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EYE ON MONEY

JAN FEB 2024

10 Things to Do in the Year Before You Retire

plus 3 THINGS TO KNOW ABOUT REPAYING STUDENT LOANS

REBALANCING YOUR PORTFOLIO

SEP IRA RETIREMENT PLANS

HOW TO SAVE MORE IN '24

RETIREMENT

NEW FOR 2024:
RMDs ARE NO LONGER REQUIRED FROM DESIGNATED ROTH ACCOUNTS

For 2024 and later years, owners of designated Roth accounts in 401(k), 403(b), and 457(b) retirement plans no longer have to take required minimum distributions (RMDs) from those accounts.

RMDs are minimum amounts that must be withdrawn each year from most types of retirement accounts, generally beginning at age 73.

Eliminating the RMD requirement for designated Roth accounts means that account owners now have the option to leave their money untouched in these accounts, where it has the potential to grow tax-free for the rest of their lives.

This change only applies to RMDs for 2024 and later years. RMDs must still be taken from designated Roth accounts for 2023, including first-year RMDs for 2023 that are due on or before April 1, 2024. ■

Please consult your tax and financial professionals for advice.

inside

Three Things College Grads Should Know About Repaying Federal Student Loans

THERE IS A GRACE PERIOD.

There is a grace period after you graduate, leave school, or drop below half-time status before you must begin repaying your federal student loans.

The grace period is generally six months for Direct Subsidized and Unsubsidized Loans and nine months for Perkins Loans. Graduate and professional students receive a six-month deferment on their PLUS loans.

The grace period is intended to give you time to line up a job and to select a repayment plan. You can learn about the various plans and estimate your payment amount at the U.S. Department of Education's website, studentaid.gov.

Your loan servicer will let you know when your first payment is due. You can begin payments sooner than required, but be aware that prepayments made during the grace period will not count as qualifying payments in a loan forgiveness program.

YOUR LOAN INTEREST MAY BE DEDUCTIBLE.

You can deduct up to $2,500 of the qualified student loan interest you paid during the year on your federal tax return as long as your income is under certain limits and you meet a few other requirements.

To deduct the interest paid in 2023, your modified adjusted gross income (MAGI) must be less than $90,000 ($185,000 if you are married and file a joint tax return). The amount you can deduct will be reduced if your MAGI is between $75,000 and $90,000 ($155,000 and $185,000 if filing jointly).

You can only claim this deduction if you are the person legally obligated to pay the interest. However, you don't have to be the person who made the payment. For example, if your parent made a payment on your student loan, the interest portion of that payment is deductible on your tax return.

For more information on deducting student loan interest, check out IRS publication 970.

YOU CAN USE 529 FUNDS TO PAY YOUR LOANS.

If there is money left over in a 529 education savings account, the account owner has the option to use it to repay student loans.

Up to $10,000 can be withdrawn free from federal tax (and perhaps state tax also[1]) to repay the beneficiary's qualified student loans. And if the beneficiary has siblings with student loans, the account owner can also withdraw up to $10,000 free from federal tax for each of those sibling to repay their student loans. Siblings include the beneficiary's brothers, sisters, stepbrothers, and stepsisters. The $10,000 limit is a lifetime limit per borrower.

If you use money from a 529 account to repay your loans, keep in mind that you cannot deduct the student loan interest that you pay with tax-free earnings from a 529 account. That would be considered a double tax benefit and is not allowed. ■

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

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.

STOCK FUNDS

4 Ways Stock Funds Are Categorized

Understanding how stock funds are categorized is useful in building a diversified portfolio.

Market Capitalization

One way that stock funds are categorized is by the size of the companies they invest in, as measured by their market capitalization, which is the total value of their outstanding shares. Companies are generally divided into three groups—large cap, mid cap, or small cap—according to their size.

