



# SCS Connection & Perspective

*Southern Capital Services, Inc. — Double Issue*

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## Year-End Tax Tips

**Compiled**

by  
*Eric Nager, CRPS®*

Tax year 2019 is rapidly coming to a close, and we surveyed some local tax experts to learn what year end tips might be valuable for our clients. All of the ideas shared here are generic ones. If you think that one of them might apply specifically to you, it is a good idea to verify that with your tax preparer.

First from Kim Koniar, a CPA from Magnolia Springs, Alabama, she recommends considering contributing your annual Required Minimum Distribution (RMD) from your traditional IRA or rollover IRA (for those over age 70.5) to charity. Before the tax changes in 2017 that doubled the standard deduction, this was even a better idea because more people could itemize the deduction and avoid taxation on the IRA distribution. But as Kim points out, even if you can no longer deduct the contribution, you still can avoid income taxes on the distribution.

Next from John Ellisor, a CPA in Mobile, Alabama, he recommends that business owners who need equipment for next year buy it and put it into service now before the end of the year. This could include computer systems or other major purchases. Because of the bonus depre-

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### PLEASE NOTE!

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**CANNOT**

take money request orders,  
trading orders,  
nor personal client  
information changes  
from emails  
or phone messages.

Our staff **MUST** speak with you  
directly so we can  
personally  
verify your identity.

***This is for your protection.***

**ciation** rules that also went into effect in 2017, Elisor says that these costs can be “substantially written off,” even before the first payment is made. The critical part to remember is that the equipment must be in service before December 31st.

Finally, from Richard Lindsey, a CPA in Mobile, AL, come reminders from the IRS about what certain contribution limits will be for tax year 2020 for planning purposes. According to Lindsey:

*“Now is the time to act if you want to avoid a surprise when filing your 2019 tax return next spring. This is especially true if you ended up with a smaller refund or larger balance due than you expected on your 2018 return.”*

*You can perform a paycheck or pension income checkup using the IRS’ Tax Withholding Estimator. It is also a good idea for anyone who experienced life changes this year, such as getting married, widowed, divorced, having a child, or retiring.*

*If the Tax Withholding Estimator recommends a change, there is still time to submit a new W-4, W-4P, or adjust your last quarter estimated tax payment.*

*Workers who receive self-employment income or work in the gig-economy should be sure to take these earnings into account when filling out the Tax Withholding Estimator.*

*The Internal Revenue Service recently announced the 2020 inflation adjustments to more than 60 key provisions in the tax law. Among them are:*

- *An increase in the standard deduction of \$400 for married couples filing jointly to \$24,800. The standard deduction for singles and married individuals filing separately rises to \$12,400 and to \$18,650 for heads of households.*
- *The individual tax rates remain the same with the brackets sliding upward from \$350 to \$10,000.*
- *The contribution limit to 401(k), 403(b), most 457 plans and the federal government’s Thrift Savings Plan increased from \$19,000 to \$19,500. The catch-up contribution limit for those 50 and older increased from \$6,000 to \$6,500.*
- *Also increasing by \$500 is the limitation on SIM-*

*PLE Plan contributions, from \$13,000 to \$13,500.*

*For tax returns due after 2019, the failure to file penalty has been increased to \$330 and will be indexed for inflation beginning in 2021.”*

IRA and Roth contributions will remain the same as they were in 2019: \$6,000 for individuals and \$7,000 for those 50 years and older.

We hope you find these tax planning tips helpful and we wish you a happy and prosperous 2020.

## Welcome to the World, Avonlea!

We added a new baby to our Southern Capital family this November. Long time employee Kristi Lawhorn gave birth on November 14th to a beautiful 7 lb 8 oz daughter. She named her Avonlea Rose. A dedicated worker, Kristi worked in the office right up to the day she went into labor.

Kristi plans to stay at home for a while with her new baby. We are very sorry to see her leave; she’s been a delightful asset to our company.

Kristi first joined Southern Capital as a teenager working part-time through both high school and college as well as full time through the summers. After receiving her Bachelor’s Degree and Applied Theology Degree, she came to work for us full time. At SCS, she was involved in project management, design development, event planning, social media, and administrative work.



We send Kristi off to her new vocation of motherhood with bittersweet hugs and gratitude for the almost 12 years she was with us at Southern Capital.

*Join us in wishing her the best!*

# How Wearables Can Improve Your Retirement

Excerpts from Article by Laurie Orlov, Founder of Aging In Place Technology

Submitted by Wendy Nelson Bailey, CFP®

## How Wearables Can Help You Stay Healthy

Today's wearables encourage healthy habits because they can:

- **Measure heart rate.** Most wearables are programmed with the target heart rate ranges for particular age groups and can detect if clients are reaching their target heart rate during exercise. For an average 65-year-old, the target heart rate is 78-132, or 85% of its capacity.<sup>1</sup> For those starting out, the lower end of the range is better.
- **Track exercise.** If you are walking, running, swimming, or doing other exercises, wearable devices can track your activity. Whether you are exercising to lose weight or stay fit, the combination of motion and heart rate can be measured against your goals and recommended fitness goals. Your goals can be entered into a smartphone app, such as *Apple Health* or *Samsung Health*, and the coaching feature will buzz and congratulate you when your goals are achieved.

