

EYE ON MONEY

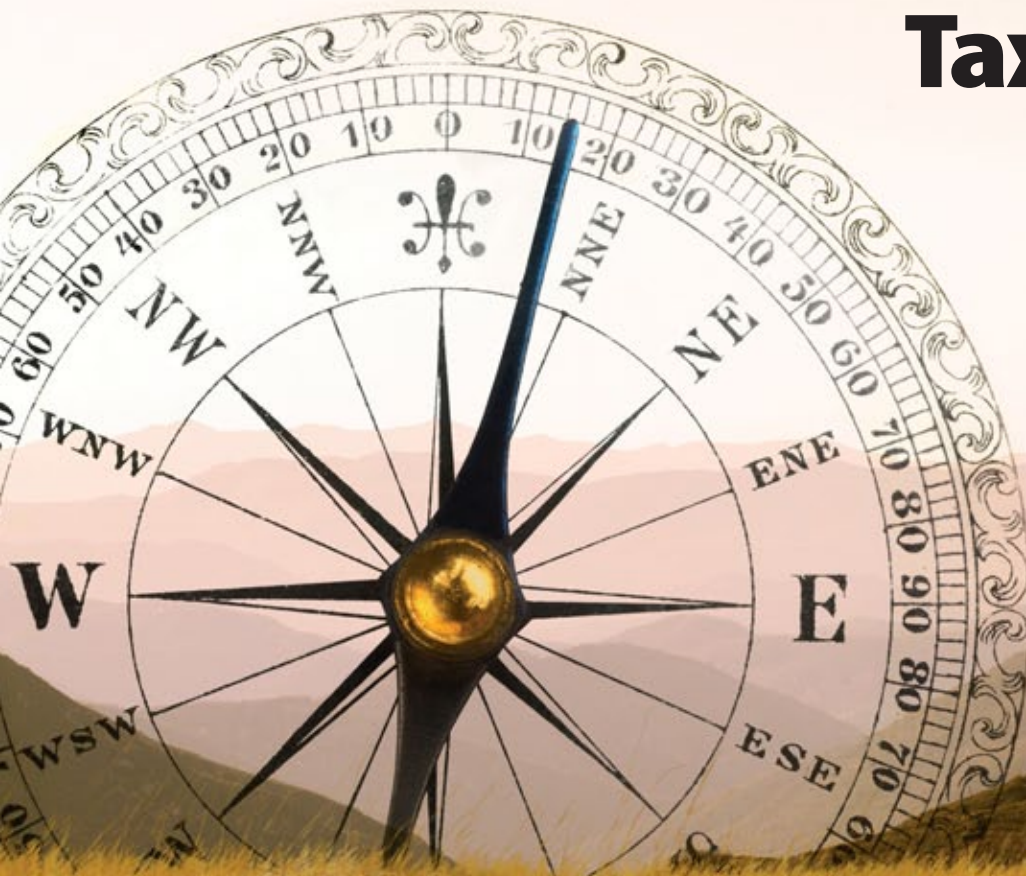
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2022 Year-End Tax Planning

**Tips to help minimize
your 2022 taxes**

plus **WHAT TO DO WITH
LEFTOVER MONEY
IN A 529 ACCOUNT**

**FINANCIAL TIPS
FOR HOMEOWNERS**





FINANCIAL

Financial Gift Ideas for Children and Young Adults

Contribute to their college savings. A contribution to a young person's college savings makes a great gift that can have a lasting impact on their life.

Contribute to their IRA. If the individual earns taxable compensation from working, you can help them get a head start on saving for retirement by giving them some cash to contribute to an IRA. For 2022, they can generally contribute up to the lesser of their taxable compensation for the year or \$6,000.

Give them stock. Giving stock to a young person can be a great way to introduce them to investing and the importance of building wealth for the future. To receive a gift of stock, an adult will need a brokerage account and a child will generally need a custodial account that is managed by an adult. ■

Please consult your financial professional for advice.

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FINANCIAL TIPS FOR HOMEOWNERS

Owning a home is a big financial commitment. Here are a few tips to help you plan for and manage expenses.



LOWER YOUR HOME INSURANCE PREMIUMS

Insurers typically offer a variety of discounts that may help you lower the cost of insuring your home. For example, you may be able to reduce the cost by setting up automatic premium payments, purchasing your homeowners and auto insurance from the same company, and adding protective devices to your home, such as security and fire alarm systems.

CREATE A HOME INVENTORY

You'll be glad you did if you ever need to file an insurance claim for theft or damage. Consider using a home inventory app or a written list combined with photos, videos, and receipts. Include basic information about your personal belongings, such as the brand, model, and serial number. Store your home inventory offsite in a safe location. Be sure to update your inventory as you purchase or discard things with high values.



MAINTAIN STRONG CREDIT SCORES

Lenders and, in some states, insurance companies use scores based on the information in your credit reports to help determine the rates you pay for mortgages and homeowners insurance. Although other factors are also considered, a higher credit score or credit-based insurance score may help you get a lower rate.

TAKE ADVANTAGE OF TAX BREAKS

Some home-related expenses you pay may help you lower your taxes. For example, if you itemize deductions on your federal tax return, you may be able to deduct the mortgage interest and property taxes you pay. (The amount you can deduct may be limited.) Also, certain improvements you make to your home increase your home's basis and a higher basis can help you avoid or reduce the tax on the profit you make when you sell your home.



SET ASIDE MONEY FOR MAINTENANCE

One rule of thumb is to set aside about 1% of your home's value every year for home maintenance and repairs. You may not need the whole amount every year, but when a big-ticket item, such as a roof or a furnace, needs to be replaced, having some cash set aside may prevent you from having to borrow.

USE TAX CREDITS AND REBATES TO GO GREEN

The federal government currently offers a tax credit for adding qualified solar, geothermal, wind, fuel cell, or biomass fuel equipment to your home. Some states also offer tax credits for installing energy-efficient equipment in your home. And your utility company may offer rebates for adding things like qualified water heaters, smart thermostats, and pipe insulation to your home. ■

PLEASE CONSULT YOUR TAX PROFESSIONAL ABOUT HOME-RELATED TAX BREAKS.