Investment Style

Stock funds may also be categorized by investment style—growth, value, or blend—based on the stocks they choose to invest in. Growth funds typically invest in companies that fund managers believe have above-average growth potential while value funds invest in companies that fund managers believe may be undervalued and have the potential to increase in value over time. Blend funds invest in both growth companies and value companies.

Sector

Some stock funds focus on a sector of the economy or an industry, enabling investors to target those sectors that they believe may perform better than others for a period of time. Examples of sectors include communication services, consumer discretionary, consumer staples, energy, financials, health care, industrials, information technology, materials, real estate, and utilities. Funds that focus on a single sector tend to be more volatile than funds that focus on a broad range of sectors.

Geography

Stock funds are also categorized by the part of the world where the companies they invest in are based. These categories may be broad—companies in the U.S. (domestic funds), companies outside the U.S. (international funds), or companies anywhere in the world, including the U.S. (global funds)—or they may be more focused, such as on a region of the world or a single country. Keep in mind that the narrower the geographic focus of a foreign fund, generally the greater the level of risk. ■

Please consult your financial professional for investment advice.

Please note: Diversification does not ensure a profit or protect against loss in declining markets. Before investing in mutual funds or ETFs, investors should consider a fund's investment objectives, risks, charges, and expenses. Contact your financial professional for a prospectus containing this information. Please read it carefully before investing. Foreign investments involve special risks due to currency fluctuations, economic and political factors, government regulations, differences in accounting standards, and other factors. Investing in emerging markets involves greater risk than investing in more established markets.

Rebalancing Your Portfolio

Rebalancing your portfolio by restoring it to your target asset allocation—the percentages you chose for each asset class, such as stocks, bonds, and cash—can help keep your investment plan on track. Here are a few things to know about it. Please consult your financial professional for specific advice.

PLEASE NOTE: Asset allocation does not ensure a profit or protect against loss in declining markets.

Rebalancing can help you manage risk and pursue growth.

Ups and downs in the markets can change the composition of your portfolio over time. What started out as 70% stocks and 30% bonds may now be 60% stocks and 40% bonds if the stock market has been down recently. A decrease in the percentage of stocks generally means that your portfolio has less potential for growth over time than you intended. On the other hand, if stocks have outperformed bonds recently and stocks now make up a greater percentage of your portfolio, then your portfolio may be riskier than you intended. Rebalancing your portfolio restores it to your target allocation and your desired level of risk and potential for growth.

Rebalancing can be done a few ways.

One way is to sell some of the overweighted asset class and invest the proceeds in the underweighted asset class. (Keep in mind that selling investments in a taxable account will generally have tax consequences.) Another way is to invest new money in the underweighted asset class until your target allocation is restored.

There are a few schools of thought on when to rebalance.

Some investors rebalance their portfolios on a set date every year or quarter while others only rebalance when their actual allocation strays from their target allocation by a certain amount, such as 5 or 10 percentage points. ■

10 Things to Do in the Year Before You Retire

The decisions you make in the year before retirement regarding your retirement accounts, pensions, Social Security, and other retirement resources may impact you for the rest of your life. The following tips and considerations can help with those decisions, but keep in mind that one of the best decisions you can make is to consult your financial professional for specific advice.

Estimate your retirement income and expenses.

Have you saved enough to afford the retirement you envision? It's time to double-check.

Start by estimating how much you may spend annually in retirement. With retirement only one year away, you may have a pretty clear idea at this point of how much it will take per year to maintain your lifestyle.

Then add up the predictable income you expect to receive annually in retirement. This typically includes income from Social Security, pensions, and annuities. Add to that number the amount you can withdraw from your savings and investments each year without taking too great a risk that you will deplete your savings prematurely. Is the resulting amount enough to cover your annual expenses?

Estimate how much money you can safely withdraw each year.

To help minimize the chance of depleting your savings prematurely, it is important to estimate how much money you may be able to withdraw each year and still have a good chance of your savings lasting your lifetime.