## Wearables Can Help With Emergencies

Your wearable can:

- **Get help if you fall.** Fall detection has been a feature of wearable Personal Emergency Response Pendants (or Medical Alerts) for the past decade, but it's a relatively new feature of wrist-worn wearable such as watches. From a safety standpoint, it may turn out to be one of the most useful features as you age, especially if you live

alone. These devices have a built-in accelerometer and gyroscope which are designed to be activated if someone falls. Some devices can even place a call to emergency services if a fall is detected.

- **Help you navigate to where you're going.** We've grown increasingly depended on GPS for mapping and directions, sometimes trusting it over common sense. ???*Weird transistion!!!* And GPS is also available in newer wearables, such as Samsung or Apple. The GPS features even work if you don't have your smartphone with you.

A GPS-enabled wearable can even be a lifesaver. If you get lost, you can use your wearable to easily connect with family members, caregivers, or emergency responders. The wearable can send your current location to emergency responders.

- **Provide an Electrocardiogram (ECG).** Checking for heart arrhythmia is an even newer feature of wearables and is included in the *Apple Watch Series 4* and it's in a future *Samsung Galaxy Watch Active*. If you are worried about abnormal heart rhythms, or AFib, which mostly affects those age 65+, the device could be useful.

The ECG app on the *Apple Watch Series 4* can record a client's heartbeat and rhythm using its electrical heart sensor, and then check the recording for atrial heart rhythm and look for irregularities.

## What's Next For Wearables

Although there have been some periods of pessimism about the staying power of wearables, most

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## Wearables ...

(Continued from pg. 3)



now agree that they're here to stay. Some think that baby boomers will drive market growth in 2019, with 8 million of those aged 55+ owning a smartwatch by the end of the year. One reason for a surge in adoption has been a drop in prices. Some are now under \$200. Future benefits will likely come from developments in:

- **HEARABLES.** These are recent innovations that are more discreet than hearing aids and fit in or around the ear. Each of their functions, such as in-ear amplification, translation, fitness, predictive analytics are available now, synchronizing activity data with a smartphone.
- **SMART CLOTHING.** Smart clothes use advanced textiles with interwoven circuitry, while others implement sensors and additional hardware to give it its smart functionality. Smart socks can tell which part of your feet are receiving the most pressure during exercise. Under Armour's sleepwear absorbs body heat while releasing infrared light to improve sleep.
- **SMART GLASSES** are computer supported eyewear that make things more visible than naked eyes can see. These Smart Glasses have the ability to play both audio and video files as well as support other services such as Wi-Fi and Bluetooth. Some smart glasses are being used to help the legally blind actually see what's around them by making things bigger, brighter, and bolder.

### Remember These Things About Wearables

First, wearables encourage tracking of movement and wellbeing. Second, they can help clients get help if they need it. Third, new wearable innovations are being created for aging adults: eyewear, hearing devices, and smart clothing.



### Internationally Trained Local Band Tours Nationally

SCS recently had the privilege of hearing these amazingly talented brothers play for us. Their instrumental music is an improvisational fusion of many genres played on the comforting strings of acoustic guitars and string bass. They have been on both Billboard and iTunes charts. Listed below are a few local performances you should definitely consider attending. You may listen to a sampling of their musical style on their website: [romanstreet.com](http://romanstreet.com)

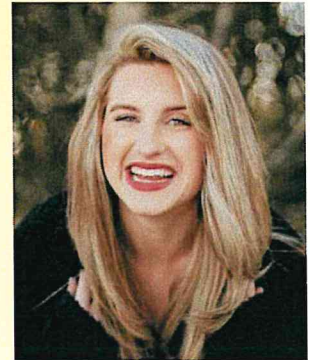
- Dec. 8 Saenger Theater — Mobile, AL
- Dec. 15 Black Box Theater Christmas Concert — Columbiana, AL
- Dec. 19 Coastal Arts Center Christmas Show — Orange Beach, AL
- Feb. 6 Cedar Street Social Club — Mobile, AL
- Feb. 9 Seville Quarter — Pensacola, FL
- Feb. 14 The Velvet Note — Alpharetta, GA
- May 15 Music Under the Stars — Pensacola, FL



Noah and Josh Thompson

## Welcome!

We are pleased to introduce you to Ashleigh Donnelly, our newest team member. Ashleigh exemplifies both a professional attitude and a passion to serve our clients. Her seven years of experience in administration, event management, project management, and design combined with her strong leadership abilities will complement our team at Southern Capital Services, Inc.



In 2015, Ashleigh graduated from Bethel's School of Ministry in Redding, CA where she studied theology, life-coaching, and team leadership. After receiving her certification of completion, she helped co-found a non-profit ministry school called SOKE in Daphne, AL.

Additionally, she runs her own photography business. Her hobbies include interior design, painting, and traveling. Most of all though, she enjoys quality time with family and friends!

*Available for booking nationally.*