

# LIFE & MONEY

The Bodnar Financial Quarterly Newsletter



## 2022: Year of the catch-up

By John Bodnar, CFP®

How can it possibly be 2022 already? To tell you the truth, I never really got used to writing 2021.

The “pandemic world” we have all been living in seemed to warp our sense of time—work-from-home changes, closed schools and daycares... the days were long and chaotic, yet somehow, the months flew by.

I still have to-do’s on my list from 2019. And I’m pretty sure I’m not the only one. For that reason, we hereby dub 2022 the Year of the Catch-Up!

This is the year to catch up on doctor’s appointments, elective surgeries, home improvements, drafting wills and trusts, and yes—getting back into Bodnar Financial (or via Zoom) to do your annual financial review. If you are over 50, maybe it’s time to make some catch-up payments to your IRAs.

The to-do list never goes away—it only gets longer. Call us to schedule a review. Let’s close out your to-do’s for 2020 and 2021 before life adds to the list in 2022.

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## Key financial changes in 2022

For your convenience, you will find a cheat sheet to 2022 Financial Data enclosed with this newsletter, including updated tax brackets, deadlines, exclusions, deductions, premiums, contribution limits, and more.

No big changes (hooray for boring!). Most of this year's updates are increases related to inflation that were on autopilot anyway. Some things to note:

- We still have the tax brackets from the 2017 Tax Cuts and Jobs Act (TCJA), but the income ranges and the base tax amounts have adjusted for inflation.
- The standard deduction, AMT exemption amounts, retirement contribution limits, and income limits for IRAs have all adjusted for inflation.
- Medicare deductibles and premiums have both increased. While Social Security income is up 6%, Medicare premiums are up 14.5%! What government gives with one hand, it takes with another.
- Tax deadlines are slightly different due to holidays. If you pay estimated quarterlies, your fourth and final payment for 2021 will be due on Jan. 18. Tax Day will fall on Apr. 18, which gives extra time to make IRA, HSA, and SEP contributions.
- Life expectancy tables have been updated to reflect people living longer.



If we haven't met in a year, it's time. Call the office today to schedule a review via Zoom or in person. Let's revisit your financial goals and balance sheet.

## ATTENTION COLLEGE SAVERS!

Beginning in tax year 2022, New Jersey will let families with an annual gross income of \$200,000 or less deduct up to \$10,000 per year in 529 plan contributions from state taxable income, under the New Jersey College Affordability Act. Yippee!



## Giving back

Every year, Bodnar Financial makes a donation on behalf of each member of our staff to a charity of their choosing. Here is who we picked in 2021:

**John's Pick:** Cabrini Mission Foundation, which supports programs that provide health care, education, and social services for women, children, immigrants, the elderly, and disadvantaged and marginalized members of the community. Learn more: [cabrinifoundation.org](http://cabrinifoundation.org)

**Lorraine's Pick:** Outcast Rescue, which advocates for and rescues America's most misjudged dog breeds, the pit bull and the rottweiler. They do not have a shelter facility. Instead, foster homes care for these wonderful animals until they find their forever families. Learn more: [outcastrescue.com](http://outcastrescue.com)

**Justin's Pick:** Task Force Dagger Special Operations Foundation, a veteran-operated nonprofit that helps wounded, ill, or injured US Special Operations Command (USSOCOM) members and their families. Their programs include meeting urgent needs, rehabilitation, and functional health solutions to heal, rebuild, and strengthen the service member and their family. Learn more: [taskforcedagger.org](http://taskforcedagger.org)

**Danielle's Pick:** Tunnel to Towers Foundation, which supports heroes and their families, including first responders and military. Their programs honor the sacrifice of firefighter Stephen Siller who, when he heard a plane hit the Twin Towers, drove his truck to the entrance of the Brooklyn Battery Tunnel and raced on foot to the towers with 60 lbs. of gear on his back. He gave up his life while saving others on September 11, 2001. Learn more: [t2t.org](http://t2t.org)

**Jane's Pick:** Hospice Foundation of America, which brings together leading experts to educate the public and health care professionals about death, dying, and grief. They fund research on hospice care, support specific hospice and grief initiatives (such as children's grief camps), and financially assist hospice providers in times of disaster. Learn more: [hospicefoundation.org](http://hospicefoundation.org)

**Jackie's Pick:** Better Together, which helps families overcome crisis without losing their children to the foster care system. Using a network of local churches and volunteers, they welcome children into their own safe, loving homes on a temporary basis while parents turn their lives around with the support of coaches and professionals. Their programs have helped parents get jobs, find homes, get counseling, kick addictions, and more. Learn more: [bettertogetherus.org](http://bettertogetherus.org)





## Haven't gotten your tax forms yet? Don't stress!

In the good old days, we had all our tax forms by the end of January. No more! As financial products grow more complicated, the IRS gives investment firms more time to get their mailings out to account holders.

When it comes to some of your accounts, you may not receive tax forms until Feb. 16 (possibly even March 1). As forms come in later and later in the year—and revisions often follow—you might want to hold off on visiting your accountant until after March 1.

## Key financial dates

**January 1 – March 31:** Medicare General and Advantage enrollment period.

**January 18:** Deadline for 2021 fourth quarter estimated tax payments if you're self-employed or underpaying based on your income.

**February 1:** Deadline to mail W-2s and Form 1099-MISC to qualifying vendors. (Don't forget to also mail a Form 1096 to the IRS before March 1, if filing by mail.)

**March 1:** You should have received all your tax forms by now, including W-2s, 1099s, and interest and dividend statements.

**April 18:** Tax Day and deadline for 2022 first quarter estimated tax payments. It's also the last day to make a 2021 IRA or HSA contribution.

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