This article reflects the federal tax laws in place on September 1, 2022.



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A Few Things to Know About Municipal Bonds

Municipal bonds are issued by states, counties, cities, school districts, and other government entities to raise money for public projects, such as building new roads and schools. Here are a few things to know about them.

There are two main types of municipal bonds—general obligation bonds and revenue bonds.

General obligation bonds are typically secured by the full faith and credit of the municipality issuing the bond. This means that the municipality will generally use all possible means, including taxing its residents, to repay bondholders.

Revenue bonds are secured by a specific source of revenue. For example, revenue bonds issued to finance highway improvements might use revenue from tolls to pay the interest and principal on the bonds.

Many municipal bonds are callable. This means that the bond issuer can choose to redeem the bonds before their maturity date.

The interest from most municipal bonds is exempt from federal income tax. The interest may also be exempt from state and local income taxes if the bonds were issued in your state.

When comparing tax-exempt and taxable bonds, it helps to know the taxable equivalent yield. That's the yield that you would need to receive from a taxable bond to match the yield of the tax-exempt bond you are considering. Your investment professional can generally calculate it for you. Online calculators are also an option.

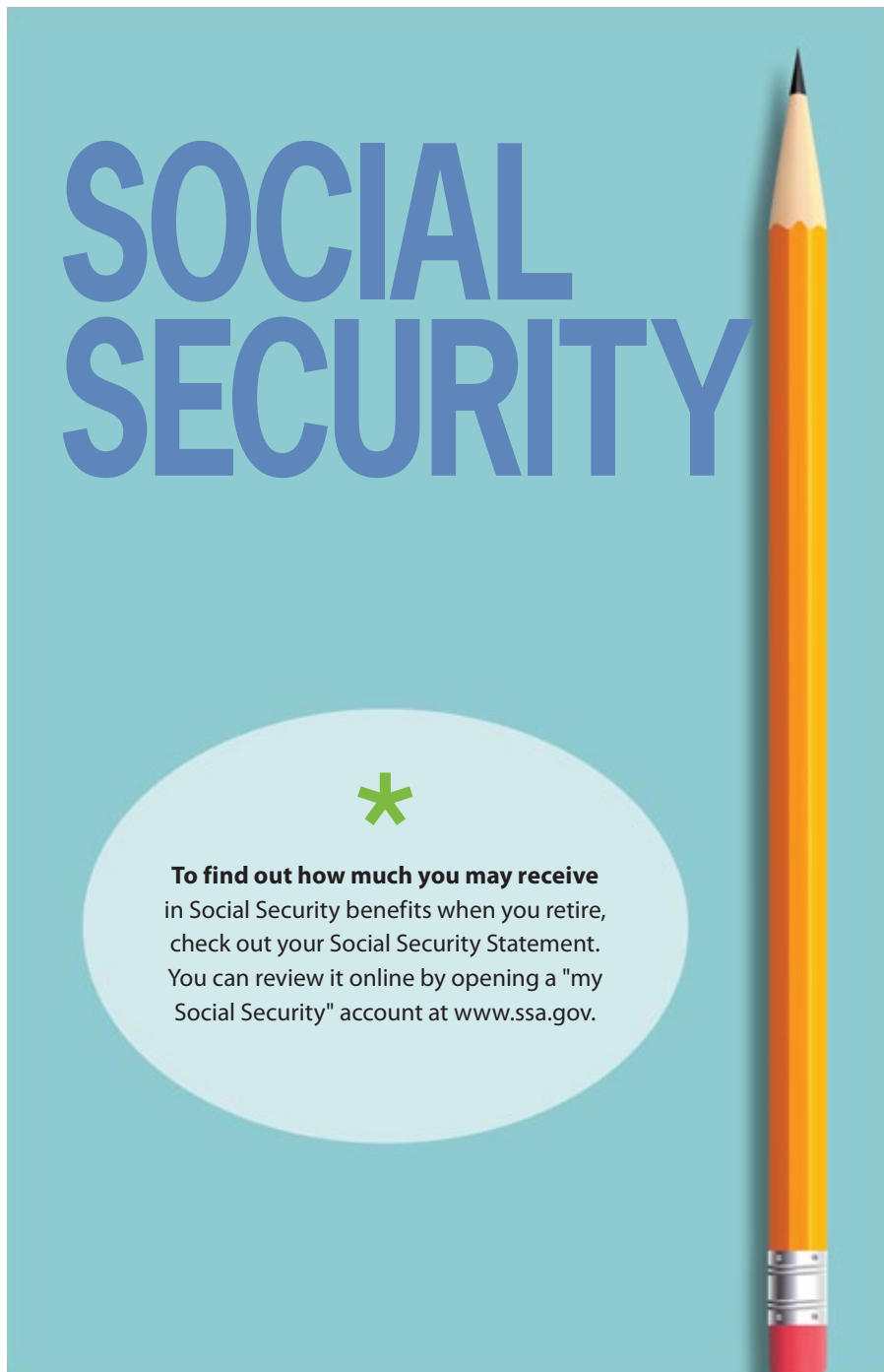
Municipal bonds lose their tax exemption in tax-deferred accounts. When you withdraw money from a traditional IRA or tax-deferred retirement account, any amount that was not taxed previously—including the interest from municipal bonds—will be subject to ordinary income tax. ■

Please consult your financial professional for investment advice.

PLEASE NOTE: A portion of a municipal bond's income may be subject to state tax, local tax, and the federal alternative minimum tax. You may have a gain or a loss if you sell a bond prior to its maturity date. Capital gains are not exempt from taxation. Bonds are subject to interest rate risk. When interest rates rise, bond prices usually fall. The effect is usually more pronounced for longer-term securities. Fixed-income securities also carry inflation risk and credit and default risks for both issuers and counterparties.

Test Your Social Security Knowledge

Social Security pays monthly benefits to millions of retired workers each year. Here's an opportunity to see how much you know about Social Security retirement benefits.



To find out how much you may receive in Social Security benefits when you retire, check out your Social Security Statement. You can review it online by opening a "my Social Security" account at www.ssa.gov.

