

EYE ON MONEY

MAR
APR
2024

Estate Planning: Protecting You and Your Family

plus TAX CREDITS FOR PAYING COLLEGE TUITION

ROTH IRAs: WHY YOU MAY WANT ONE

RETIREMENT PLAN CONTRIBUTION
LIMITS INCREASE FOR 2024



FINANCIAL

You Have Until April 15th to...

▶ **File your 2023 tax return.**

The deadline for filing the 2023 federal individual tax return is April 15, 2024. Residents of Maine or Massachusetts have until April 17, 2024 due to some holidays.

▶ **Request an extension of time to file.**

If you are not ready to file your return by the regular deadline (April 15 for most people), you can get a 6-month extension of time to file if you submit Form 4868 to the IRS by that date. Or you can make a tax payment by that date using one of the IRS's electronic payment options and indicate that the payment is for an extension.

▶ **Contribute to an IRA for 2023.**

You have until the deadline for filing your 2023 federal income tax return (not including extensions) to contribute to a traditional or Roth IRA for 2023. The 2023 contribution limits are \$6,500 for individuals who were under age 50 at the end of 2023 and \$7,500 for individuals who were age 50 or older at the end of 2023. *(Additional limits may apply to the maximum amount you can contribute.)* ■

Please consult your tax and financial professionals for advice.

inside

UP FRONT

- 2 You Have Until April 15th to...
- 3 3 Things to Know About Health Savings Accounts
- 4 A Few Things to Know About Exchange-Traded Funds (ETFs)
- 5 You May Be Able to Contribute More Money to Your Retirement and Health Savings Accounts for 2024

FEATURES

- 6 Estate Planning: Protecting You and Your Family
- 12 Education Tax Credits: How They Compare
See how the two federal tax credits for paying college tuition compare.
- 14 The Roth IRA: How It Works and Why You May Want One

FYI

- 16 Northern Exposure: Chiang Mai, Thailand
- 18 Where to Stop and Smell the Roses (and Other Flowers) This Spring
- 19 Quiz: Seattle

© 2024 Quinn Communications Inc.
This publication was created by Quinn Communications Inc. (www.quinncom.biz) for the use of the sender. It is intended to provide general information on the subject matter covered. It is not intended to provide a financial, legal, or other professional service. The information in this publication may not be appropriate for you. Contact a financial or legal professional before making changes to your plans.

3 Things to Know About Health Savings Accounts

Health savings accounts (HSAs) are tax-advantaged accounts that people with high-deductible health plans can use to set aside money for their current and future medical expenses.

Here are three things to know about them.

1,2,3

HSAs OFFER THREE TAX ADVANTAGES.

HSAs offer a trio of tax advantages that make it possible for you to pay qualified medical expenses with tax-free dollars.

- ▶ Your contributions are pre-tax or tax-deductible.
- ▶ Any interest or investment growth is tax-free.
- ▶ Withdrawals used for qualified medical expenses are tax-free.

That's one more tax advantage than IRAs and 401(k) plans offer. With those accounts, either your contributions are made with dollars that have already been taxed or your savings are taxed when they are withdrawn from the account.

With an HSA, your money goes in income-tax-free, potentially grows tax-free while in the account, and comes out tax-free as long as it is used for qualified medical expenses.



MONEY CAN BE WITHDRAWN TAX-FREE FOR QUALIFIED MEDICAL EXPENSES.

Qualified medical expenses include expenses such as deductibles, copays, coinsurance, lab fees, and prescription drugs. They also include Medicare premiums (but not Medigap premiums) and long-term care insurance premiums.

For a list of qualified medical expenses, please see IRS Publication 502, Medical and Dental Expenses.

In addition to your own medical expenses, the money in your HSA can also be used tax-free to pay the qualified medical expenses of your spouse and your dependents—even if they are not covered by your health plan.

You can also use money from your HSA for non-qualified expenses, but withdrawals in excess of your qualified medical expenses will be subject to income tax and, if you are under age 65, generally a 20% tax penalty.

RETIREMENT



HSAs CAN BE USED TO SAVE FOR RETIREMENT.

The “use it or lose it” rule that generally applies to flexible spending accounts does not apply to HSAs. This means that the funds in your HSA remain in your account until you use them. Any funds that you do not use this year can be used in future years.

This feature makes it possible for you to use an HSA to save for your medical expenses in retirement. If you choose to do this, consider contributing to your HSA every year and using other funds to pay your current medical bills. This way, your contributions and earnings remain in your HSA where they have the potential to grow tax-free for decades. Over time, you may be able to build a significant sum that you can use tax-free for your medical expenses in retirement. ■

PLEASE CONSULT YOUR FINANCIAL PROFESSIONAL FOR ADVICE.

Please note that this article pertains to federal taxation. State tax may apply in a few states.

ETFs

A Few Things to Know About Exchange-Traded Funds (ETFs)

ETFs, which combine features of mutual funds and stocks, are designed to help investors meet a variety of needs. Here are a few things to know about them.

ETFs offer a convenient way to diversify your portfolio.

Like mutual funds, ETFs are generally a collection of stocks, bonds, or other assets in a single fund. Depending on the ETF you choose, it may contain hundreds or even thousands of securities, making it possible for you to diversify your portfolio with just a few well-chosen ETFs.

ETFs trade on stock exchanges.

ETFs trade like stocks, meaning that they are traded on stock exchanges throughout the trading day. This allows you to buy or sell ETF shares at the current market price at any time during the trading day, just as you would buy or sell a stock. It also allows you to use order types, such as limit orders, when buying or selling shares.

