## Inflation's back - but is it here to stay?

Many younger people won't remember a time when inflation was a big political issue, or a subject that might affect their day to day lives. But recent increases in the cost of living, partly caused by the coronavirus pandemic and the supply chain crisis, have started to have a real impact.



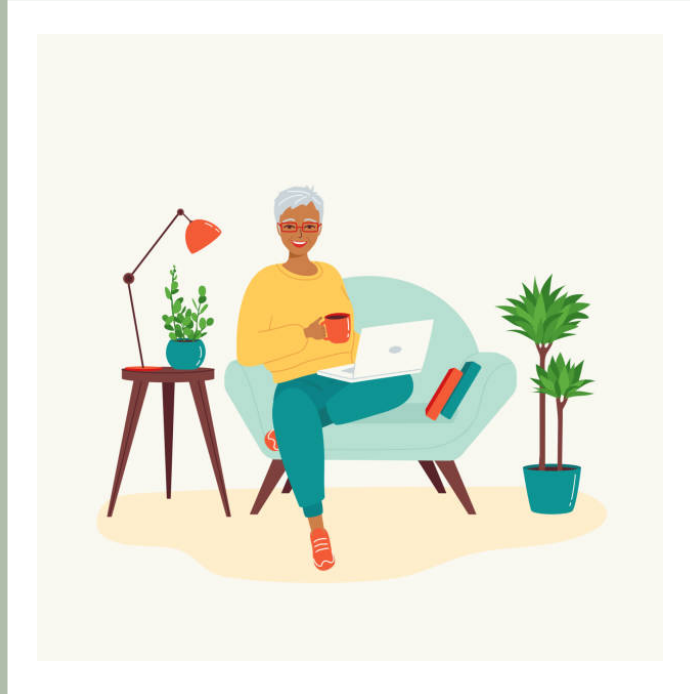
# If the stock market corrects (again), what does that mean for my 401(k) account?

---

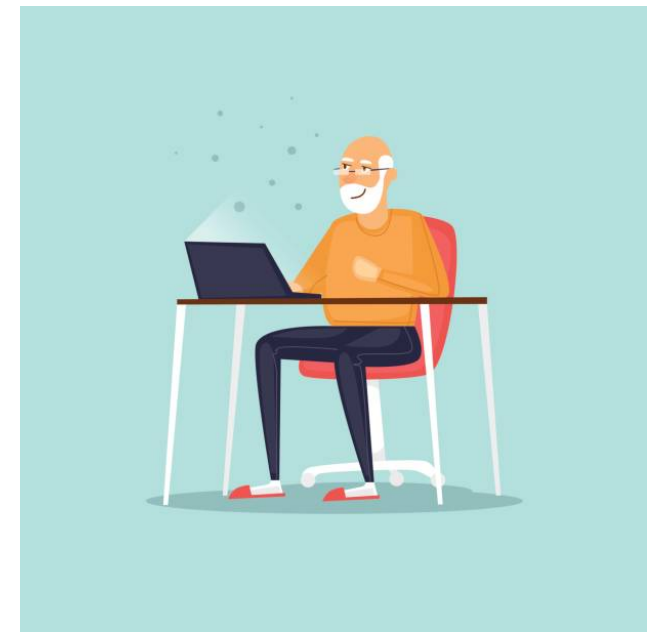
I am 30 years old.



