IN MEMORIAM OF ROBERT H. “BOB” KIND

It is with great sadness that we share the news of the passing of our former Managing Shareholder, Robert H. “Bob” Kind. Bob was an integral part of TBC for over 50 years along with the role of Managing Shareholder for 10 years and then retiring from TBC in 2024. Bob made a lasting impact on our firm, our clients, and our profession.

A licensed CPA in both New York State and Florida, Bob played a central role in developing and overseeing all aspects of TBC’s accounting and auditing services. His expertise supported a broad range of clients, including construction companies, real estate developers, insurance agencies, and professional practices. Bob also served as a past president of the Northeastern Subcontractors Association and contributed meaningfully through its long-range planning, and education committees.

Bob was deeply committed to developing future leaders at TBC. He consistently encouraged growth and excellence, often sharing his motto: “If you’re going to do something well, pick an area you’re interested in.” He offered this guidance to associates at every level, from entry-level accountants to managers, partners, and Shareholders including his two sons, Robert L. Kind, who assumed the current Managing Shareholder role in 2022, and Scott Kind.

Bob’s leadership, mentorship, and unwavering dedication shaped the culture of our firm and the careers of many. He will be profoundly missed.

Our thoughts are with the Kind family during this difficult time.

View Bob’s Obituary here: Robert H. Kind Obituary December 11, 2025 – Cannon Funeral Home

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AN INTRO TO CASH BALANCE PLANS

Ever wonder what *exactly* a cash balance plan entails? For your clients who own small businesses, opening a cash balance retirement plan might be a vehicle for delivering significant tax savings (and looking like a hero while doing it).

What is a cash balance plan? As you know, there are two broad categories of tax-qualified, employer-sponsored retirement plans: (1) defined contribution plans, which provide benefits determined by employer and employee contributions to the plan, and (2) defined benefit plans, which provide benefits determined pursuant to a benefit formula set forth in the plan document.

A cash balance plan is a type of defined benefit plan, albeit one that has a hybrid of other retirement plan features. Unlike a traditional defined benefit plan, for example, the plan formula in a cash balance plan describes a participant’s benefit in terms of a current account balance (typically one equal to pay credits, interest credits, and earnings thereon).

So, what about the tax savings piece? Cash balance plans have a higher contribution limit than defined contribution plans and can provide small business owners with another “bucket” for tax savings. Cash balance plans are funded entirely by employer contributions—and, as these are tax-deductible to the sponsoring employer, they can provide material tax savings beginning the first year of the plan.

Happily, cash balance plans can be maintained alongside a 401(k) or profit-sharing plan. Each is generally subject to different maximum limits under the Tax Code so the tax savings here are cumulative.

What’s the deadline for establishing a cash balance plan? Thanks to the SECURE Act, small business owners now have until their corporate tax filing deadline (including extensions) for the plan’s initial year. This means your clients generally have until the following deadlines to set up (and fund!) a cash balance plan for 2024:

Is there a catch? It is important to remember that setting up a cash balance plan is like setting up any other retirement plan—there are various statutory and regulatory requirements that apply to the plan. Cash balance plans in particular, come with unique administrative complexities. This should not be treated as a temporary holding space and should instead be considered carefully with your trusted TBC advisor to ensure your small business client is ready for the duties and administrative complexity that come with maintaining a cash balance plan.

Sounds great, what's next? Now is a great time to reach out to your trusted TBC advisor for more information about whether a cash balance plan would be a good fit for your clients, or to just learn more about cash balance plans in general.

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MAXIMIZING YOUR SUMMER JOB: FINANCIAL AND PROFESSIONAL SKILLS FOR SUCCESS

Summer jobs offer more than just extra cash; they teach financial management, bolster résumés, and offer invaluable life skills. Whether you're aiming for professional growth or exploring a new field, this article guides you on maximizing summer work for long-term success. Discover how early financial planning and networking can pave the way for a stable and prosperous future.

TREASURY SUSPENDS CORPORATE TRANSPARENCY ACT (CTA) REPORTING FOR U.S. COMPANIES

The Treasury Department has suspended the CTA filing requirement for U.S. businesses, signaling a major shift in compliance obligations. While the rule may still face legal challenges, domestic companies are no longer required to report beneficial ownership information—at least for now.

SAFEGUARD YOUR PERSONAL INFORMATION WHILE SHOPPING ONLINE

Don't let cybercriminals ruin your holiday season. Here's some advice on safeguarding your personal information during the busiest online shopping period of the year.

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.

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.

- 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.
- 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 to 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.