In contrast, mutual fund shares are purchased or redeemed directly from the fund company or through a broker and are priced at their net asset value at the close of the trading day. As a result, you will not learn the price of your mutual fund shares until after the market closes.

Most ETFs are index funds.

Most ETFs are designed to closely track the performance of a specific index by investing in every security in the index or a sampling of them. For instance, an ETF that tracks the S&P 500 index might invest in all of the securities in the S&P 500 index in an effort to achieve the same return as the index.

Some ETFs are actively managed.

Although most ETFs are index funds, there are also many actively managed ETFs with a fund manager who chooses the investments in the fund, usually with the goal of outperforming a benchmark index. ■

Please consult your financial professional for investment advice.

Please note: Investing involves risk, including the possible loss of the money you invest. Diversification does not ensure a profit or protect against loss in declining markets. ETF shares are bought and sold at current market price, which may be higher or lower than net asset value. Before investing in mutual funds or ETFs, investors should consider a fund's investment objectives, risks, charges, and expenses. Contact your financial professional for a prospectus containing this information. Please read it carefully before investing.

You may be able to contribute more money to your retirement and health savings accounts for 2024.



Due to an increase in the cost of living, the IRS increased the 2024 annual contribution limits for retirement plans, IRAs, and health savings accounts (HSAs).

The maximum contribution for retirement accounts increased by \$500. That may not sound like much, but increasing your contributions by \$500 a year has the potential to really add up over time due to the power of compound earnings.

For advice on how much to save for retirement each year, please consult your financial professional.

CONTRIBUTION LIMITS

	2023 MAXIMUM	2024 MAXIMUM	INCREASE FROM 2023
401(k), 403(b), and most 457 Plans			
Regular Contributions	\$22,500	\$23,000	\$500
Catch-up Contributions if Age 50 or Older	\$7,500	\$7,500	No Change
SIMPLE IRAs and SIMPLE 401(k)s			
Regular Contributions	\$15,500	\$16,000	\$500
Catch-up Contributions if Age 50 or Older	\$3,500	\$3,500	No Change
Traditional and Roth IRAs			
Regular Contributions	\$6,500	\$7,000	\$500
Catch-up Contributions if Age 50 or Older	\$1,000	\$1,000	No Change
Health Savings Accounts (HSA)			
Contributions if Self-Only HDHP Coverage	\$3,850	\$4,150	\$300
Contributions if Family HDHP Coverage	\$7,750	\$8,300	\$550
Catch-Up Contributions if Age 55 or Older	\$1,000	\$1,000	No Change

Please note that additional limits may apply to the maximum amount you may contribute annually.

Estate Planning: Protecting You and Your Family

No matter your age or the size of your estate, it is important to have an estate plan in place to help protect your family's financial future, as well as your own. Here are a few general things to know about creating an estate plan. Your estate planning professional can tell you more, as well as provide advice regarding your specific situation.

TRANSFERRING WEALTH TO HEIRS

There is more than one way to transfer your wealth to your heirs. A will is often the first thing that pops into people's minds when they consider how to transfer their assets to their heirs. And although a will is an important part of an estate plan, there are additional ways to transfer your assets.

- ▶ *Will.* A will is used to transfer assets that are not transferred by other means.
- ▶ *Beneficiary designations.* Financial accounts and life insurance policies typically allow you to name one or more beneficiaries to receive the assets in the accounts and the insurance payouts after you are gone.
- ▶ *Certain types of joint ownership.* Assets that you own jointly with another person, such as your spouse, can become the property of the surviving owner, depending on how the assets are titled.
- ▶ *Trusts.* A trust is a legal arrangement that specifies how and when the assets you place in the trust are to be distributed to your beneficiaries.

Gifts to your heirs during your lifetime are an option. As long as your own financial future is secure, transferring wealth to your heirs during your lifetime can be a smart move in some circumstances. For

example, individuals whose estates will be subject to estate tax may want to make gifts to their heirs during their lifetimes in order to take advantage of the annual gift tax exclusion or to remove appreciating assets from their estates so that any future appreciation is not part of their estates.

Whether lifetime gifts are a smart move for you depends on your situation. Please consult your estate planning professional who can review the pros and cons of lifetime gifts with you and provide advice on how to tax-efficiently transfer your wealth to your heirs.

NAMING A GUARDIAN

A will is where you name a guardian for your young children. Your choice of guardian will have a profound impact on your children's lives if the unthinkable happens, so it's important to choose the person you think will do the best job—and to make your choice legally known by naming the guardian in your will.

The court will appoint a guardian if you do not name one. If you do not name a guardian for your young children in your will and both parents die, the court will appoint someone to care for your children. And without any input from you, it may be someone you'd prefer not raise your children.

The guardian you choose is not obligated to serve. For this reason, it's a good idea to get their agreement before naming them in your will. It's also a good idea to name an alternate guardian in case your first choice changes their mind or becomes unable to serve.

PROBATE

What is probate? Probate is the court-supervised process for distributing a deceased person's assets to their heirs. It typically involves: (1) validating the will, (2) collecting the assets, (3) paying any debts, expenses, or taxes that are owed, and 4) distributing the remaining assets according to the instructions in the will. If there is no will, assets not left by other legal means are distributed according to state law.

Probate can be time-consuming and costly—but not always. Many states offer a simplified process for small estates. Check with your estate planning professional about the potential time and costs in your state.