1 **TRUE OR FALSE:** You'll get a larger monthly benefit if you start later.

True. Although you can begin receiving your retirement benefits at age 62, the longer you wait to begin—up until age 70—the larger your monthly benefit will be.

2 **TRUE OR FALSE:** Your monthly benefit amount also depends on how much you earned over the years.

True. Your retirement benefit amount is based on your highest 35 years of earnings and your age when you begin benefits.

3 **TRUE OR FALSE:** Everyone who works and pays Social Security taxes is eligible for retirement benefits.

False. You usually must work and pay Social Security taxes for at least 10 years to be eligible for retirement benefits based on your own earnings record.

4 **TRUE OR FALSE:** You may be eligible for benefits based on your spouse's earnings record.

True. If you are married, you may be eligible to receive a spousal benefit of up to 50% of your spouse's full retirement age amount. If you are also eligible for benefits based on your own earnings record, you'll receive the higher of the two benefit amounts.

5 **TRUE OR FALSE:** Your child may be eligible for benefits.

True. If you are receiving retirement benefits and have a child under age 20 or with a disability, the child may also be eligible for benefits if certain other criteria are met.

6 **TRUE OR FALSE:** Social Security benefits are never taxable.

False. Depending on your income, up to 85% of your benefits may be subject to federal income tax. State income tax may also apply in a few states. ■

2022 Year-End Tax Planning

You may be able to reduce your 2022 taxes if you act soon. There may be moves, such as deferring income or harvesting investment losses, that you can make before the end of 2022 to minimize the taxes on your income and investments. Several year-end strategies for minimizing federal taxes are summarized here. To learn which strategies may be appropriate for you, please consult your tax and financial professionals for advice before the end of the year. Also, please note that the strategies in this article are based on the tax laws in effect on September 1, 2022. It is possible that the laws may change before the end of the year.

TIMING

Time your income and deductions.

When strategizing how to minimize taxes on your income, it helps to look at the big picture. Rather than only estimating what your income and deductible expenses may be this year, consider next year also. Do you expect any changes in your personal tax situation or in tax rates in general between this year and next? Your answer to this question will help determine some of the strategies you might use to minimize your taxes.

For instance, it is generally a good idea to defer income into next year and accelerate deductions into this year in order to reduce this year's taxes. Doing this may gain you another year to use or invest the money you otherwise would have paid in taxes this year.

However, if you expect to be in a higher tax bracket next year or if you expect tax rates to increase, you may be better off doing the opposite: accelerating income into this year so that it is taxed at a lower rate and deferring deductions into next year when they will be worth more to you.

Although some types of income, such as your paycheck, may be difficult to time, you may be able to control which year you receive other types of income,

such as income from self-employment, retirement accounts, and the exercise of stock options.

Timing deductions generally involves paying deductible expenses and making deductible charitable contributions in the year that benefits you more. For example, if you decide that it is beneficial to accelerate deductions into this year, you may want to make some charitable contributions before the end of this year that you had planned

to make next year. Keep in mind, however, that you can only deduct charitable contributions if you itemize deductions.

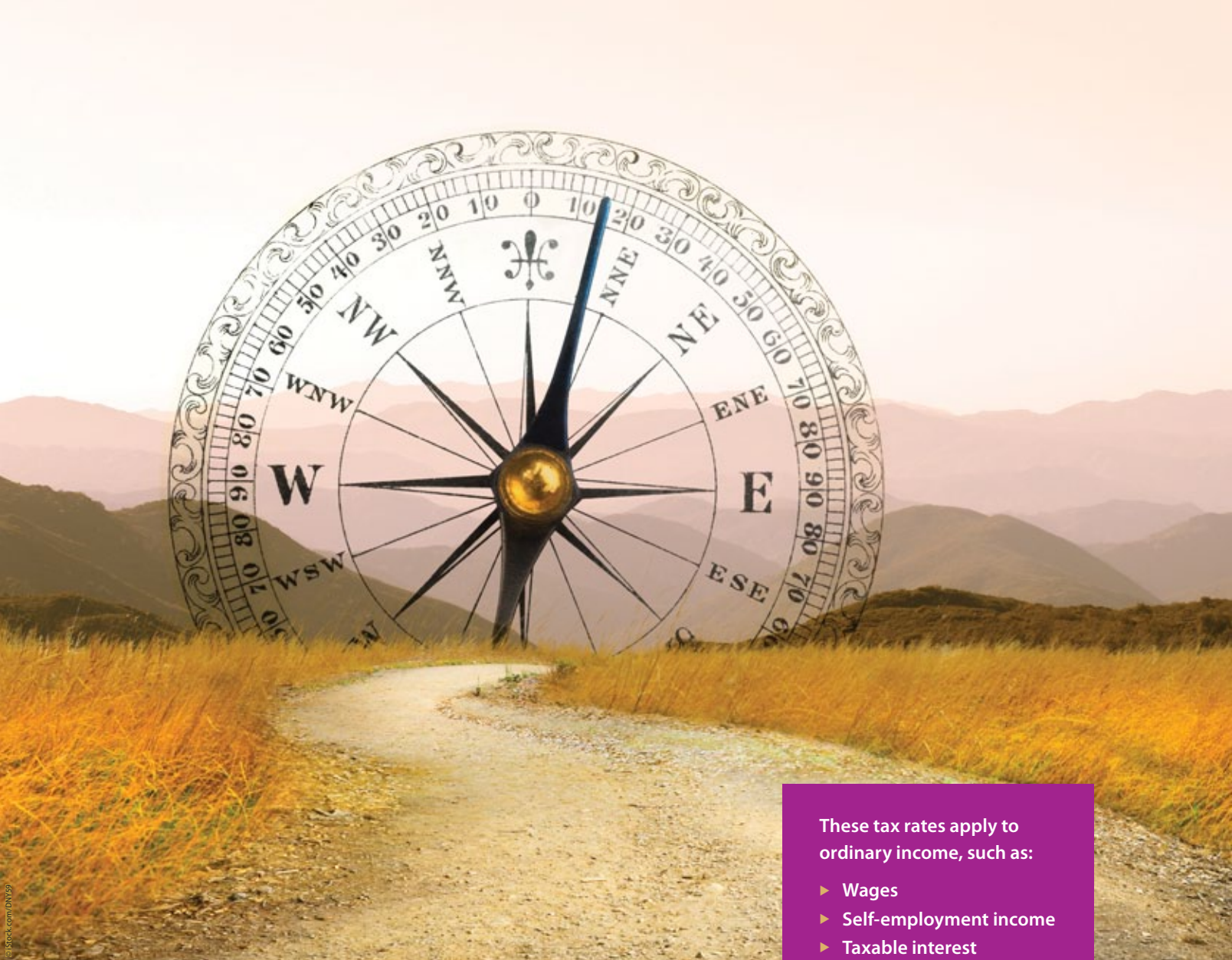
Before timing anything, it is a good idea to check with your tax professional first. Timing income and deductions can sometimes have unintended consequences, such as increasing your income enough to make you ineligible for certain tax breaks or triggering the alternative minimum tax.