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.

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.

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 $ 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 $ 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.

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

Please contact your TBC Advisor for advice regarding estate planning.

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5 MISTAKES OVERLOOKED IN BUY/SELL AGREEMENTS

A Buy/Sell Agreement, also called a business pre-nuptial agreement, or a business will, is a legal document that is used as the mechanism governs business owners when one of them leaves the business. The reality is that every business owner is going to leave. The reasons could be the owner quits, dies, becomes disabled, retires, or is fired. Buy/sell agreements can also alleviate problems created with shareholders going through a divorce.

Here are five mistakes often overlooked in Buy/Sell Agreements:

1. **Valuations are not updated**-The most common changes that happen in a privately owned business are that the value of the business changes over time. If the business valuation is not updated, then if a triggering event occurs what happens?
2. **The Buy/Sell Agreement calls for multiple Appraisers**-This can be a very costly proposition. The agreement will state that an appraiser for each side values the business and if they are not within a certain percentage, then a third appraiser is hired. This can be very costly paying for up to three appraisers. A better approach is to have one appraiser who updates the appraisal on a consistent basis (every two years or so).
3. **Using a Formula Method to Value**-Use of a formula method can certainly cut costs on a formal appraisal

and may seem easy, but in most situations the value of your business interest is your biggest asset. Wouldn't you want to know with a high level of certainty that you are getting and/or paying the accurate amount for the business?

4. **Not properly funding life insurance proceeds**-In the worst-case scenario the shareholder passes away and their heirs are paid with life insurance proceeds. The Internal Revenue Service assesses a value much higher than what is reported on the estate tax return. The heirs now have a tax bill and in addition, don't receive full value for the business.
5. **The wrong standard of value is used**-The standard of value is predicated on state law. This is where the appraiser and the attorney work together to make sure that discounts are not taken where they are not appropriate.

Buy/Sell Agreements are meant to provide the means to transfer ownership interests in a business during the triggering event. The correct valuation is a critical component of those means. Hiring a qualified thought leader in the industry will help alleviate the stress that comes with this important succession planning tool.

ABOUT THE AUTHOR

David Consigli is a Certified Public Accountant and Partner at Ferraro, Amodio and Zarecki, CPAs who has a partnership with TBC. David has an Accreditation in Business Valuation and is a Certified Divorce Financial Analyst. David practices a philosophy built around providing clients with outstanding creative and personalized quality services. David's experience and expertise help him provide clients with the tools and resources they need to understand the valuation of closely held businesses, especially when it comes to divorce. His strengths in communicating the results of his valuation conclusion to clients are qualities that make him a leader in the industry.

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3 WAYS TO PREPARE FINANCIALLY FOR UNEXPECTED EVENTS

Unexpected events, such as a job loss, medical emergency, or property damage, can set you back financially. Fortunately, there are steps you can take before these events occur to help minimize their impact on your finances.

1. **Review your insurance**

Insurance can help protect you financially when unexpected events occur. Reviewing your policies regularly can help ensure that you have appropriate coverage for your changing needs.

You may want to start by reviewing your long-term disability insurance coverage. This type of insurance replaces part of your income for a period of time when you are too sick or injured to work. Unlike health insurance, which helps cover your medical expenses, disability insurance provides cash you can use for your living expenses. If it looks like your current coverage may not be enough for your needs, talk to your financial professional about supplementing it.

Also review your homeowners insurance every year and if you make major changes to your home that may make it more expensive to repair or rebuild you may want to adjust your policy. It's also a good idea to review it when you acquire valuable items, such as jewelry or art, that may require the addition of a rider to your policy.

2. **Create a power of attorney**

Even when you are very ill, your bills still need to be paid, your financial accounts managed, and your tax returns filed. Who will handle these tasks for you if you are ever incapacitated and unable to handle them yourself? Have a name in mind? Great! Now consider granting that person the legal authority to manage your finances by

creating a durable power of attorney for finances.

A durable power of attorney for finances is a legal document that makes it possible for the person you name to step in after you become incapacitated and handle the financial tasks you specify in the document. Your estate planning professional can help you set one up.

While you are at it, you may also want to set up a health care proxy to name the person you want making your medical decisions if you become incapacitated and a living will to specify the types of medical treatments you want (or don't want) to receive in an end-of-life or permanently unconscious situation.

3. **Build an emergency fund**

An emergency fund is simply an amount of money that you set aside to help cover your expenses when unexpected events, such as losing a job, happen.

