



GREAT PLAINS

Trust

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Great Plains Gives Back



Great Plains worked with Red Bag KC again to provide holiday gifts for local children. We collected gifts and clothing for two siblings, age 6. This year, they will find building toys, race cars, play jewelry, and other gifts from their wish lists to Santa.

The Dirty Dozen List

As we move into tax season, we would like you to be aware of some helpful information published by the IRS referred to as the “Dirty Dozen.” Typically updated each year, this list is comprised of the latest in scams and trending tax-related problems. We have summarized the “Dozen” below; please see IRS.gov for more detailed information.

The first nine to make the list can be categorized as “red flags” to the IRS. Including anything like them on your return is likely to result in increased scrutiny and aggressive enforcement in the event of an audit:

- 1) “Employee Retention Credits (ERC). These are promoted to ineligible taxpayers with promises of large refunds but are often merely masked attempts to collect your personal information.
- 2) Similarly, Fuel Tax Credits are generally meant for off-highway and farming businesses and are not available to most taxpayers. However, unscrupulous promoters may lead taxpayers to erroneously claim them.
- 3) “Fake charities” exploit generous taxpayers by taking 1) their money and 2) sometimes their identity as well. Keep in mind that taxpayers may claim deductions for certain charitable donations, but only for those made to qualified tax-exempt organizations recognized by the IRS (other rules, such as itemization, also apply). Always check out new charities before giving.
- 4) Most tax return preparers are accurate, professional, and do the right thing, but unscrupulous ones can flag your return for the IRS. Think twice about any who base fees on the size of the refund, refuse to sign the return, or are unwilling to provide a Preparer Tax ID Number. Never sign an incomplete return.

Year-End Financial Planning Reminders

When will I receive my Statements and Tax Information?

- 1099 R tax forms will be mailed along with your annual statements by January 31, 2024.
- Forms 1099 B, Div & Int will be mailed no later than February 15, 2024.
- RMD notices will be mailed by January 31, 2024.
- IRA Form 5498 (reporting 2023 contributions) will be mailed by May 31, 2024.

IRA Contribution Limits

2023:

\$6,500 (\$7,500 if age 50 or older)

2024

\$7,000 (\$8,000 if age 50 or older)

Due date for 2023 IRA and Roth IRA contributions is April 15, 2024

The Dirty Dozen continued...

5) The IRS reported several examples of inaccurate or misleading tax information on social media and will be prepared to spot anyone relying on it. In preparing your return, you should rely only on a qualified professional or the IRS.

6) Offers in Compromise are programs to help people who cannot pay to settle their tax debts. However, they are only available to those who meet certain qualifications. Taxpayers can check their eligibility for free by using the IRS Offer in Compromise Pre-Qualifier tool.

7) The IRS has listed Charitable Remainder Annuity Trusts (CRATs) and Monetized Installment Sales as examples of schemes aimed at high income filers. While sometimes legitimate, these methods are also misused to unlawfully avoid taxes. They should not be used without professional guidance and careful thought.

8) A few other tactics included on the list are “bogus tax avoidance strategies,” including a) micro-captive insurance companies that lack the attributes of legitimate insurance, and b) abusive use of conservation easements.

9) Finally, and perhaps the most notorious: “the IRS continues to scrutinize attempts to hide assets in offshore accounts and accounts holding digital assets, such as cryptocurrency...and nominee entities.” Although often promoted as “out of reach” for the IRS, they are not.

The final three to make the “Dirty Dozen” list pertain to common identity theft scams:

10) Smishing (texts) and Phishing (emails) are unsolicited messages which appear to be from the IRS or other legitimate organizations. They can be especially tricky by mentioning bills or refunds. However, they are actually masked attempts to get personal information. According to their website, the IRS generally initiates contact through regular mail and will never initiate contact about a bill or refund through email, text, or social media.

11) Spear phishing is the same as phishing, but specifically tailored toward certain businesses. Successful spear phish operations create access to entire databases and as a result, can lead to harm on a large scale.

12) The final group of swindlers mentioned are those posing as “helpful” third parties offering to assist taxpayers set up online accounts with the IRS. In doing so, they steal personal information. If you need an online account, you can and should set it up yourself at IRS.gov.