A few things about tax credits and deductions.

Tax credits reduce the amount of tax you owe. For example, a \$1,000 tax credit will reduce your taxes by \$1,000.

Tax deductions reduce your taxable income. The amount of your tax savings will depend on your tax bracket.

The higher your tax bracket, the more valuable a tax deduction becomes. For example, a \$10,000 deduction will generally reduce the tax of someone in the 24% tax bracket by \$2,400, someone in the 32% tax bracket by \$3,200, and someone in the 35% tax bracket by \$3,500.



These tax rates apply to ordinary income, such as:

- ▶ Wages
- ▶ Self-employment income
- ▶ Taxable interest
- ▶ Short-term capital gains
- ▶ Non-qualified dividends
- ▶ Taxable distributions from IRAs and retirement plans

2022 Federal Income Tax Brackets and Rates

	SINGLE	MARRIED FILING JOINTLY	MARRIED FILING SEPARATELY	HEAD OF HOUSEHOLD	ESTATES AND TRUSTS
<i>Tax Rate</i>	<i>Taxable Income</i>	<i>Taxable Income</i>	<i>Taxable Income</i>	<i>Taxable Income</i>	<i>Taxable Income</i>
10%	\$0 - \$10,275	\$0 - \$20,550	\$0 - \$10,275	\$0 - \$14,650	\$0 - \$2,750
12%	\$10,276 - \$41,775	\$20,551 - \$83,550	\$10,276 - \$41,775	\$14,651 - \$55,900	-
22%	\$41,776 - \$89,075	\$83,551 - \$178,150	\$41,776 - \$89,075	\$55,901 - \$89,050	-
24%	\$89,076 - \$170,050	\$178,151 - \$340,100	\$89,076 - \$170,050	\$89,051 - \$170,050	\$2,751 - \$9,850
32%	\$170,051 - \$215,950	\$340,101 - \$431,900	\$170,051 - \$215,950	\$170,051 - \$215,950	-
35%	\$215,951 - \$539,900	\$431,901 - \$647,850	\$215,951 - \$323,925	\$215,951 - \$539,900	\$9,851 - \$13,450
37%	Over \$539,900	Over \$647,850	Over \$323,925	Over \$539,900	Over \$13,450

Taxable income is your income minus deductions.



CHARITABLE CONTRIBUTIONS ✨

Donate appreciated securities instead of cash.

One way to increase the tax benefit that you receive from supporting your favorite charities is to donate highly appreciated securities (stocks, mutual funds, etc.) instead of cash. As long as you owned the securities for more than one year and itemize deductions on your tax return, you can deduct the securities' current fair market value and avoid having to pay capital gains tax on their appreciation. And if you'd like, you can buy new shares of the same security with the cash you had planned to donate. The new shares will generally have a higher cost basis than the appreciated shares you donated, which will benefit you taxwise when you eventually sell the new shares.

Consider bunching your charitable contributions if it helps you itemize deductions.

If you normally claim the standard deduction and make annual contributions to your favorite charities, making two or more years' worth of contributions in a single year may help you deduct more this year if it boosts your total itemized deductions for the year over your standard deduction amount.

Here's an example of how this strategy typically works. Let's say you are married, file a joint tax return with your spouse, and expect to have \$20,000 of deductible expenses in 2022. Let's also say that those expenses include \$10,000 of charitable contributions, an amount you normally donate every year. In this scenario, you'd receive a larger deduction if you claim the standard deduction (\$25,900) rather than itemizing deductions (\$20,000).

But what if you bunch your contributions by making your 2023 contributions (\$10,000) before the end of 2022? This would generally increase your itemized deductions to \$30,000 for 2022. That's \$4,100 more than the standard deduction amount so you'd receive a larger deduction by itemizing deductions. Then in 2023, your itemized deductions are apt to be lower because you made your charitable contributions in 2022 so you claim the standard deduction that year.

Make charitable distributions from your IRA.

If you are age 70½ or older, you can generally have up to \$100,000 per year distributed directly from your traditional IRA to qualified charities. Although charitable distributions are not deductible as a charitable contribution, they are nontaxable. And if you are age 72

or older, they count toward your IRA's required minimum distribution (RMD) for the year.

For example, if the RMD for your traditional IRA is \$20,000 this year and you make a \$15,000 qualified charitable distribution, you only have to withdraw and pay the tax on \$5,000 to satisfy your RMD for the year. There is generally no tax on the \$15,000 that you donated to charity.

Please note that part of your charitable distribution may be taxable if you make deductible contributions to an IRA after age 70½.

Consider using a donor-advised fund.

If you want to make a charitable contribution and claim a deduction for it on this year's tax return, but you haven't chosen the charity yet, consider contributing to a donor-advised fund before the end of the year.

The cash and other assets that you contribute are tax deductible in the year that you contribute them to the donor-advised fund—even if you don't recommend grants to your chosen charities until after that year.