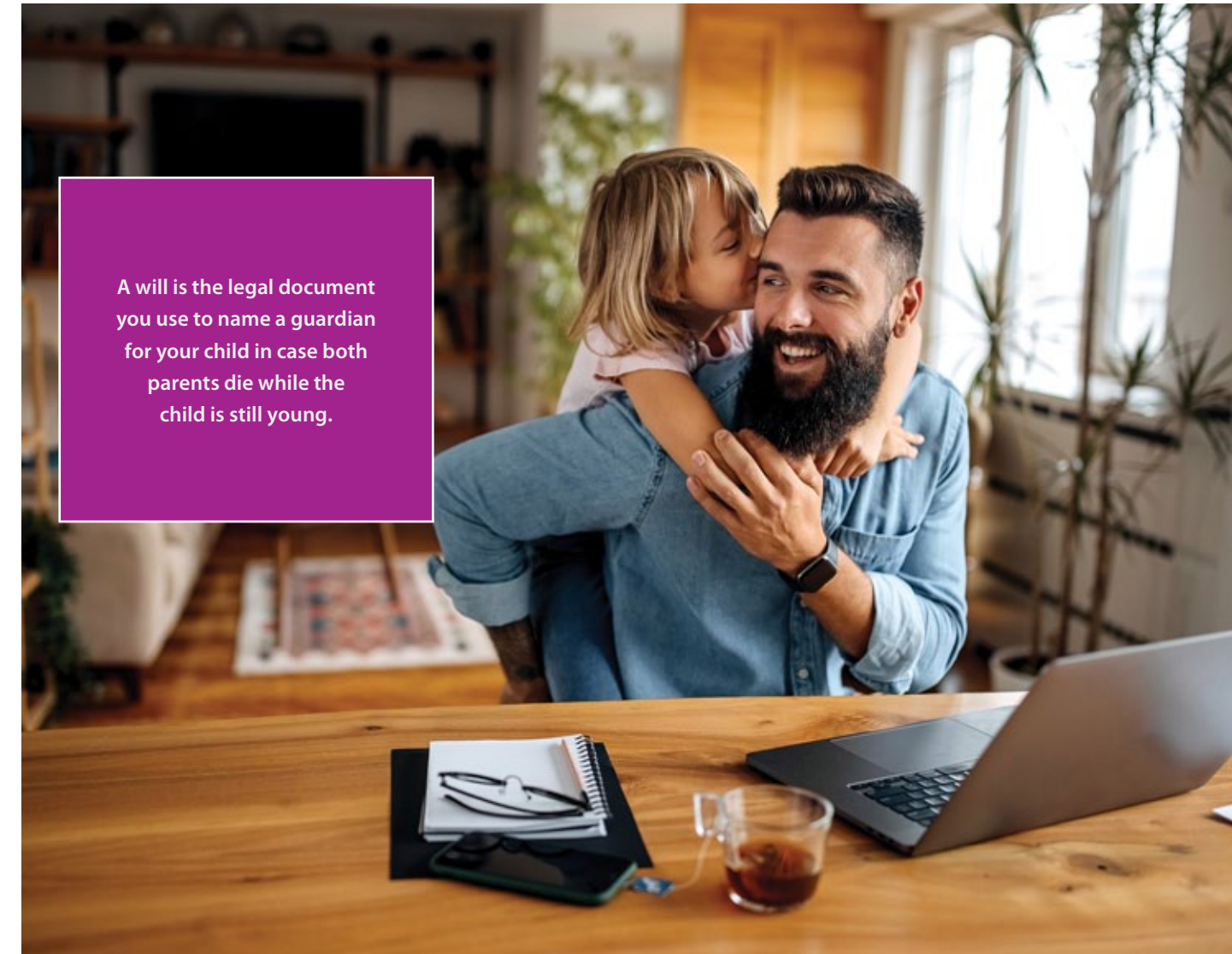
Probate is public. A will becomes a matter of public record when it is filed with the probate court. If you want the details of your estate to remain private, transfer your estate by means other than a will.



An estate plan is about more than who gets what.

Although an estate plan provides instructions about how everything you own is to be distributed after your death, it can do much more than that, such as:

- ▶ Plan for the day when you are not capable of managing your own affairs.
- ▶ Make arrangements for heirs who may need guidance.
- ▶ Keep the details of your estate private.
- ▶ Minimize estate taxes.



A will is the legal document you use to name a guardian for your child in case both parents die while the child is still young.

Some types of assets do not go through probate. They include:

- ▶ *Assets with beneficiary designations*, such as retirement and investment accounts, generally do not go through probate as long as you designate a person or an entity other than your estate as the beneficiary.
- ▶ *Some jointly owned property.* Property held as “joint tenancy with right of survivorship”, “community property with right of survivorship”, or “tenancy by the entirety” does not go through probate.
- ▶ *Assets held in trusts created and funded during your lifetime*, such as a revocable living trust, generally avoid probate.

If you use these methods, keep in mind you'll still need a will to provide direction for any assets not covered by them.

BENEFICIARIES

You can generally designate one or more beneficiaries for your financial accounts. Your beneficiaries have no rights to the account while you are alive, but after your death, they can claim the account balance directly from the financial institution without the account having to go through probate.

Banks typically call accounts with beneficiary designations payable-on-death (POD) accounts or in-trust-for (ITF)

accounts. Brokerages typically call them transfer-on-death (TOD) accounts.

You can name a beneficiary for your vehicle or home in some states. If you name a transfer-on-death beneficiary on your vehicle's title or your home's deed, those assets can transfer to your named beneficiary upon your death without going through probate. While you are alive, your beneficiaries have no rights to your vehicle or home.

Beneficiary designations trump a will. The people you name as beneficiaries on your financial accounts, retirement accounts, titles, deeds, and life insurance policies will generally inherit those

assets regardless of any instructions to the contrary that you put in your will or other estate planning documents.