One rule of thumb suggests that retirees who withdraw 4% of their savings in the first year of retirement and then increase the annual withdrawal amount by the inflation rate each year have a strong chance of their nest egg lasting 30 years. For example, if you have $1 million in savings at the start of retirement, you might withdraw $40,000 in year one, $41,200 in year two, $42,436 in year three, and so on, assuming the inflation rate is 3% each year.

Keep in mind that 4% is simply a rough guideline. Depending on your investment mix, the number of years you expect to be in retirement, and other factors, it may be a good idea to use a slightly different withdrawal rate.

For example, someone who retires early and expects to spend more than 30 years in retirement may be better off using a lower withdrawal rate while someone who retires late and expects to spend less than 30 years in retirement may be able to confidently use a higher withdrawal rate. Talk to your financial professional about a rate that may be appropriate in your circumstances.

Decide when to begin Social Security benefits.

The age when you begin receiving Social Security benefits will have a significant impact on your monthly benefit amount.

Although you can generally begin receiving benefits at age 62, the longer you wait to begin benefits, up until age 70, the larger your monthly benefit will be. How much larger? If you begin benefits at age 70, your monthly benefit may be as much as 77% larger than if you begin at age 62.

For an estimate of how much you may receive each month depending on the age you begin benefits, check out your Social Security Statement, which you can review online at www.ssa.gov/myaccount.

Decide what to do with your 401(k) and other qualified retirement accounts.

When you retire, you'll generally have three options for how to handle the savings you hold in your employer's qualified retirement plan. You can leave your money where it is, transfer it to an IRA, or take a cash distribution. Each option has its benefits and limitations.[1]

The first two options—leave your savings in your current plan or transfer them directly to an IRA—preserve the tax benefits that your savings currently enjoy. Your savings can continue to grow tax-deferred or tax-free for as long as they remain in the employer's plan or the IRA.

The third option—cash out the account—will generally have immediate tax consequences. The taxable portion of the cash distribution will be taxed as income in the year you receive it and may also be subject to a 10% tax penalty if you are not yet age 59½.

Retiring early? Explore your options for avoiding penalties on early withdrawals.

Normally, withdrawals from IRAs and workplace retirement plans prior to age 59½ are subject to a 10% early withdrawal tax penalty. Fortunately for people who retire early, there are exceptions to the "age 59½ rule" that may allow you to tap your savings before age 59½ without penalty.

An exception that applies to qualified retirement plans and IRAs allows penalty-free withdrawals before age 59½ as long as the withdrawals are part of a series of substantially equal periodic payments.

An exception that applies to qualified retirement plans (but not IRA plans) states that if you leave your job in or after the year you reach age 55 (age 50 if you are a qualified public safety employee), withdrawals that you make from that employer's plan after you leave are penalty-free.

The age 50 exception was recently modified to include withdrawals by certain corrections officers and forensic employees, as well as firefighters covered by private sector retirement plans. And the exception now also applies to withdrawals by qualified public safety employees who separate from service after 25 years with the plan, even if they haven't reached age 50 yet. (These changes are so recent that it is a good idea to discuss them with your tax professional first to see if the IRS has provided any additional guidance on them.)

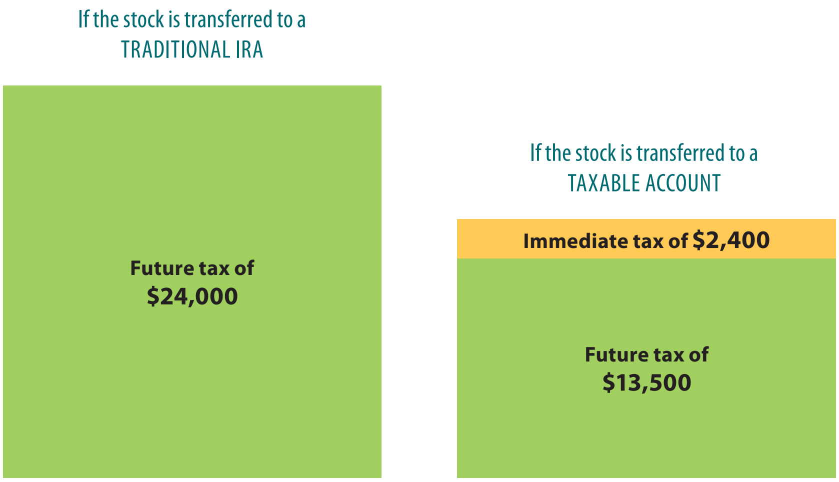
For more information about these and other exceptions to the age 59½ rule, please consult your tax and financial professionals.