2022 STANDARD DEDUCTION

Single	\$12,950
Married Filing Jointly	\$25,900
Married Filing Separately	\$12,950
Head of Household	\$19,400

ADDITIONAL STANDARD DEDUCTION FOR PEOPLE WHO ARE BLIND OR AGE 65 OR OLDER

Single or head of household	\$1,750
Married or qualifying widow(er)	\$1,400

Should you use the standard deduction or itemize deductions?

In most cases, you can either use the standard deduction or itemize deductions on your tax return. Both reduce the amount of income you are taxed on.

The standard deduction is a specific dollar amount based on your tax filing status and whether you are age 65 and/or blind.

Itemized deductions are based on the amount you spend during the year on deductible expenses, such as state and local taxes, mortgage interest, and charitable contributions. (Limits and restrictions apply and may reduce the amount you can deduct.)

So which should you use? It is generally best to use the one that offers you the larger deduction.

A few things about deducting charitable contributions.

Charitable contributions are only deductible if you itemize deductions.

Make contributions by the end of the year. To deduct a charitable contribution on your 2022 tax return, you have until December 31, 2022 to mail a check to a charity or contribute using a credit card.

Keep records of your contributions. This typically means a bank record, such as a credit card statement, for cash contributions, a written acknowledgement from the charity for contributions of \$250 or more, and a written appraisal by a qualified appraiser for donated property that is valued at over \$5,000.





INVESTMENTS HELD IN TAXABLE ACCOUNTS

Use investment losses to reduce your tax bill.

If you have investments in a taxable account that have decreased in value since you purchased them, you may be able to reduce your taxes if you sell some of them before the end of the year. The strategy is known as tax-loss harvesting, and it generally works as follows.

When you sell a stock, mutual fund, or other security at a loss in a taxable account, you can use the loss to offset the capital gains (profits) you receive from the sale of other securities during the year. If your losses exceed your gains, up to \$3,000 (\$1,500 if married filing separately) of the excess can be deducted per year from your ordinary income. And if all of your losses are

not used in one year, the unused portion can be carried forward and used in future years to reduce the amount of capital gains and ordinary income you are taxed on.

For example, let's say that in 2022 you have \$10,000 in investment losses and \$5,000 in capital gains. \$5,000 of your loss can be used to completely offset your capital gains so that you don't owe any tax on the gains. \$3,000 of the loss can be deducted from your ordinary income, which reduces your taxes for the year. And the remaining \$2,000 of the loss can be used next year to reduce the capital gains and ordinary income you must pay taxes on.

There are two things to keep in mind when using this strategy. First, it only applies to investments in taxable accounts. It does not apply to retirement accounts, such as 401(k) accounts and

IRAs. Second, according to the wash sale rule, you cannot claim a loss from the sale of a security if you buy a substantially identical security within 30 days before or after the sale.

Give appreciated securities to family members who are eligible for a lower tax rate.

Profits from the sale of securities that you owned for longer than one year are known as long-term capital gains and are generally taxed at a lower rate than ordinary income. In 2022, three tax rates—0%, 15%, and 20%—are used to calculate the tax on long-term capital gains and qualified dividends. The rate that applies to you depends on your taxable income. (The taxable income ranges for each rate are shown in the table on page 11.)

If you are not eligible for the 0% rate on capital gains, consider giving appreciated

securities instead of cash to a family member who is eligible for the 0% rate.

For example, if you are considering selling some stock and giving the proceeds to your adult child to help with, let's say, college tuition or a down payment on a new home, consider giving them the stock instead of the cash. As long as the stock was held for more than one year and your child's taxable income (including the capital gains) is under \$41,675 if single or \$83,350 if married filing jointly, he or she can sell the stock without having to pay federal tax on the gains.

But before you give appreciated securities to someone who is under age 19, or under age 24 if a full-time student, be sure to consider the kiddie tax. Unearned income, such as capital gains, dividends, and interest, in excess of \$2,300 will generally be taxed at the parent's tax rate if the individual is under age 18, or if the individual's earned income is less than

half their support and they are age 18 or a full-time student under the age of 24.

This strategy only applies to securities that are held in taxable accounts, not retirement accounts.

Avoid buying a mutual fund right before it distributes capital gains.

Many mutual funds wait until December to distribute to their shareholders the capital gains they accumulated throughout the year. If you are a shareholder on the record date for the distribution, you will receive the distribution. And if those shares are held in a taxable account, the distribution will be taxable to you in the year you receive it. So before making a late-in-the-year mutual fund purchase in a taxable account, consider waiting until after the fund's record date so that you avoid the capital gains distribution and the current tax liability that comes with it.



A few things about capital gains on investments held in taxable accounts.

If you sell a stock, mutual fund, or other security for more than you paid for it, **the profit is known as a capital gain.**

The tax rate you pay on capital gains depends on your taxable income and how long you owned the security.

If you owned the security for one year or less, the capital gain is short-term and is taxed as ordinary income at rates up to 37%.

If you owned the security for more than one year, the gain is long-term and is taxed using a long-term capital gains tax rate of 0%, 15%, or 20%.

2022 Tax Rates on Long-Term Capital Gains and Qualified Dividends

<i>These rates apply to investments held in taxable accounts.</i>	0% if taxable income is between	15%* if taxable income is between	20%* if taxable income is over
Single	\$0 - \$41,675	\$41,675 - \$459,750	\$459,750
Married Filing Jointly	\$0 - \$83,350	\$83,350 - \$517,200	\$517,200
Married Filing Separately	\$0 - \$41,675	\$41,675 - \$258,600	\$258,600
Head of Household	\$0 - \$55,800	\$55,800 - \$488,500	\$488,500
Estates and Trusts	\$0 - \$2,800	\$2,800 - \$13,700	\$13,700

* The 3.8% net investment income tax (NIIT) may also apply if your modified adjusted gross income exceeds \$200,000 if single or head of household, \$250,000 if married filing jointly, or \$125,000 if married filing separately.



RETIREMENT ACCOUNTS AND HSAs

Contribute to a tax-deferred retirement plan at work.

Contributing to a tax-deferred retirement plan, such as a 401(k) or 403(b) plan, can help you reduce this year's taxes. That's because every pre-tax dollar of income that you contribute to a tax-deferred retirement plan is one less dollar that you will have to pay income tax on this year. Instead, tax is deferred on your pre-tax contributions and investment earnings until they are withdrawn from your retirement account.