It's a good idea to also name secondary beneficiaries. A secondary beneficiary, also known as a contingent beneficiary, is the person you want to inherit your assets if your primary beneficiary dies before you do.

It is important to review your beneficiary designations regularly. Because your beneficiaries will inherit your assets, it is important to review your beneficiary designations every year or so to make certain that they still reflect your wishes. It is also a good idea to review them when major changes, such as marriages, divorces, births, and deaths, occur in your life.

You may need your spouse's consent to name someone other than your spouse as the beneficiary of your retirement account. With 401(k) plans and other types of qualified retirement plans, you will need your spouse's written consent to name someone else as your primary beneficiary. And if you live in a community property state, you may also need your spouse's consent to name someone other than your spouse as the beneficiary of your IRA. Please consult your estate planning professional for details.

TRUSTS

What is a trust? A trust is a legal arrangement for managing and transferring assets. It typically works like this: You create and fund the trust, either during or after your lifetime. You choose a trustee to manage the assets in the trust. The trustee manages the assets and distributes them

to your beneficiaries, according to the terms of the trust.

There are many types of trusts, each designed to help meet a specific objective, such as:

- ▶ Avoid probate.
- ▶ Minimize estate taxes.
- ▶ Control when the beneficiary receives distributions from the trust.
- ▶ Shield the trust assets from creditors.
- ▶ Preserve a special needs individual's eligibility for government benefits.
- ▶ Protect the inheritance of children from an earlier marriage while providing an income to a spouse from a later marriage.

To sum it up: Trusts are used to meet a wide variety of objectives that may not be met if your assets are transferred using a will.

What is a revocable living trust? This popular type of trust is used to direct how the assets you put in it are to be managed during your lifetime and distributed after your death.

You can serve as the trustee of your revocable living trust and retain full control of the assets in the trust. You can invest, sell, or spend them, just as you would any of your other possessions. After your death, your successor trustee manages and distributes the trust assets according to your directions.

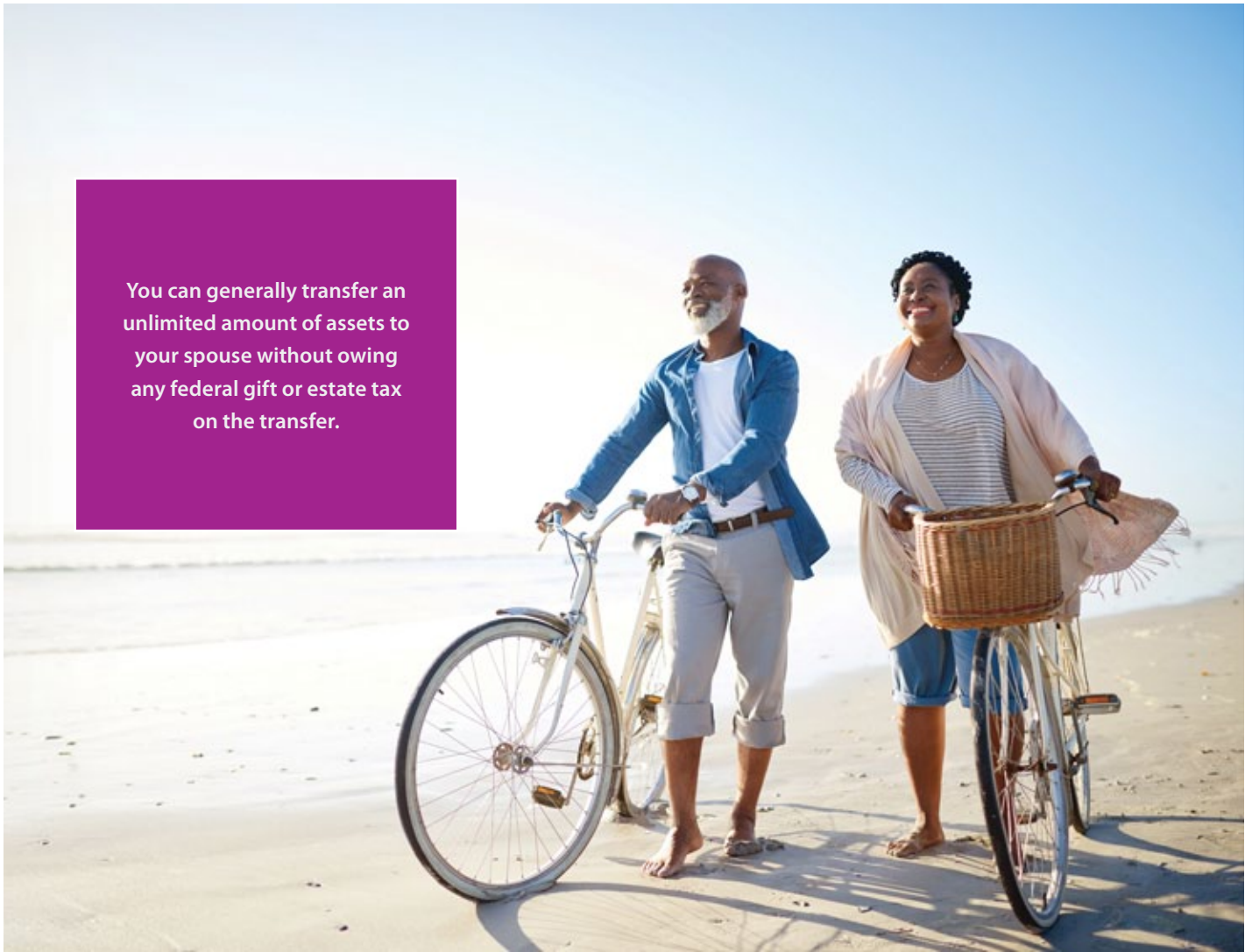
Why consider a revocable living trust?

