

# Intellectual Capital Blog

Planning for the year ahead | **March 2023**

*Wealth Planning Sales*

The first quarter of the year can be a good time to reflect, plan, and make strides to conquer the year ahead. Consider the following wealth planning strategies to prepare you for a financially successful year.

## 01 **Review your net worth and budget**

The beginning of the year is a good time to review your current financial position. Evaluate your assets and liabilities to ensure you have a clear view of your overall net worth. Ask yourself some questions as you go into the year ahead: Are you prepared for any large expenses coming up? What did you spend and save last year compared to your income? If necessary, adjust your budget to reflect your goals for the rest of the year.

## 02 **Establish an emergency fund**

It can be beneficial to direct a portion of your income, bonus, or other financial sources to creating or refilling your emergency fund. An emergency fund represents money you set aside so that you are covered in the event of a medical emergency, loss of a job, or other unexpected event. Typically, an emergency fund should represent around six months of your expenses in cash or other liquid assets.

As a UBS client, you may have access to UBS Bank USA Core Savings (UBS Core Savings), which is FDIC-insured (up to applicable limits) and can help you earn more on your idle cash. A limited time offer is currently available – lock in an Annual Percentage Yield (APY) that is 13x the national average until May 5, 2023 and receive the prevailing rate thereafter.<sup>1</sup> UBS Core Savings promotional rate of 4.65% APY is valid only during the promotional period that ends on May 5, 2023. A minimum Net New Cash (NNC) deposit from sources other than an existing UBS account of \$1,000 or more into UBS Core Savings is required before April 28, 2023.<sup>2, 3</sup>

## 03 **Prepare for tax season**

Determine your filing status and gather your tax forms for the year. Consult your accountant to decide if the standard deduction or itemized deduction is best for your personal needs. If you are expecting a large tax bill this year, think about how you are going to pay it, i.e., setting up payment plan, liquidating investments, or taking out of your savings. Remember, interest starts accruing if no action is taken. Alternatively, if you are planning to receive a large return, think about the best use for that cash, i.e., investments, replenishing your emergency fund, etc. Please consult with a tax professional to determine what tax strategies are appropriate for your needs.

## 04 **Start thinking about the future**

Saving for retirement can be beneficial for your future. If your company offers a 401(k) plan which may include a Roth 401(k) option, consider contributing at least the amount that your employer will match. You can save up to \$22,500 in your 401(k) in 2023 (up to \$30,000 if you are over 50).

Additionally, if you are expecting to pay education costs for a loved one in the future, consider establishing and/or contributing to a 529 account. You can contribute up to \$17,000 a year to each 529 plan (\$34,000 if you are a married couple) without incurring gift tax. Unique to 529 plans, you can contribute up to five years of gifts to a loved one's 529 plan this year without incurring gift tax for a total of \$85,000 (\$170,000 if you split the gift with a spouse). Remember, you can fund a 529 and use it in the same year. [Check out this savings waterfall](#) to help guide your saving strategy.

## 05 **Focus on your wellness and goals**

We are coming off a challenging past three years and now can be a good time to focus on investing in your health, exploring a new interest, or increasing your financial wellness. If your company offers employee benefits, review what's available and take advantage of them. Additionally, if there is a cause or charity you are passionate about, now can be a time to consider charitable giving and making a difference in the world around you. Have a conversation with your financial advisor about your goals so they can incorporate them into your financial plan.

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<sup>1</sup> Based on comparison to the National Deposits Savings average Annual Percentage Yield (APY) as published on the [FDIC Weekly National Rates and Rate Caps Weekly Update](#), as of February 21, 2023.

<sup>2</sup> Net new cash equals cash inflows from sources other than an existing UBS account, minus cash outflows from the UBS account. Cash inflows may include: direct deposits (e.g., payroll or annuity); check deposits (including through mobile deposit capture); and wire, ACH and other funds transfer inflows. Cash outflows may include: checks; bill payments; ATM withdrawals and debit card purchases; autopayments (e.g., credit card); and wire, ACH and other funds transfer outflows. Net new cash does not include: internal transfers; dividends and interest; maturities and redemptions; other assets transferred in or out (i.e., securities as well as cash-like securities such as money market funds); or fees. Net new cash must be in the account in order to fund UBS Core Savings.

<sup>3</sup> The UBS Core Savings promotional rate of 4.65% APY is available from February 6, 2023 through May 5, 2023 (promotional period) and is effective if you deposit \$1,000 or more in net new cash into UBS Core Savings. Deposits must be received before April 28, 2023 to be eligible for the promotional rate.

At the end of the promotional period, interest rates will be tiered based on your eligible deposits in all your related accounts, which UBS Financial Services Inc. (UBS) defines as a Marketing Relationship in the [Agreements and Disclosures booklet](#). Applicable rates may be viewed at [ubs.com/coresavings](https://ubs.com/coresavings). Rates and tiers are subject to change without notice.

The promotional APY may increase in accordance with the prevailing rate environment during the promotional period. If an adjustment is made, you may obtain the new APY by accessing your account online or contacting your Financial Advisor. The promotional period may also be extended. You may access this information on [ubs.com/coresavings](https://ubs.com/coresavings) or by contacting your Financial Advisor. Outside of promotional offer periods, UBS Core Savings has a multi-tier rate structure. At the end of a promotional period, variable tiered rates on the deposits in UBS Core Savings will apply. Interest accrues daily and pays monthly. UBS Bank USA reserves the right to stop accepting new deposits and terminate the offer at any time.

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