Contribute to a traditional IRA.

Contributing to a traditional IRA outside of work may also reduce this year's taxes if you are eligible to deduct your contributions. Contributions are deductible if you and your spouse (if you are married) are not covered by retirement plans at work or if your income is under certain limits.

You have until the due date of your 2022 federal tax return (not including extensions) to contribute to an IRA for 2022.

Business owners: Consider starting your own retirement plan.

If you are self-employed or own a business and you do not have a business retirement plan, consider starting one this year.

Business retirement plans generally allow you to contribute more income each year than a traditional IRA does—and the more income you contribute to a tax-deferred retirement plan, the less income you will be taxed on this year.

Shelter your income from taxes with a health savings account.

Contributing to a health savings account (HSA) is a great way to shelter some income from taxes, but you'll need to be covered by a high-deductible health plan (HDHP) to be eligible to contribute. If you are eligible, the income you contribute is either pre-tax or tax-deductible, which lowers your taxable income and taxes for the current year. Plus, earnings growth is tax-free in an HSA and withdrawals are also tax-free if used for qualified medical expenses.

You have until the due date of your 2022 federal tax return (not including extensions) to contribute to an HSA for 2022.

Consider converting to a Roth IRA.

If you have been thinking about converting your traditional IRA to a Roth IRA, talk to your financial professional about whether this is the year to do it.

It may make sense to convert now if you think your tax rate may be higher in retirement. Plus, if your tax bracket or IRA balance is lower than normal this year, the tax on the conversion may be less now than in future years.

Are you age 72 or older?

Take your RMDs for 2022.

Beginning at age 72, you generally must withdraw at least a certain amount each year from your retirement accounts (except Roth IRAs). These annual amounts are known as required minimum distributions, or RMDs.

RMDs usually must be withdrawn by December 31 each year. However, if you turned age 72 in 2022, you have until April 1, 2023 to take your first RMD.

You may be able to delay the start of RMDs from a non-IRA retirement plan if you are still working for the company that sponsors the retirement plan.

2022 Annual Contribution Limits for Retirement Accounts and HSAs

401(k), 403(b), and most 457 Plans

Regular contributions	\$20,500
Catch-up contributions	\$6,500

SIMPLE IRAs and SIMPLE 401(k) Plans

Regular contributions	\$14,000
Catch-up contributions	\$3,000

Traditional and Roth IRAs

Regular contributions	\$6,000
Catch-up contributions	\$1,000

Health Savings Accounts (HSAs)

If self-only HDHP coverage	\$3,650
If family HDHP coverage	\$7,300
Catch-up contributions	\$1,000



You must be age 50 or older to make catch-up contributions to a retirement plan or IRA and age 55 or older to make catch-up contributions to an HSA. Additional limitations may apply to the maximum amount you can contribute. Some workplace retirement plans may permit special contributions not listed here.



GIFT AND ESTATE TAXES ✨

Use your annual gift tax exclusion.

If you expect that your estate will be subject to estate taxes, you may want to take advantage of the annual gift tax exclusion to transfer some of your wealth to your loved ones now.

The annual gift tax exclusion is set at \$16,000 for 2022. This means that you can give any number of people up to \$16,000 each in 2022 without your gifts being subject to the federal gift tax and without using up any of your lifetime exclusion for federal gift and estate taxes. Married couples can use both of their annual exclusions to give any number of people up to \$32,000 each in 2022.

Take advantage of the temporarily high lifetime exclusion.

In addition to an annual gift tax exclusion, you also have a lifetime exclusion

for federal gift and estate taxes. It is currently set at \$12.06 million, a \$360,000 increase from 2021. Thanks to the lifetime exclusion, you can generally give away up to \$12.06 million during or after your lifetime without owing any federal gift or estate tax on the transfers. And if you are married, you and your spouse can use both of your lifetime exclusions to shelter up to \$24.12 million of transfers from those taxes.

Keep in mind, however, that the lifetime exclusion amount is scheduled to decrease to \$5 million, adjusted for inflation, after 2025 unless Washington changes the law. So if you expect your estate will be subject to estate taxes, you may want to take advantage of the current exclusion amount to make gifts to your heirs now before the exclusion potentially decreases. According to the IRS, taking advantage of the lifetime exclusion to make large gifts now will not adversely impact you later on if the exclusion decreases. ■

Please consult your tax and financial professionals before the end of the year.

Your professionals can review your financial situation and determine whether there are any moves you can make to lower your taxes.

What You Can Do with Leftover Money in a 529 Account

If you have money remaining in a 529 education savings account because the beneficiary decided not to go to college or simply did not use all of it while in college, here are a few things you can do with it.

For any number of reasons, you may end up with more money in a 529 education savings account than your child needs. Perhaps your child decides not to go to college or receives a scholarship that covers a significant amount of the cost. Events like these are impossible to predict years in advance so it is good to know what the options are for any unused funds.

As a reminder, money grows tax-free while in a 529 account and can be withdrawn free from federal taxes, and perhaps state taxes also, if used for the beneficiary's qualified education expenses, such as college tuition. If a withdrawal is not used for a qualified expense, the earnings portion of it will be subject to income tax and generally a 10% federal tax penalty.

Also, every 529 account has an account owner (usually the person who established the account, such as the parent) and a beneficiary (the student). The account owner controls the account and determines how any leftover money is handled. Here are the options. ■

PLEASE NOTE: For more complete information about a 529 education savings plan, including investment objectives, risks, fees, and expenses associated with it, please carefully read the issuer's official statement before investing. It can be obtained from your financial professional. Some states offer state residents additional benefits, such as a state tax deduction for contributions to the plan, reduced or waived program fees, matching grants, and scholarships to state colleges. Any state-based benefit offered with respect to a particular 529 education savings plan should be one of many appropriately weighted factors to be considered in making an investment decision. You should consult with your financial, tax, or other professional to learn more about how state-based benefits (including any limitations) would apply to your specific circumstances. You also may wish to contact your home state or any other 529 education savings plan to learn more about the features, benefits, and limitations of that state's 529 education savings plan.