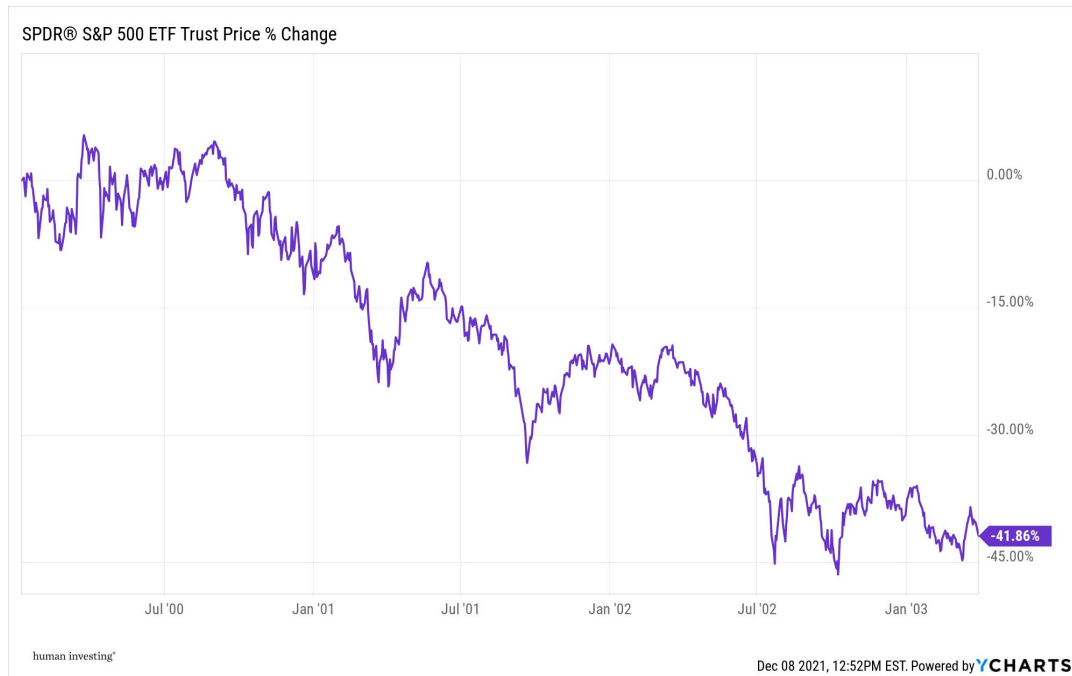
I am 50 years old.



I am 60+ years old.