Having a stash of readily available cash to draw on in emergencies may help you avoid having to use credit cards or loans—both of which can be expensive—to cover large, unexpected expenses. It may also help you avoid having to withdraw money from your retirement accounts when emergencies occur, which can help keep your retirement savings on track.

Because emergencies tend to pop up without warning, it's a good idea to keep your emergency fund in an account that can be accessed quickly when needed and where it has the potential to grow over time. Interest-bearing savings and money market accounts can be good choices.

For additional questions, please consult with your trusted TBC Advisor.

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IMPORTANT UPDATE: QUICKBOOKS DESKTOP 2021 DISCONTINUATION

As of May 31, 2024, QuickBooks will be discontinuing support for QuickBooks Desktop 2021, impacting the software's functionality.

What You Need to Know:

Companies on QuickBooks Desktop Payroll who do not select a new subscription before May 31, 2024, will lose the ability to run payroll or file payroll taxes.

Exploring Options:

Many QuickBooks desktop customers are migrating to QuickBooks Online for their general ledger and payroll processing needs.

Benefits of Migration:

- **Anywhere, Anytime Access:** Enjoy a seamlessly integrated platform accessible from anywhere at any time.
- **QuickBooks Online Payroll**: Allows your team to pay employees, track time, and access HR and employee benefits seamlessly.
- **Enhanced Security:** QuickBooks Online and QuickBooks Online Payroll come with enhanced security safeguards, protecting your data from cyber threats and accidental loss.
- If you signup under the TBC umbrella we can offer you a 15% discount on your monthly subscription fees.

If you have any questions regarding your QuickBooks software, please contact your TBC Advisor or QuickBooks customer service representative.

TIPS TO HELP YOU SAVE FOR RETIREMENT

Although retirement may be years away, the steps you take today to plan and save for it can make a big difference in your financial security decades from now. Here are 10 general tips that you may find helpful when saving for retirement. For specific advice about planning and saving for retirement, please consult your financial professional.

1. **The earlier you start saving, the easier it may be.**

That's because the earlier you start, the more time your savings have to potentially compound and the less money you may need to contribute to reach your savings goal. Ideally, you should begin saving for retirement as soon as you begin working. But if you haven't started yet, the next best time to begin saving is generally today.

2. **Know how much to save each year.**

Saving 10% to 15% of income each year may be an appropriate amount for many people. But keep in mind that the percentage that is right for you will depend on many factors, including your age, the amount you've saved so far, and the other sources of retirement income, such as pensions, that may be available to you in retirement.

3. **Take advantage of the retirement plan at work.**

If your employer offers a retirement plan, it's usually the first type of account to use when saving for retirement. Workplace retirement plans offer convenience and tax advantages that may help your savings grow faster. And with some retirement plans, your employer may match a portion of the money you contribute to your account.

4. **IRAs are also a great option.**

IRAs offer similar tax benefits to workplace retirement plans, making them a good choice for individuals who do not have access to a retirement plan at work or who have reached the annual contribution limit on their workplace retirement plan and want to save additional amounts.

5. **Not employed? Consider a spousal IRA.**

Normally, you can only contribute to an IRA if you earn taxable compensation, such as wages. However, you may still be eligible to contribute to an IRA even if you don't have taxable compensation as long as you are married, you file a joint tax return, and your spouse has taxable compensation for the year.

6. **Self-employed? Start your own retirement plan.**

If you are self-employed or own your own business, you can start a retirement plan for your business, which is generally easy to do and may allow you to contribute considerably more income each year than a traditional or Roth IRA will allow.

7. **Avoid tax penalties on early withdrawals.**

Money that you withdraw from a retirement plan or IRA before age 59½ is generally subject to a 10% tax penalty for an early distribution. There are exceptions to the "age 59½ rule" that may allow you to access your savings earlier without penalty.

8. **Be smart about your savings when changing jobs.**

If you have money in a workplace retirement plan, you'll generally have four options for that money when you leave the company. You may be able to leave it where it is, move it to your new employer's retirement plan, move it to an IRA, or cash it out. Each option has its pros and cons, which you should explore fully before you make a move.

9. **Use regular accounts to save even more.**

   Although retirement plans and IRAs offer tax benefits, they also set limits on the amount you can contribute each year. To save additional amounts for retirement, use regular taxable investment and savings accounts. Regular accounts do not have annual contribution limits and generally offer more flexibility regarding withdrawals.

10. **Seek professional advice.**

    Planning how to fund a retirement that may stretch for decades can be complex. Fortunately, help is available. Please contact your TBC Advisor for advice regarding saving for retirement.

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