New FinCEN Reporting Requirements for Small Businesses

As part of the Corporate Transparency Act which was passed by Congress in 2021, small businesses have new reporting requirements beginning January 1, 2024. The new rules promulgated by the U.S. Department of the Treasury’s Financial Crimes Enforcement Network (FinCEN) require all C corporations, limited liability companies, partnerships and any other entities required to file with the secretary of state to report the beneficial ownership of the entity to FinCEN. Certain exemptions apply for large and publicly traded entities, so this rule essentially impacts small businesses. A beneficial owner is defined as any individual who, directly or indirectly, owns or controls at least 25% of the ownership interests

of a reporting company or who exercises substantial control over a reporting company. The reporting company must report on the identity of all beneficial owners upon the formation of the company and on every occasion that such information changes. Companies subject to these requirements that existed prior to January 1, 2024 have until January 1, 2025 to file their initial reports. There is no filing fee; however, failure to comply with these new reporting requirements can result in penalties ranging from \$500 to \$10,000, and potential imprisonment up to 2 years. We recommend consulting with legal counsel to determine any beneficial ownership reporting requirements.

Diminished Capacity – How to Best Protect Your Finances in Case of Cognitive Decline (Part One)

As we age, our “financial capacity” or our ability to make good financial decisions naturally declines. But at what age do most adults become unable to manage their finances? Surprisingly, it might be much earlier than you think. A 2009 study by Harvard University entitled “The Age of Reason: Financial Decisions over the Life-Cycle with Implications for Regulation,” concludes that most adults reach their maximum financial decision-making capacity at age 53. After age 53, this financial decision-making capacity will decline.

80% of the wealth in the United States is controlled by adults over 50. However, the frequency of dementia increases dramatically after age 60, doubling every five years. In addition, approximately 80% of Americans over 50 suffer from one or more chronic diseases, e.g., diabetes, heart failure, depression, etc. Consequently, the majority of adults in America experience their own peak wealth just when they are the most likely to have physical and cognitive impairments.

Many adults think they are too wise to ever be a victim of financial exploitation, and an even larger number might say that a family member or loved one would never commit such a crime against them. Research data suggests otherwise.

There is no shortage of criminals who are eager to prey on adults with diminished capacity, particularly those adults who have a lot of wealth. Financial exploitation is one of the most prevalent forms of elder abuse.

One category of financial exploitation is the typical phone or internet scam perpetrated by an unknown individual. The FBI's Internet Crime Complaint Center (IC3) recently reported that there was an 84% increase in total financial losses to seniors between 2021 and 2022. Perpetrators of these “scams” often take advantage of seniors who may be isolated, living alone and without a support system. Victims of these “scams” may experience financial devastation and the inability to pay for necessary care.

Another more concerning category of financial exploitation is financial

abuse committed by a family member or someone in a relationship with the victim. A 2019 study conducted by the Keck School of Medicine at the University of Southern California examined instances of elder abuse reported to the National Center on Elder Abuse (NCEA) resource line. Of the nearly 2000 calls logged, 42% alleged abuse and 55% of those calls alleged financial abuse. In nearly 48% of the calls in which a relationship with the victim could be determined, a family member was the alleged perpetrator of the abuse and the most common abuse reported was financial abuse (61.8%).

Ensuring the financial safety and well-being of older adults and their families is a major challenge for the financial services industry; however, financial institutions are also uniquely positioned to be able to detect potential financial exploitation before others might discover the problem. For example, the financial institution may be the first one to notice that the older account holder is calling in the same request multiple times without remembering the previous calls or may notice much more frequent or larger distribution requests than usual.

Great Plains Trust Company is committed to preventing and discovering financial exploitation of our clients, particularly those clients with diminished capacity. In addition to the regular security measures we have in place such as callbacks on distribution requests, Great Plains will be asking all of our clients to provide us with a “trusted contact”.

A “trusted contact” is a person that Great Plains may contact about your account if there is suspicion of possible financial exploitation or if there is suspicion that the account holder may be experiencing diminished capacity. The trusted contact has no authority to act with respect to the account and may not direct any withdrawals or distributions – a power of attorney is required to act on the account. This trusted contact is simply a person that Great Plains may contact with questions or concerns about suspicious account activity or perhaps a change in behavior by the account holder that could indicate an issue with capacity.