## Dot-com Bubble Burst 2000-2002



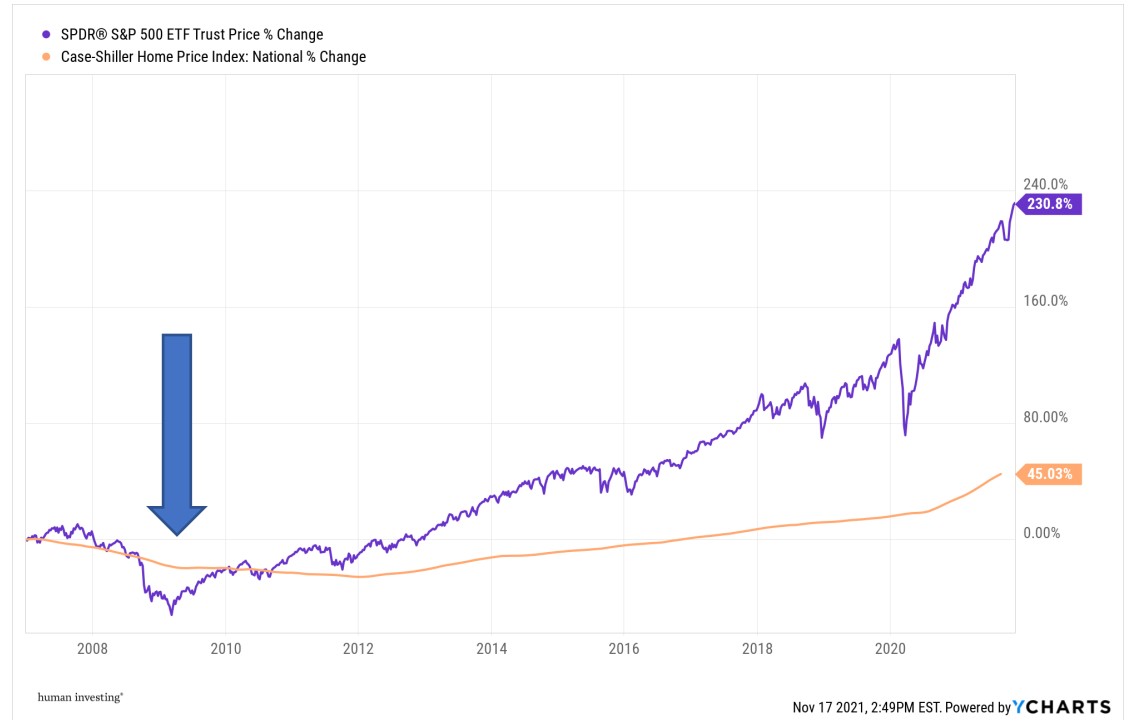
## Stock Market 1995 - 2021



## US Housing Market Crash 2007-2009

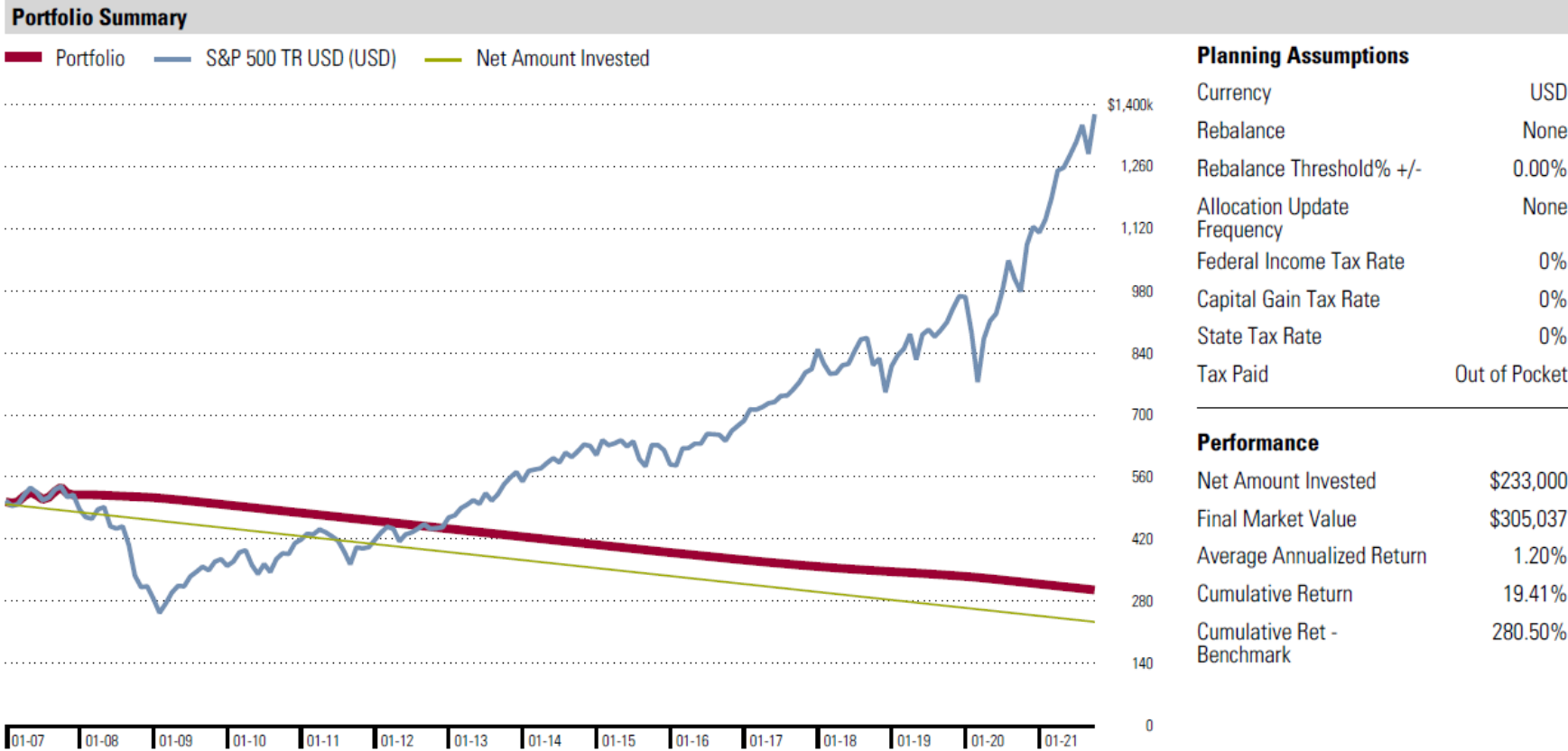


## Stock Market 2007 – 2021 Housing Market 2007 – 2021



## Hypothetical example:

A retirement account with \$500,000 invested in a target date fund gets moved to cash in 2007. \$18,000 is withdrawn every year (\$1,500 a month) and the cash is never reinvested.