A revocable living trust can accomplish things that a will cannot. For example, the assets in a revocable living trust avoid probate, the details of the trust remain private, and the trust helps protect you financially if you become incapacitated by allowing the successor trustee you choose to quickly step in and manage the assets in the trust.



It's a good idea to review your estate planning documents and beneficiaries every year, as well as when:

- ▶ There is a change in your marital status.
- ▶ There is a birth, adoption, or death in your family.
- ▶ A family member becomes disabled.
- ▶ There is a significant change in your assets.
- ▶ You move to a new state.
- ▶ The laws regarding taxes and estates change.
- ▶ An executor, trustee, or guardian dies or is no longer willing or able to serve.



You can generally transfer an unlimited amount of assets to your spouse without owing any federal gift or estate tax on the transfer.

GIFT AND ESTATE TAXES

There are three types of federal transfer taxes. Federal transfer taxes may apply to the taxable gifts you make during or after your lifetime that exceed the lifetime exclusion amount.

- ▶ *The gift tax* applies to assets transferred during your lifetime.
- ▶ *The estate tax* applies to assets transferred after death.
- ▶ *The generation-skipping transfer tax* applies to transfers that skip a generation, such as a gift to your grandchild or to an unrelated person who is more than 37½ years younger than you. This tax applies in addition to the gift or estate tax.

Most people will not owe any federal gift or estate taxes. Thanks to the lifetime exclusion, you can currently give away \$13.61 million during or after your lifetime without owing any federal gift or estate tax on the transfers. Married couples can generally use both spouses' exclusions to shelter \$27.22 million from those taxes. The exclusion is scheduled to decrease to its pre-2018 level (\$5 million, adjusted for inflation) in 2026.

Asset transfers between spouses are generally exempt from federal gift and estate taxes. As long as your spouse is a U.S. citizen, you can generally give your spouse an unlimited amount of assets without owing any gift or estate tax on the transfer and without using up

any of your lifetime exclusion. However, if the combination of your two estates is sizable, be sure to plan for the possibility that the surviving spouse's estate may eventually be subject to transfer taxes.

Any unused exclusion amount is portable between spouses.

This means that widows and widowers can use the unused portion of their deceased spouse's exclusion to shelter their own gifts and bequests from federal gift and estate taxes. But be aware that the portability, or transfer, of the unused exclusion amount between spouses is not automatic. The executor of the deceased spouse's estate must file a federal estate tax return to elect portability.

Even if your estate does not owe federal estate tax, it may owe state estate tax.

Some states impose an estate tax, and the amount that states will allow you to exempt from taxes may be significantly lower than the federal exclusion amount.

STEP-UP IN BASIS

Certain assets inherited at death get a step-up in basis. Assets, such as stocks and real estate, that your heirs inherit from you will generally receive a step-up in basis to their fair market value on the date of your death. This adjustment in basis may benefit your heirs if the assets have appreciated in value since you purchased them.

For example, let's say you leave shares of stock to your heir that you purchased years ago for \$10,000 and that are valued at \$50,000 on the date of your death. If your heir later sells the shares for, let's say, \$53,000, only the \$3,000 of appreciation that occurred since your heir inherited the shares will be taxable as a capital gain.

Please note that some assets, such as IRAs and retirement plans, do not receive a step-up in basis at death.

PLANNING FOR INCAPACITY

Planning for your own incapacity is an important part of estate planning.

At some point in your life, you may be unable to manage your finances and make decisions regarding your medical care on your own. It is important to plan for this possibility now, while you are still healthy. Without the right legal documents in place, the courts may end up choosing someone to handle your finances and medical decisions for you if you become incapacitated.

A health care proxy is used to name someone to make medical decisions for you when you are incapacitated. This document is sometimes called a durable power of attorney for healthcare.

A living will is where you state the types of medical treatment you want.

This document makes your wishes known regarding the treatments (mechanical respiration, tube feeding, etc.) that you want to receive, or not receive, in an end-of-life or permanently unconscious situation.

A durable power of attorney for finances lets you name someone to manage your finances. The "durable" nature of this type of power of attorney allows the document to remain in effect even if you are incapacitated so that the person you name on the document can manage your financial affairs (e.g., pay your bills and handle your banking) when you are incapacitated.

Your successor trustee can manage the assets in your revocable living trust.

One of the most important benefits of a revocable living trust is that the person you name as your successor trustee can manage the assets you put in the trust if you become incapacitated.

THE NEXT STEP

Consulting an estate planning professional is a smart move.

Planning an estate is a complex task, and we've only scratched the surface of your options and planning considerations here. Your best move is to work with an estate planning professional who can review your financial situation, listen to your goals, and tailor an estate plan for you. ■



Please consult your estate planning professional.

For specific advice on creating or updating an estate plan, please consult your estate planning professional.

This article is based on the federal tax laws in effect on January 1, 2024.

Education Tax Credits: How They Compare



Paying for college can put a serious dent in your wallet. Fortunately, some relief is available for eligible individuals in the form of two federal tax credits: the American Opportunity Tax Credit (AOTC) and the Lifetime Learning Credit (LLC).

If you pay college tuition for yourself, your spouse, or a dependent and your income is under a certain limit, you may be eligible to claim a tax credit for part of the qualified education expenses you pay.

Of the two credits, the AOTC has the potential to put the most cash back in your pocket—up to \$2,500 per eligible student—and is generally the credit to choose if the student is in the first four years of their postsecondary education and is enrolled at least half-time in a program leading to a degree or other recognized education credential.