If Great Plains suspects suspicious account transactions, a temporary 15-day hold may be placed on the account to allow time to investigate further. We will attempt to notify the account holder and any trusted contact of the hold on the account. If further investigation supports the suspicion of financial exploitation, the hold may be extended to allow time for a more thorough investigation. Depending on what the investigation reveals, the matter may be referred to adult protective services or the local law enforcement agency.

Great Plains is dedicated to preventing financial exploitation of our clients, and the trusted contact feature is only one tool towards protecting yourself. While you are not required to provide a trusted contact, it may help prevent an issue with your account in the future. Our next newsletter article will focus on what you can do to protect yourself from financial exploitation in case of future diminished capacity.

GPTC Correspondence:

The Great Plains Trust GWA Mobile App is now Available in the Apple App Store!

Great Plains will also be introducing an app for Android users, scheduled to be released in Q2 2024.

Get Online Statements & Advice of Trades

If you currently do not have access to GWAccess and would like to view your accounts online, switch to online statements, and/or see trade advices, we can help!

Send a request to: trustops@greatplainstrust.com

Questions about online access?
E-mail or call: trustops@greatplainstrust.com
913-831-7999

Cost of Living Adjustments

The IRS recently announced Cost of Living Adjustments (COLAs) for Retirement Plans in 2024. The intent of these increases is to ensure that contributions to retirement plans and IRAs, as well as benefits under pension plans, keep up with inflation. Most limits increased except for catch-up contributions and limits fixed by statute. Below are the new limits for 2024 that may affect you:

- The IRA Contribution Limit increased to \$7000. (Plus a \$1000 Catch-Up Contribution for workers 50 or older).
- The Elective Deferral Limit has increased to \$23,000.
- The Annual Contribution Limit increased to \$69,000 – this is the maximum amount that can be contributed to a participant's account in a Defined Contribution plan. The limit includes employee and employer contributions. For participants 50 or older, the Annual Contribution Limit increases by \$7,500 to include catch-up contributions.
- The Annual Defined Benefit Limit increased to \$275,000.
- The Maximum Plan Compensation considered for retirement plans increased to \$345,000.
- The annual income subject to Social Security tax increased to \$168,600.
- The SIMPLE Plan Elective Deferral Limit increased to \$16,000.

If you have specific questions regarding your Employer-Sponsored Retirement Plan, please consult with your plan sponsor. As a reminder, Great Plains Trust Company can work with retiring or terminated plan participants to arrange rollovers to new IRAs. Plan sponsors should contact their wealth advisor for assistance.

Annual Plan Limits	2024	2023	2022
Contribution and Benefit Limits			
Elective Deferral Limit	\$23,000	\$22,500	\$20,500
Catch-Up Contributions	\$7,500	\$7,500	\$6,500
Annual Contribution Limit	\$69,000	\$66,000	\$61,000
Annual Contribution Limit including Catch-Up Contributions	\$76,500	\$73,500	\$67,500
Annual Defined Benefit Limit	\$275,000	\$265,000	\$245,000
Compensation Limits			
Maximum Plan Compensation	\$345,000	\$330,000	\$305,000
Income Subject to Social Security	\$168,600	\$160,200	\$147,000
Key EE Compensation Threshold	\$220,000	\$215,000	\$200,000
Highly Compensated EE Threshold	\$155,000	\$150,000	\$135,000
IRA Limits			
SIMPLE Plan Elective Deferrals	\$16,000	\$15,500	\$14,000
SIMPLE Catch-Up Contributions	\$3,500	\$3,500	\$3,000
Individual Retirement Account (IRA)	\$7,000	\$6,500	\$6,000
IRA Catch-Up Contribution	\$1,000	\$1,000	\$1,000

Source: Show Me Pension Group

GREAT PLAINS Trust

Our Mission

To be a premier provider of wealth management and trust services to families across generations. We shall deliver responsive, reliable, and informed service combined with a commitment to achieving the stated goals of our clients and their families. We shall, at all times, deal honestly and respectfully with all clients and associates.

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