### Planning Assumptions

Currency	USD
Rebalance	None
Rebalance Threshold% +/-	0.00%
Allocation Update Frequency	None
Federal Income Tax Rate	0%
Capital Gain Tax Rate	0%
State Tax Rate	0%
Tax Paid	Out of Pocket

### Performance

Net Amount Invested	\$233,000
Final Market Value	\$305,037
Average Annualized Return	1.20%
Cumulative Return	19.41%
Cumulative Ret - Benchmark	280.50%

### Portfolio-Level Performance Disclosure

The portfolio-level performance shown is hypothetical and for illustrative purposes only. Investor returns will differ from the results shown.

## 2007 – Beginning Balance

Account Name	Current Balance	Available Balance
Personal Checking 6387	\$7,000	\$5,463
Retirement Account (IRA) 1315	\$500,000	\$500,000

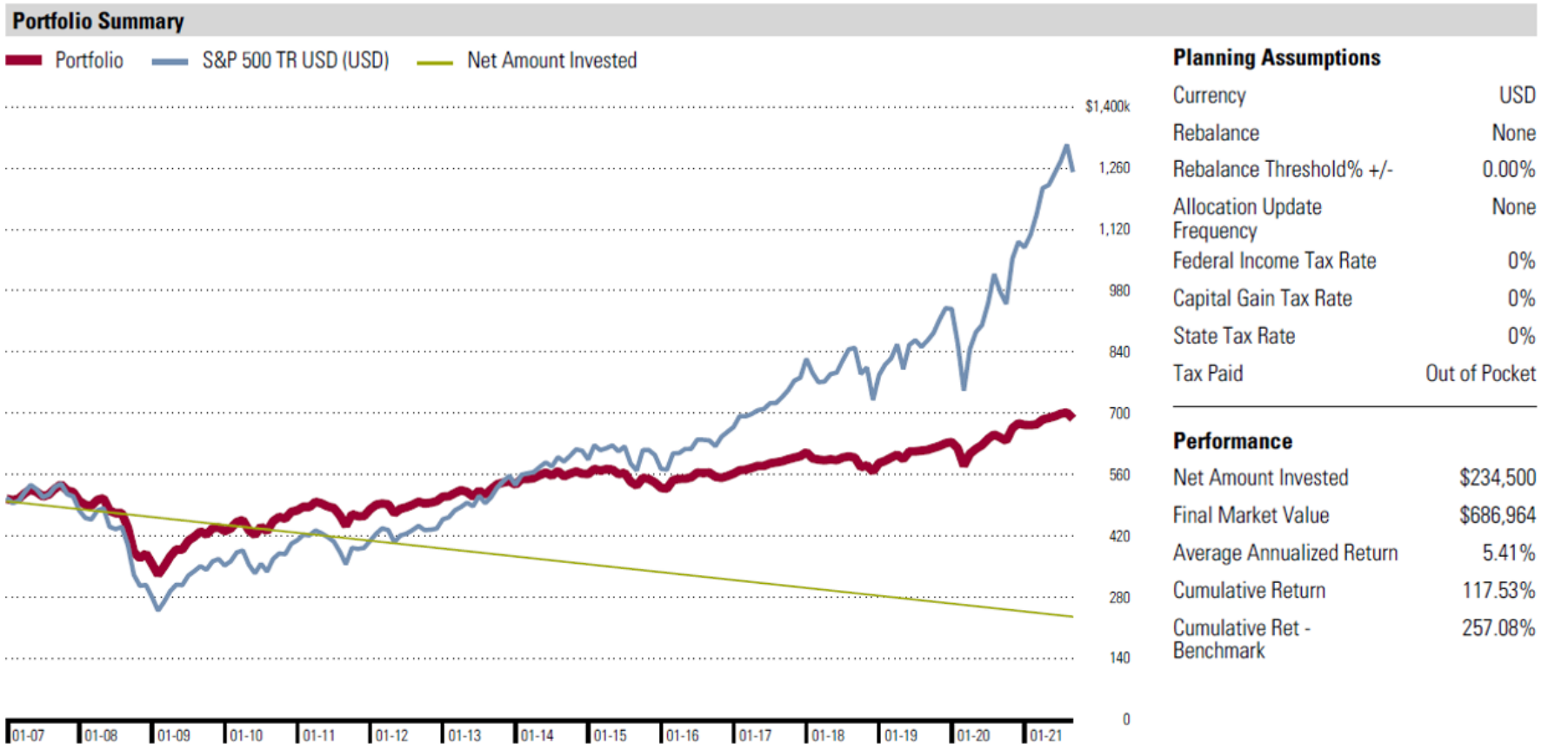
## 2021 – Current Balance

Account Name	Current Balance	Available Balance
Personal Checking 6387	\$4,000	\$2,987
Retirement Account (IRA) 1315	\$305,037	\$305,037



## Hypothetical example:

A retirement account with \$500,000 stays invested in a target date fund until 2021. \$18,000 is withdrawn every year (\$1,500 a month).



### Portfolio-Level Performance Disclosure

The portfolio-level performance shown is hypothetical and for illustrative purposes only. Investor returns will differ from the results shown.

## 2007 – Beginning Balance

Account	Current	Available
Personal Checking 6387	\$7,000	\$5,463
Retirement Account (IRA) 1315	\$500,000	\$500,000

## 2021 – Current Balance

Account	Current	Available
Personal Checking 6387	\$8,200	\$6,113
Retirement Account (IRA) 1315	\$686,984	\$686,964

# Flashforward to 2021

### move to cash

2007 – Beginning Balance

Account	Current	Available
Personal Checking 6387	\$7,000	\$5,463
Retirement Account (IRA) 1315	\$500,000	\$500,000

2021 – Current Balance

Account	Current	Available
Personal Checking 6387	\$4,000	\$2,987
Retirement Account (IRA) 1315	\$305,037	\$305,037

### stay invested

2007 – Beginning Balance

Account	Current	Available
Personal Checking 6387	\$7,000	\$5,463
Retirement Account (IRA) 1315	\$500,000	\$500,000

2021 – Current Balance

Account	Current	Available
Personal Checking 6387	\$8,200	\$6,113
Retirement Account (IRA) 1315	\$686,984	\$686,984



During market turbulence, it **feels good** to make a change to your account.