Have employer stock in your 401(k)? Consider using the NUA strategy.

If you have appreciated employer stock in a 401(k), you may save a considerable amount in taxes if you move the stock to a taxable investment account when you retire.

If you leave it in a tax-deferred 401(k) or move it to a traditional IRA, it will eventually be taxed as ordinary income when you sell the stock and withdraw the proceeds from the account. But if you move the stock to a taxable account, the increase in its value (known as its net unrealized appreciation, or NUA) will be taxed as a long-term capital gain when the stock is sold, which may significantly reduce the tax on its appreciation.

Here's an example of how the NUA strategy may work. The example assumes the employer stock has a $100,000 market value and a $10,000 cost basis (the original price paid for the stock) and that the retiring employee is in the 24% federal income tax bracket.



TOTAL FEDERAL TAX: $24,000

The employer stock ($100,000) avoids taxation when it is transferred to the IRA, but is taxed as ordinary income (24% in this example) when it is withdrawn from the IRA.

TOTAL FEDERAL TAX: $15,900

The stock's cost basis ($10,000) is taxed as ordinary income (24% in this example) when the stock is transferred from the 401(k) to the taxable account.

The net unrealized appreciation, or NUA, ($90,000) is taxed as a long-term capital gain (15% in this example) when the employer stock is sold in the taxable account.

This is a highly simplified, hypothetical example for illustrative purposes only. It assumes that the value of the stock does not change after it is distributed from the 401(k) plan and that the account owner is old enough to avoid the 10% tax penalty on early withdrawals. It also assumes that the 401(k) plan allows actual securities to be transferred. Not all 401(k) plans allow this. The example does not take into account state and local taxes.

Apply for your pension.
If you are eligible for a traditional pension, find out when you should apply for benefits. Some organizations may need a few months to process your application before benefits can begin.

Also explore your pension payment options so that you are ready to make your choice during the application process.

Pension benefits are typically paid as an annuity—that is a series of periodic payments (usually monthly) that begin when you retire and continue for the rest of your life. If you are married, the payments can last for both your life and your spouse's life if you choose. In addition to annuities, the pension plan may offer a lump-sum option that pays you the entire benefit in one payment.

The decisions you make regarding your pension payments will impact you for the rest of your life so please seek advice from your financial professional before making them.

Consider purchasing an annuity.
If the idea of a guaranteed stream of income during retirement appeals to you, you may want to consider using part of your retirement savings to purchase an income annuity.

An income annuity is a contract between you and an insurance company in which the insurance company promises to pay you a stream of income in return for your upfront premium payment.[2]

Line up your health insurance.
If you have health insurance through your employer, check with them to learn what steps you must take regarding your insurance when you retire.

If you are retiring before age 65, it is important to plan how you will bridge the coverage gap before you become eligible for Medicare at age 65. Your options may include retiree health insurance from your employer, continued coverage from your employer's health plan for 18 months under COBRA rules, or an individual policy purchased from an insurance company or marketplace. If you are married and your spouse has group health insurance from his or her employer, you may be eligible for coverage under that plan.

If you are retiring right around age 65, explore your Medicare options so that you are ready to arrange for your coverage a few months before your 65th birthday. You can learn about the coverage options online at www.medicare.gov. Or you can request a printed *Medicare & You* handbook by calling Medicare at 1-800-MEDICARE (1-800-633-4227).