The AOTC is also partially refundable for most taxpayers. This means that if the credit exceeds your tax for the year, part of the credit can generally be refunded to you. In contrast, the LLC is not refundable.

However, the LLC's eligibility requirements are more flexible. Unlike the AOTC, the LLC is not restricted to the first four years of postsecondary education and can be claimed for an unlimited number of years, which is helpful for students pursuing advanced degrees. And unlike the AOTC, the LLC can be claimed even if the student is just taking a course or two, either in pursuit of a degree or simply to improve their job skills.

The income limits and the differences between the two tax credits are shown on the next page.

Please note that you cannot claim a credit if you are listed as a dependent on someone else's tax return or if your tax filing status is married filing separately. Also, keep in mind that you cannot claim both credits for the same student in the same year. ■

Please consult your tax professional for advice.

How they compare

American Opportunity Tax Credit

Lifetime Learning Credit

Maximum Credit Per Year:

\$2,500 per student.
100% of the first \$2,000 of qualified expenses plus 25% of the second \$2,000 of expenses you paid for an eligible student.

\$2,000 per tax return.
20% of the first \$10,000 of qualified expenses you paid for all eligible students.

Refundable:

Yes.
40% of the credit is generally refundable.

No.

Number of Years the Credit Is Available:

First four years only.
The credit can only be claimed for the student's first four years of postsecondary education.

Any number of years.
There is no limit on the number of years this credit can be claimed.

Eligible Student:

Enrolled at least half-time.
Plus the student must be pursuing a degree or other recognized credential.

Taking one or more courses.
The courses can either lead to a degree or improved job skills.

Income Limits:

\$90,000 (\$180,000 if married filing jointly)
You cannot claim the credit if your modified adjusted gross income (MAGI) is over \$90,000 (\$180,000 if married filing jointly). The credit will be reduced if your MAGI is between \$80,000 and \$90,000 (\$160,000 and \$180,000 if married filing jointly). Dependents and married couples who file separate tax returns cannot claim either of these credits.

The Roth IRA: How It Works and Why You May Want One

The Roth IRA is a type of retirement account with tax benefits that you can open on your own to save for your retirement—even if you participate in a 401(k) plan at work. Here are a few things to know about it.

THE FIRST THING TO KNOW about Roth IRAs is that they offer the potential for tax-free growth and tax-free withdrawals in retirement, which can be strong advantages.

The second thing to know is that you may not be eligible to contribute directly to a Roth IRA if you earn too much. For 2024, the amount that can be contributed phases out for single taxpayers with incomes between \$146,000 and \$161,000 and for married individuals who file joint tax returns with incomes between \$230,000 and \$240,000.

But no worries. Even if your income is too high to contribute, you may still be able to fund a Roth IRA using what is known as the backdoor strategy. More about that on the next page.

Your money grows tax-free and can be withdrawn tax-free.

Unlike traditional IRAs, Roth IRAs do not offer a potential tax deduction for the money you contribute. Instead, Roth IRAs are funded with after-tax money, which is money you've already paid income tax on.

A Roth IRA's tax benefits come later on in the form of tax-free growth and tax-free withdrawals. This means that you will not have to pay any income tax on qualified withdrawals from a Roth IRA in retirement.

In contrast, you will have to pay ordinary income tax on withdrawals from tax-deferred accounts, such as traditional IRAs and traditional 401(k) or 403(b) plans.

Your contributions can be withdrawn tax-free at any time.

Because you paid tax on your contributions before they entered the Roth IRA, you can withdraw them tax-free and penalty-free at any age and for any reason.

Your investment earnings can be withdrawn tax-free and penalty-free after you reach age 59½ and the Roth IRA has been open for at least five years. Earnings withdrawn before then may be subject to income tax and a 10% early withdrawal tax penalty.

You must have taxable compensation to contribute to an IRA.

Taxable compensation includes income such as wages, salaries, tips, bonuses, commissions, and self-employment income. It also includes taxable alimony and separate maintenance payments, nontaxable combat pay, military differential pay, and taxable non-tuition fellowship and stipend payments.

If you receive little or no compensation, you may still be able to contribute to an IRA if your spouse has taxable compensation and you file a joint tax return.

There are no age limits.

You can begin contributing to a Roth IRA as soon as you begin earning taxable compensation, even if you are just a teenager with a part-time job. And you can continue contributing for as long as you or your spouse earns taxable compensation, even if you are in your seventies or eighties.

There are limits on the amount you can contribute each year.

For 2024, you may be able to contribute as much as \$7,000, or \$8,000 if you are age 50 or older.

No RMDs for account owners.

Account owners do not have to take required minimum distributions (RMDs) from Roth IRAs during their lifetime. So if you are the account owner, you can leave your money in a Roth IRA for as long as you live. This is different from traditional IRAs and tax-deferred retirement plans, which require account owners to take annual distributions generally beginning at age 73.

Is a Roth IRA right for you?

A Roth IRA may be a good choice if you expect to be taxed at a higher rate in retirement than you are now. That's because you'll pay tax on your contributions when your tax rate is lower rather than on your withdrawals when your tax rate is higher.

Of course, no one can predict what your tax rate will be in retirement, but it may be reasonable to assume that your income and tax bracket may increase by retirement if you are in the early years of your career. And even if your tax bracket does not increase, your tax rate may if Washington decides to raise rates, which are relatively low at this time.

Your best move is to consult your financial professional about the account types that may work best for you. ■



The amount you can contribute to a Roth IRA may be limited if you earn too much.