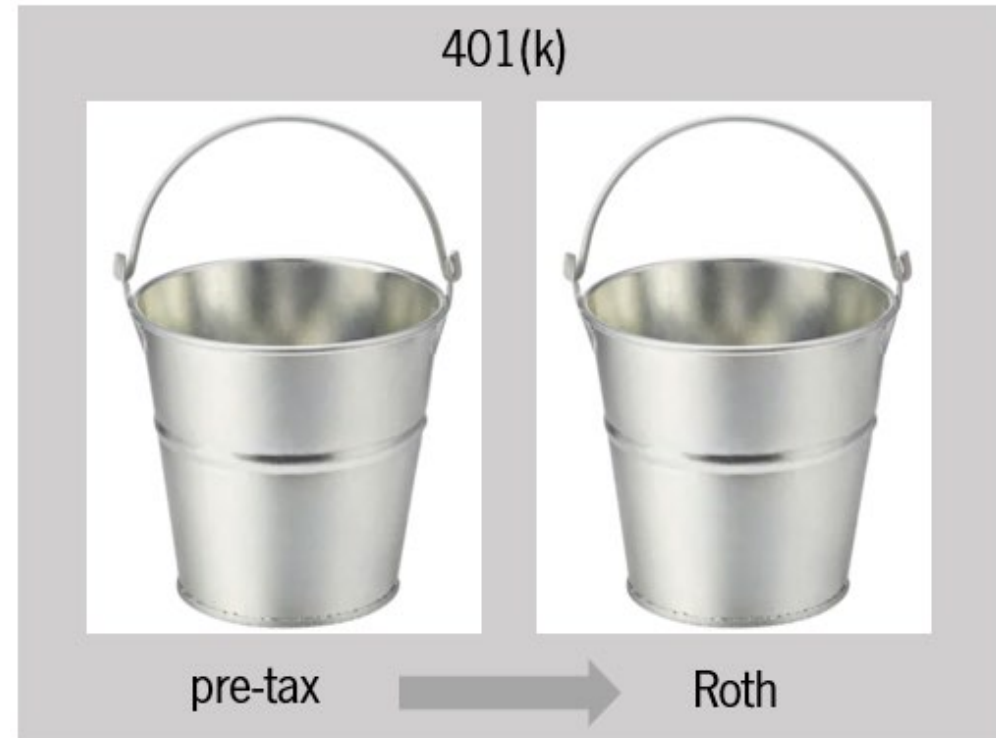


## 2 Strategies to Implement

### 1) Increase Your Contribution Rate



### 2) In Plan Roth Conversion

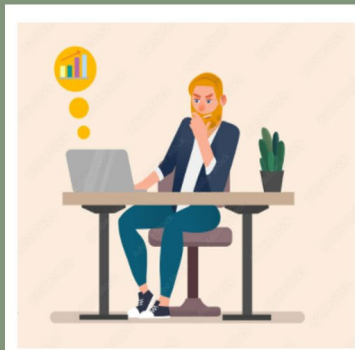


## Our Advice for You

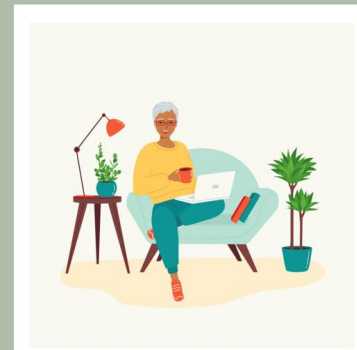
---

1. Think about how soon you need to access your 401(k) account. Is it within the next year? 5 years? 20 years?

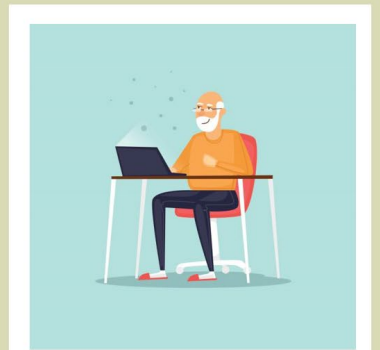
I am 30 years old.



I am 50 years old.



I am 60+ years old.





## Our Advice for You

---

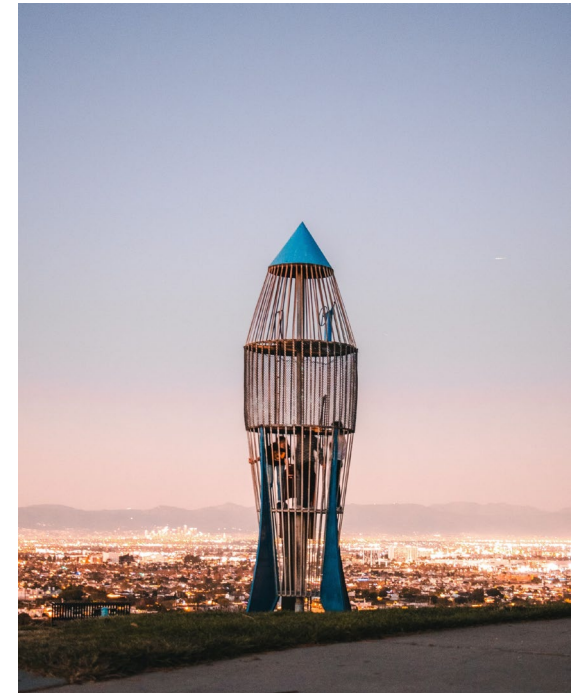
1. Think about how soon you need to access your 401(k) account. Is it within the next year? 5 years? 20 years?
2. Determine if there are other dollars or accounts you have that can feed your speculative appetite.