Develop an exit strategy if you own a business.
If you plan to sell your business, it's a good idea to seek advice from your tax and legal professionals about how to structure the deal in a way that meets your objectives and minimizes the taxes on the sale. ■

Please consult your financial professional.

The financial decisions you make as you transition from work to retirement can have a major impact on your future financial security. Please seek advice from your financial professional regarding them.

1 When you leave an employer, carefully consider all of the options available to you regarding the assets you have in the employer's retirement plan. Your options may include leaving your assets in your former employer's plan, rolling them over to an IRA or your new employer's plan, or withdrawing cash. Consider each option's investment options, services, fees and expenses, withdrawal options, potential withdrawal penalties, required minimum distributions, tax treatment of employer stock, legal and creditor protections, and tax treatment.

2 All guarantees are subject to the claims-paying ability of the issuing insurance company.

How to Save More in '24

HAPPY NEW YEAR!

Many people will begin the new year by resolving to save more money in the upcoming year. If you are one of them, these tips may help you save more and spend less this year.

The tips are general in nature so please consult your financial professional for personalized advice and strategies to help you pursue your financial goals.

1 Save your annual bonus and pay raise.

Receiving a bonus, pay raise, or other increase in your income is a great opportunity to increase the amount you save. If you were managing comfortably before the new money, you may not even miss the part of it that you save.

2 Take advantage of the employer match.

If your employer will match your retirement plan contributions, find out the maximum amount they will match and try to contribute at least that much. These contributions from your employer can really add up over time and help propel you toward your savings goal. And if you can afford to contribute more than is needed to snag the maximum match, it's generally a good idea to do so.

3 Pay yourself first.

Rather than saving whatever is left over at the end of the month, consider paying yourself first by having part of each paycheck immediately deposited into your retirement, investment, and savings accounts. This can help keep your savings on track and prevent you from spending more money than you should on non-essential items.

4 **Change your tax withholding.**

If you normally receive a large tax refund, consider having your employer decrease the amount of income tax that is withheld from your pay. This will increase your take-home pay and make it possible for you to put your money to work for you as soon as you earn it rather than waiting for the IRS to refund it to you next year. To change your tax withholding, complete a new IRS Form W-4 and give it to your employer.

5 **Trim your spending.**

To save more money, you may need to spend less. A good place to start is by reviewing the past few months of credit card statements to see if you can spot expenses you can cut back on in order to free up more of your income for saving. Look for recurring charges for services (memberships, subscriptions, streaming services) that you no longer use and for expenses (eating out, entertainment) that you can cut back on.

6 **Lower your monthly bills.**

To free up even more income for saving, consider switching to a lower price cell phone plan or carrier, bundling your home and auto insurance with one insurer, turning down the thermostat a degree or two in the winter, switching to auto pay and paperless billing if it earns you a discount, and taking advantage of veteran, teacher, and senior discounts if you are eligible.

7 **Follow the 24-hour rule.**

Before spontaneously buying a non-essential item, give yourself 24 hours to mull it over. After a day, you may find that you've lost interest in the item and can easily walk away from it. ■

Self-employed? There may still be time to lower your 2023 taxes with a SEP IRA retirement plan.

A SEP IRA is an easy-to-use retirement plan with great tax benefits that can be set up and funded as late as the due date for your business's tax return, including extensions.

If you are self-employed or own a business and you haven't set up a business retirement plan yet, take a look at the Simplified Employee Pension plan, more commonly known as the SEP IRA.

This type of retirement plan is available to any size business and is one of the simplest retirement plans to set up and operate. Administration is minimal, and government filings are not required.

Plus, you may be able to contribute far more income on a tax-advantaged basis each year to a SEP IRA than you can to a personal IRA. As much as 25% of your compensation or $66,000, whichever is less, can be contributed to a SEP IRA for 2023. In comparison, regular contributions to a traditional or Roth IRA are limited to $6,500 for 2023.