Roth IRAs have income phase-out ranges. Generally, if your modified adjusted gross income (MAGI) is below the range, you can contribute up to the maximum amount, which for 2024 is \$7,000, or \$8,000 if you are age 50 or older. If your MAGI is within the range, the maximum amount you can contribute will be reduced. And if it's above the range, you cannot contribute directly to a Roth IRA.

ROTH IRA INCOME PHASE-OUT RANGES FOR 2024

Married filing jointly	\$230,000–\$240,000
Single, head of household, or married filing separately and you did not live with your spouse during the year	\$146,000–\$161,000
Married filing separately and you lived with your spouse during the year	\$0–\$10,000

Income too high to contribute directly? Consider making backdoor contributions.

If your income is too high to contribute directly to a Roth IRA, you can still fund a Roth IRA by contributing to a traditional IRA and then converting it to a Roth IRA.

Before using this strategy, review the tax implications with your tax professional. A portion of the amount you convert will generally be subject to income tax. Also, withdrawals of the converted amount within five years of the conversion may be subject to a 10% tax penalty.



© iStock.com/p16 primeimages, p17 ErmakovaElena

NORTHERN EXPOSURE | Chiang Mai, Thailand

BY BRIAN JOHNSTON

Laidback, cultured, and surrounded by splendidly scenic highlands, Thailand's second-largest city offers an alternative experience to the traditional Thai beach vacation.

ONCE THE CAPITAL of the powerful Lanna kingdom, Chiang Mai flourished for 400 years as an important religious and cultural center before it began a slow decline in the seventeenth century. Catch it at the right moment and the northern Thai city is a dreamy place, set among misty hills, dotted with colorful temples, and suffused with history and culture.

Boys cast fishing lines into the 700-year-old moats that surround the old town. Beautiful temple spires, winking with gold, soar over lanes lined by teak houses. Monks in saffron robes sit on wooden verandahs, and tribal women, necks gleaming with silver, haggle over chilies and mangoes in street markets.

Yet Chiang Mai is also Thailand's second-largest city, scruffy, busy and resounding with the splutter of tuk-tuks and motorcycles. It has long ago burst out beyond its ancient walls to envelop the surrounding valley in concrete. Forward-looking modernity combines with old traditions, making this one of the most progressive, thoughtful, and agreeable towns in Asia. Meanwhile a spate of new, upmarket, and occasionally funky hotels has transformed the Chiang Mai accommodation scene, and a relatively cool climate gives travelers more reason to linger.

Chief among the remnants of Chiang Mai's first heyday are innumerable wats

or temples. The oldest is Wat Chiang Man, founded in 1296. Built in typical northern Thai style, its buildings are supported by massive teak columns and painted in red and gold, colors that signify royalty.

Wat Jet Yot is another masterpiece, set in peaceful gardens just off a not-so-peaceful highway thronged with careening motor scooters. Its strange chedi or stupa was built in 1455 and shows a mixture of Indian, Burmese, and Chinese influences. Rather unusually it has seven separate spires which teeter at odd angles as if leaning together for support. Around the base are sculptures of levitating mythical beings—and real-life local boys hawking gum and soft drinks.

LEFT: The highlands in Chiang Mai Province feature scenic misty mountains and rice fields. BELOW: The Wat Phra Singh temple in the heart of Chiang Mai's old town is home to more than 700 monks.

In the evening, head to Wat Chedi Luang, whose soaring pink brick chedi blushes as the sun sets. Bats circle overhead. Its monks live in traditional wooden quarters with finely carved doors and eaves, set in landscaped tropical gardens. Other parts of the temple complex lie in picturesque ruins thanks to a sixteenth-century earthquake.

The best temple of all, though, might be Wat Phra Singh in the heart of the old town, an architectural gem made of wood that houses the Singing Buddha, a particular object of veneration, as well as a fine repository that stores Buddhist scriptures written on delicate mulberry bark. With over 700 resident monks the temple always resounds with droning chants and the buzz of religious ceremonies.

Buddhist monks in orange robes are a common sight everywhere in Chiang Mai. Nearly all adult males in Thailand retreat to a temple, usually when they turn 20, for a stint as a monk. Head to the religious university attached to Wat Suan Dok to find welcoming English-speaking monks who are happy to answer questions about Thai and Buddhist culture and monastery life. Don't be surprised if the young novices ask you in return about baseball or to explain the latest in American pop lyrics.

Temples offer a sightseeing anchor to your day, but Chiang Mai is just as much about kicking back and enjoying the atmosphere—and food. Northern Thai cuisine features treats such as sticky rice dipped in chili sauce, green papaya salad with dried shrimp, or skewers of barbecued chicken. The fruit is fabulous: not just tropical treats such as mangoes, rambutans, starfruit, and custard apples, but cool-climate bonuses such as strawberries too.

Meanwhile the city is the best place to shop in the country, especially for affordable silver, pewter, leather, jewelry, handicrafts, and hill-tribe textiles. Good shopping streets include Charoenrat Road for arts and silk, Wua Lai Road for silver, and Sankampaeng Road (nicknamed Handicraft Highway) for its artisan workshops.

The city's fabled Night Market along Chang Klan Road is crammed with bargain-priced clothes, leather goods,



and souvenirs such as wooden carvings and chopstick sets. The clamor and buzz (and open-air bars) continue until midnight; you'll be entertained by the cries of vendors, Thai pop music, and shoeshine boys with their witty patter in multiple languages.

Chiang Mai is the jumping-off point for exploration of Thailand's northern highlands. If you're keen on a workout, hire a bicycle and cycle nine miles beyond town to the glittering, golden Wat Doi Suthep and admire the hilltop views. The lovely ride down country lanes takes you past stands of bamboo and rice paddies, and through villages where kids giggle and gold-leaf Buddhas peer from wooden shrines.