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Options for using any leftover money in a 529 account.

For advice and more details about each of the options, please consult your tax and financial professionals.

Repay student loans.

Money in a 529 account can generally be used tax-free to repay qualified student loans for the beneficiary and the beneficiary's siblings, up to a lifetime limit of \$10,000 per person.

Please note: There may be state tax repercussions in some states that do not recognize student loan repayment as a qualified education expense.



Save it for future education.

You may want to leave the money in the 529 account if there is a chance that the beneficiary may go back to school in the future. Funds from a 529 account can be used tax-free to pay for many levels of education, including undergraduate, graduate, medical, and law school educations.

Change the beneficiary on the account.

You can arrange for someone else in the beneficiary's family to use the money for their own education by changing the name of the beneficiary on the account or by transferring or rolling over the money to the relative's 529 account. Eligible family members include the current beneficiary's siblings, first cousins, spouse, parents, and certain other individuals.

Cash out the account.

As the account owner, you can use money from the account for anything you'd like. Of course, if you use it for something other than the beneficiary's qualified expenses, income tax and generally a 10% federal tax penalty will apply to the earnings portion of the withdrawal.

Please note: In some states, there may be additional state tax repercussions for a non-qualified withdrawal.

Make penalty-free withdrawals.

There are exceptions to the 10% penalty. For example, if the beneficiary receives a tax-free scholarship, you can withdraw an amount equal to the scholarship amount without incurring the penalty, although tax will still apply to the earnings portion of the withdrawal. If the beneficiary attends a U.S. military academy, an amount equal to the cost of the education can be withdrawn penalty-free. There are other exceptions also.



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SHOW AND TELL | Paris Museums

BY BRIAN JOHNSTON

The French capital's smaller museums make for a refreshing change from the overcrowded Louvre.

IF TRUTH BE TOLD, MONA LISA IS AN unremarkable woman, drably dressed and grimacing as if suffering from a toothache. She sits behind security glass surrounded by manic tourists attempting to take selfies and muttering about *Da Vinci Code* conspiracies. Besides, *Mona Lisa* was painted by an Italian and has nothing to do with Paris.

Join queues at the Louvre if you must, but defy convention and you might have a better time. Ignore *Mona Lisa* and you miss a famous painting. Head to the smaller museums of Paris, though, and you're rewarded with a much more intimate look at the history and culture of France—and without any of the crowds.

For a start, several museums are devoted to just one artist, allowing you not just to gaze at static paintings or sculptures but to get a glimpse into the artist's life and

passions. At Musée Rodin, for example, you'll find sketches, original models and plaster casts that show how Auguste Rodin developed his artworks—not something you'll see at the Louvre. Afterwards you can sit in the rose-garden café surrounded by sculptures that include Rodin's famous *Thinker* and *Burghers of Calais*.

Musée Bourdelle focuses on one of Rodin's pupils. Wander around Antoine Bourdelle's house and you can admire his studies of Beethoven, copies of Greek and Roman sculptures, bronzes, sketches, and marbles. Even better, his late nineteenth-century studio is preserved entirely unchanged; it feels as if Bourdelle has just stepped out to buy a baguette.

While our notions of French art— and indeed of Paris—often sit squarely in the nineteenth and early twentieth centuries, you'll be well rewarded if you travel back

in time at Musée de Cluny, the National Museum of the Middle Ages, which has just reopened after major renovations that have brightened up the building and reorganized exhibits.

Musée de Cluny is seldom crowded and yet displays a sumptuous collection of artworks that range from illuminated manuscripts to jewelry, silver goblets, and crosses glowing with precious stones. Its famous *Unicorn Tapestries*, considered among the best tapestries ever produced, show romanticized versions of courtly life in exquisite detail. The museum building itself is another visual feast: the fifteenth-century mansion is encrusted with gargoyles, mullioned windows, and turrets, and has the remains of Roman baths in the basement.

Another newly revamped museum, Musée Carnavalet, details the history of

LEFT: Housed in a 15th-century mansion, Musée de Cluny displays artworks from the Middle Ages, including the renowned *Unicorn Tapestries*. BELOW: A statue of Napoleon Bonaparte watches over the Musée de l'Armée where visitors can learn about his military campaigns and other periods of France's military history.

Paris through every period. The section on the French Revolution is particularly absorbing for the way it makes the great historical drama so personal: you can see a chess set used by Louis XVI while in prison and exercise books belonging to his young son the Dauphin. Meanwhile the literary minded can check out the replica of Marcel Proust's cork-lined bedroom, where the neurotic writer became a virtual recluse, spending his time in bed penning 3000 letters and numerous literary works.

French history would be nothing without that country's great obsession with military glory between the seventeenth and nineteenth centuries. The Musée de l'Armée has stirring displays, including many related to Napoleon: his famous hat, his coat, and even his taxidermied horse and dog. Locks of his hair and a death mask add a macabre touch. The famous painting of Napoleon's retreat from Moscow is marvelous. The museum also covers France's involvement in the American War of Independence and both World Wars. Kids will enjoy odd items, such as sabotage explosives disguised as rats and pieces of coal.

You can put all this history into a domestic context by learning about the lives of ordinary folk through the ages at Musée des Arts Décoratifs, a treasure-trove of furniture, wallpaper, toys, textiles, and decorative objects from the Middle Ages to current times. Superb period rooms include an aristocratic salon of the 1820s and an Art Deco boudoir from the 1920s.

For those with more wide-ranging interests, the Musée des Arts et Métiers (Arts and Crafts) has a broader, more scientific focus than its name indicates. If you can't find something of interest here, then you've lost all interest in life. Foucault's Pendulum, suspended from the ceiling of the former Church of St Martin, proves the rotation of the Earth with its

oscillations. You can inspect the first ever calculator designed by Blaise Pascal, instruments of the great chemist Antoine Lavoisier, one of Robert Stephenson's early locomotives, and pioneering photographic equipment and pictures from Louis Daguerre and the Lumière brothers.