And because you can set up and fund a SEP IRA as late as the due date for your 2023 business income tax return, including extensions, there may still be time to make deductible contributions for 2023 that reduce your 2023 taxes.

How SEP IRAs work.

With this type of retirement plan, separate IRA accounts are set up for you and your eligible employees. The accounts are typically traditional IRAs, and they are generally funded solely by the employer.

There are annual limits on the amount the employer can contribute. For 2023, employer contributions cannot exceed 25% of compensation[1] or $66,000, whichever is less. ($69,000 for 2024.)

As the business owner, you choose the percentage of compensation your business will contribute each year. It can generally be anywhere from 0% to 25%, and it can vary from year to year.

This gives you the flexibility to increase contributions in the good years and to decrease them in the lean years. And you do not need to contribute every year.

In those years when you do contribute, the percentage you contribute generally must be the same for both you and your eligible employees.

The tax advantages.

Until recently, all SEP IRAs were generally traditional IRAs. With a traditional IRA, contributions are pre-tax and earnings growth is tax-deferred. The contributions and earnings will eventually be subject to ordinary income tax, but not until they are withdrawn from the IRA.

You and your employees can withdraw money from your accounts at any time, but keep in mind that withdrawals before age 59½ are subject to a 10% early withdrawal tax penalty unless an exception to the penalty applies.

In addition to the tax advantages that a tax-deferred IRA offers you as an individual, your business also benefits because it can generally deduct the employer contributions it makes to your account and your employees' accounts.

SEP Roth IRAs may also be an option. The Secure 2.0 Act of 2022 made many changes to retirement plans, including opening the door for SEP Roth IRAs. As of 2023, businesses can offer their employees (including the business owner) the option to treat the contributions as after-tax Roth contributions. This change is so recent that it may not be widely available until the details regarding SEP Roth IRAs are worked out.

Reasons to consider a SEP IRA.

SEP IRAs have a lot going for them, including:

- The potential to contribute much more per year than you can to a personal IRA.
- The flexibility to change the contribution percentage every year and to not contribute every year.
- The ability for your business to deduct employer contributions.
- The potential for tax-deferred growth.
- The ease of running the plan.

It's a good idea to also review other types of retirement plans before choosing one. There are several plans available, including some that allow employees to contribute part of their pay and that rely less heavily on employer contributions. Your financial professional can tell you about them and help you select a retirement plan that suits your business and your goals. ■

1 If you are self-employed, your compensation is your net earnings from self-employment, which is calculated using a special computation.

*

A SEP IRA is a flexible, easy-to-use retirement plan that allows self-employed individuals and small business owners to fund retirement accounts for themselves and their employees.

Important Deadlines for Taxpayers, Retirees, and Savers

The first few months of the year are filled with financial deadlines. Here are a few federal deadlines that you may want to add to your calendar. If you have questions about them, please consult your tax and financial professionals.

JANUARY 16

Final estimated tax payment for 2023 is due.

If you don't pay your income tax through withholding or if you don't pay enough tax through withholding, you can make quarterly estimated tax payments to help avoid an underpayment penalty from the IRS.

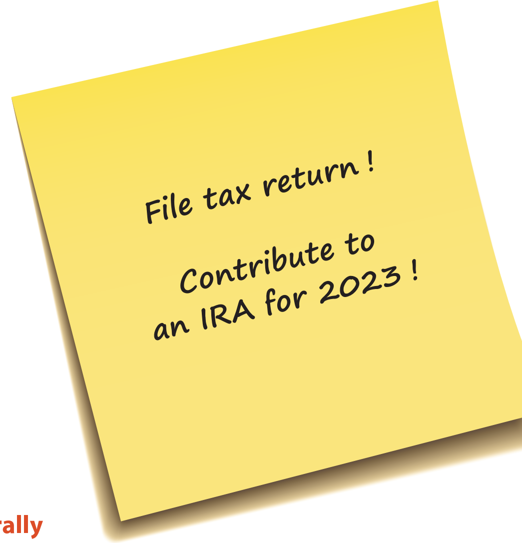
The final federal estimated tax payment for 2023 is due January 16, 2024. However, you can skip this payment if you file your 2023 income tax return and pay any tax due by January 31, 2024.