**Vanguard**<sup>®</sup>



**Betterment**

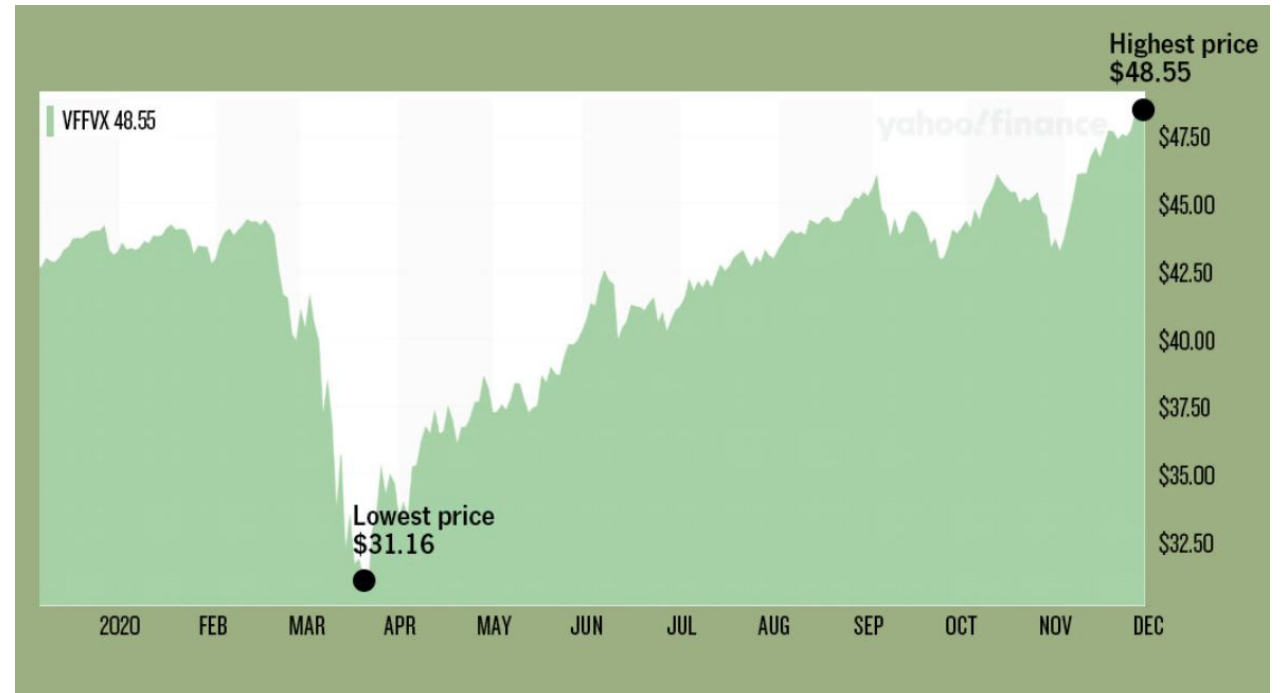
**Robinhood** 



## Our Advice for You

---

1. Think about how soon you need to access your 401(k) account. Is it within the next year? 5 years? 20 years?
2. Determine if there are other dollars or accounts you have that can feed your speculative appetite.
3. **Remember that dollar-cost averaging is a supported strategy for long-term investing.**



# Our Advice for You

1. Think about how soon you need to access your 401(k) account. Is it within the next year? 5 years? 20 years?
2. Determine if there are other dollars or accounts you have that can feed your speculative appetite.
3. Remember that dollar-cost averaging is a supported strategy for long-term investing.
4. Seek advice before making any significant changes to your 401(k) account.

[humaninvesting.com](https://humaninvesting.com)

401k Education Advisors

## Retirement Plan Meeting with Human Investing


 30 min

Have questions about your retirement plans? Not sure where to get started? Schedule a 30-minute call or Zoom video conference with our team and we'll help answer all your questions and ensure you're ready to meet your retirement savings goals.

### Select a Date & Time

December 2021

SUN	MON	TUE	WED	THU	FRI	SAT
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

 Pacific Time - US & Canada (11:20am) ▾

POWERED BY  
Calendly





2022 retirement plan updates

---

401(k) and your tax return

---

A market correction & your 401(k) account

---

**Your retirement plan checklist**

## Your Retirement Plan Checklist:

- Confirm you are receiving your employer match (free money).
- Confirm whether you are saving pre-tax and/or Roth inside your retirement account.
- Confirm your dollars are invested to align with your retirement needs.
- Confirm you have designated a beneficiary for your account.



HUMAN INVESTING

HAPPY HOLIDAYS

2021

thank you!

503.905.3103  
401k@humaninvesting.com



*Your HI Team*

NICOLE, EVE, & ANDREW