Other landmarks in technology include the first steam-powered automobile and an early attempt at the vacuum cleaner dating from 1906. The museum also houses superlative collections of clocks, barrel organs, model trains, musical instruments, and clockwork dolls.

France's reputation for art and fashion overshadows its considerable contribution



to science and technology. The Cité des Sciences et de l'Industrie is the biggest science museum in Europe and has a planetarium, IMAX cinema, aquarium, and submarine all guaranteed to appeal to children. You can try piloting an airplane, wander about the inside of a super-sized camera, and travel through the human body. The museum is set in the beautiful Parc de la Villette, where you can get some fresh air afterwards.

Another great attraction that appeals to families is Aquarium de Paris near the

Eiffel Tower. Here the traditional aquarium has been given a 21st-century update using state-of-the-art audio-visual equipment and multi-media installations. You can get up close to sharks and stingrays, admire 8000 other marine creatures, watch wildlife documentaries, and take in live performances at the Aquastudio.

By this time, you'll probably be exhausted, but at least it's a pleasurable exhaustion, not one brought about by standing in endless queues at the Louvre. If you have more energy, the Cité Nationale de l'Histoire de l'Immigration is one of Paris' newer museums. It outlines the story of immigration to France from the early nineteenth century to the present day, with interactive exhibits and multi-media installations as well as drawings and photography. Particularly interesting are the personal items—everything from children's toys to suitcases and maps—that belonged to immigrants and refugees and which illuminate individual stories about those seeking a new life in France.

Finally, among the more bizarre Paris offerings is the Musée des Egouts de Paris or Paris Museum of Sewers, which highlights the urban sewer system, surely the world's only museum entered through a maintenance hole. The entrance is on Quai d'Orsay, synonymous with French foreign affairs, a coincidence relished by jocular guides.

You can see parts of the 800 miles of sewers beneath the city, some of which date from the 1850s, as well as tunnels that contain telecommunications cables and drinking pipes. Raised walkways keep you away from the effluent, though not its smell. You'll be far from the madding crowds of tourists and soon learn that it isn't art or romance that keeps Paris going but its sewage system. By the time you've finished, you'll certainly know everything there is to know about life in Paris. ■



The new *Destination Moon* exhibition at the National Air and Space Museum in Washington, D.C. Rendering courtesy of the Smithsonian's National Air and Space Museum

What's On at the Museums

From ancient Egypt to the moon landing, there's a lot going on at the museums this fall.

DETROIT, MI

Van Gogh in America *October 2, 2022–January 22, 2023*

This exhibition at the Detroit Institute of Arts is the largest scale Van Gogh exhibition in America in a generation. More than 70 works—paintings, drawings, and prints—by the famed Dutch artist are on display, including Van Gogh's iconic painting, *Starry Night*.

NEW YORK, NY

The Tudors: Art and Majesty in Renaissance England
October 10, 2022–January 8, 2023

On view at The Metropolitan Museum of Art, this exhibition traces the transformation of the arts under the Tudor dynasty's rule from 1485 through 1603 and includes objects, such as portraits, tapestries, manuscripts, sculpture, and armor from the period. The exhibition is also scheduled to open at the Cleveland Museum of Art on February 26, 2023.

SAN FRANCISCO, CA

Diego Rivera's America *July 16, 2022–January 2, 2023*

Diego Rivera's America at the San Francisco Museum of Modern Art brings together more than 150 of Rivera's paintings, frescoes, and drawings, as well as three galleries devoted to large-scale film projections of the murals he created in Mexico and the U.S. After San Francisco, the exhibition will travel to Bentonville, AR where it will open at the Crystal Bridges Museum of American Art on March 11, 2023.

SAN FRANCISCO, CA

Ramses the Great and the Gold of the Pharaohs
August 20, 2022–February 12, 2023

This exhibition at the de Young museum explores the life and accomplishments of Ramses II, one of the longest ruling kings in ancient Egypt, and brings together more than 180 objects—statues, sarcophagi, masks, jewelry, and golden tomb treasures—from various periods in Egyptian history.

WASHINGTON, D.C.

National Air and Space Museum
Reopened October 14, 2022

After being closed for months as part of a major redesign project, the National Air and Space Museum reopened half of its flagship building on the National Mall in October. The reopened area features favorite artifacts, such as the Apollo 11 command module and the 1903 Wright Flyer, along with hundreds of new artifacts in eight totally reimagined galleries.

BOSTON, MA

LIFE Magazine and the Power of Photography
October 9, 2022–January 16, 2023

Drawn partially from the pages of the iconic *Life* magazine, the photos in this exhibition at the Museum of Fine Arts Boston capture some of the defining moments of the last 100 years and offer a revealing look at the collaborative processes behind *Life's* most recognized images and photo essays. ■



QUIZ

Off the Beaten Path

1. If you are watching the Northern Lights in what is ranked as the happiest country in the world, you are in:
A. New Zealand
B. Finland
2. If you are wandering through Tallinn Old Town, one of the best preserved medieval cities in Northern Europe, you are in:
A. Denmark
B. Estonia
3. If you are photographing an elephant as it enters the river in Chobe National Park, you are in:
A. Botswana
B. Kenya
4. If you are at Europe's Spaceport watching a satellite being launched into space, you are in:
A. Belgium
B. French Guiana
5. If your boat is winding its way through massive icebergs in the Ilulissat Icefjord, you are in:
A. Greenland
B. The United States
6. If you are touring the archeological site of Volubilis, an ancient city that was once a Roman outpost, you are in:
A. Morocco
B. Jordan
7. If you are walking on a remote beach littered with shipwrecks and other debris in the Skeleton Coast National Park, you are in:
A. Suriname
B. Namibia
8. If you are hiking the Milford Track, considered to be one of the finest walks in the world, you are in:
A. New Zealand
B. South Africa
9. If your yacht is anchored in Cooks Bay in Moorea, you are in:
A. Madagascar
B. French Polynesia
10. If you are watching narwhals breach off the shores of Baffin Island, you are in:
A. Canada
B. Norway

ANSWERS: 1-B, 2-B, 3-A, 4-B, 5-A, 6-A, 7-B, 8-A, 9-B, 10-A



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