Take a day trip or overnight guided trip to the villages of the Hmong, Lisu,

or Karen people for a taste of hill-tribe life. It's a great way to meet the locals, from kids to Akha tribespeople, who dress in blue and pink velveteen with silver buttons and pompom tassels.

Visits to the highland villages are often combined with soft adventure activities such as mountain biking, jungle treks, elephant rides, or floats down the Mae Taeng River on bamboo rafts. Spectacular, plunging waterfalls, forests of scented pine and laurel, wild orchids and rhododendron galore, and abundant bird life make Doi Inthanon National Park, 34 miles southwest of Chiang Mai, a great eco-getaway. Hiking trails lead through stunning mountain scenery and eventually culminate at 8415-foot Doi Inthanon, Thailand's highest mountain.

Alternatively, go walking or horse riding in the beautiful Mae Sa Valley, 12 miles northwest of Chiang Mai, where you can visit orchid farms, a very enjoyable elephant camp, and the lovely Queen Sirikit Botanic Gardens.

A little further away, the Lanna region around Phrao, 56 miles north of Chiang Mai, is known as the 'Land of a Million Rice Fields' and is enclosed in misty mountains. Lanna was a prosperous northern kingdom in the thirteenth and fourteenth centuries, with a culture and cuisine greatly influenced by neighboring Burma and Laos.

A new generation of luxury lodges has moved this destination well beyond the traditional backpackers' market. Numerous eco-lodges specialize in cooking classes and soft adventures, such as cycling and white-water rafting. It's a wonderful contrast to the beach-going of southern Thailand, and a lively way to holiday. ■



Where to Stop and Smell the Roses (and Other Flowers) This Spring

Here are a few places where you can savor the sight and scents of flowering trees and shrubs this spring.

BOSTON, MA

Lilac Sunday at the Arnold Arboretum | *May 12, 2024*

Immerse yourself in the scent and color of blooming lilacs at the Arnold Arboretum, where more than 400 lilacs dot the landscape and perfume the air for a few weeks in May. Each year, the Arboretum celebrates its lilac collection on Lilac Sunday (the second Sunday in May) with tours of the lilacs and an invitation to picnic on the grounds—the only day of the year when picnicking is permitted. Can't make Lilac Sunday? No worries. The Arboretum is open daily so you can stroll through the lilacs and other areas of the Arboretum at your convenience.

WASHINGTON, D.C.

National Cherry Blossom Festival | *Mar. 20–Apr. 14, 2024*

Although the blossoming cherry trees surrounding Washington's Tidal Basin are the star of the show, this national celebration of spring spreads out across metro D.C. with four weeks of world-class entertainment and cultural events. There's typically a parade down Constitution Avenue, a fireworks display, a kite festival, and live performances at the Tidal Basin during Peak Bloom. And when is that? The exact date when the blossoms will be at their peak varies from year to year. To get an idea of when they are expected to peak this year, visit the website www.nationalcherryblossomfestival.org and click on "Bloom Watch" as the start of the festival draws near.

PORTLAND, OR

Portland Rose Festival | *Late May to Mid-June*

Known as the City of Roses, Portland throws a massive party each spring celebrating roses and featuring parades, art shows, dragon boat races, fireworks, and, of course, roses. One great place to see roses is the International Rose Test Garden in Washington Park, where more than 10,000 rose bushes bloom from late May through October.

ROCHESTER, NY

Rochester Lilac Festival | *Mid-May*

Rochester's Highland Park is home to more than one thousand lilac bushes—the largest collection of lilacs in North America. And to celebrate their blooming, the park hosts a multi-day Lilac Festival each year in May, generally beginning on Mother's Day weekend. In addition to an incredible number of lilacs, the Festival also typically features dozens of musical performances, a juried art show, and much more.

KNOXVILLE, TN

Dogwood Trails | *April 1–30, 2024*

To see flowering dogwood trees in all their glory, take a walk, drive, or bike ride on the miles of Dogwood Trails that wind through Knoxville's neighborhoods each April. Visit www.dogwoodarts.com for the addresses of the trailheads and then just follow the pink lines in the road. ■



QUIZ

Seattle

1. A mountain you might see from the top of Seattle's Space Needle is:
A. Mount Rainier
B. Mount Whitney
2. Seattle is located on a strip of land between:
A. Puget Sound and Lake Chelan
B. Puget Sound and Lake Washington
3. This Seattle market is an urban village of more than 500 small independent businesses, including farmers, craftspeople, butchers, and fishmongers:
A. Pike Place Market
B. Faneuil Hall Marketplace
4. During football season, people in Seattle support their pro team by donning Seahawks jerseys on:
A. Blue Fridays
B. Gold Sundays
5. Held on Labor Day weekend every year, this festival celebrates the art, music, food, technology and culture of the Pacific Northwest:
A. Lollapalooza
B. Bumbershoot
6. Sea-Tac is a nickname for:
A. The ballpark where the Seattle Mariners play
B. The airport that serves the Seattle area
7. Seattle is the corporate headquarters for:
A. Amazon and Starbucks
B. Apple and Alphabet
8. Elysian, Georgetown, and Fremont are all:
A. Streetcar stops in Seattle
B. Breweries in Seattle
9. Dating to 1852, this historic district is Seattle's oldest neighborhood and original downtown:
A. Pioneer Square
B. Belltown
10. Toppings on a Seattle-style hot dog include:
A. Pickle spears, tomato slices, and relish
B. Cream cheese and cooked onions
11. Retailers who got their start in Seattle include:
A. Nordstrom, REI, and Eddie Bauer
B. Macy's, Gap, and L.L.Bean