Also, you may have extra time to pay your estimated taxes for 2023 if your area was recently affected by a disaster. To learn whether the due date has been extended in your area, check the IRS website at *www.irs.gov/newsroom/tax-relief-in-disaster-situations*.

For 2024, federal estimated tax payments are due:

- April 15, 2024
- June 17, 2024
- Sept. 16, 2024
- January 15, 2025

Please note that different dates and requirements apply to farmers and fishermen.



JANUARY 31

W-2 forms must be distributed by this date.

Employees:
Employers are required to distribute or mail Form W-2, Wage and Tax Statement to their employees by January 31, 2024. This form will show the wages paid and the taxes withheld in 2023, as well as other information you may need when filling out your tax return.

Household employers:
Did you pay cash wages of $2,600 or more to a household employee in 2023 or withhold federal income tax from their wages? If you did, you may need to give your employee Form W-2 by January 31, 2024 and submit Forms W-2 and W-3 to the Social Security Administration by that date also.

Keep in mind that this requirement only applies if you have a household employee, such as a nanny or a housekeeper. It does not apply if the person doing the work at your home is an independent contractor, such as a self-employed lawn care worker who provides services to the general public.

APRIL 1

First-year RMDs are due.

Required minimum distributions (RMDs) are minimum amounts that you must withdraw each year from most types of retirement accounts once you reach RMD age (currently age 73 for account owners born after 1950).

If you are still employed at your RMD age, you may be able to delay the start of RMDs from your employer's retirement plan until the year you retire as long as the plan is not an IRA and you do not own 5% or more of the company.

RMDs generally must be withdrawn by December 31 each year. However, you get extra time—up to April 1 of the following year—to take your first RMD.

Keep in mind that if you take your first RMD in the following year, you'll have to withdraw two RMDs that year—one by April 1 for the prior year and one by December 31 for the current year, which may push you into a higher tax bracket.

Please note that this information applies to account owners. The rules for beneficiaries who inherit an IRA or retirement account are different.

APRIL 15

April 15, 2024 is generally the last day to:

- **File your 2023 tax return.**
  The deadline for filing the 2023 federal individual tax return is April 15, 2024, although you may have extra time in certain situations. For instance, residents of Maine or Massachusetts have until April 17, 2024 due to some holidays this year. Also, residents in certain disaster areas may have extra time to file. Check *www.irs.gov/newsroom/tax-relief-in-disaster-situations* to see if your area has extra time.

- **Request an extension.**
  If you are not ready to file your return by the regular deadline (April 15 for most people), you can get a 6-month extension of time to file by submitting Form 4868 to the IRS on or before that date. Or you can get an extension by making a tax payment by that date using one of the IRS's electronic payment options and indicating that the payment is for an extension.

- **Contribute to an IRA for 2023.**
  You have until the deadline for filing your 2023 federal income tax return (not including extensions) to contribute to a traditional or Roth IRA for 2023. The 2023 contribution limits are $6,500 for individuals who were under age 50 and $7,500 for individuals who were age 50 or older at the end of 2023.[1]

- **Contribute to an HSA for 2023.**
  If you are covered by a high-deductible health plan (HDHP) and you haven't maxed out your contributions to a health savings account (HSA) for 2023 yet, there may still be time. You have until the deadline for filing your federal income tax return (not including extensions) to make a 2023 contribution.

  For 2023, you may be eligible to contribute up to $3,850 if you have self-only HDHP coverage or $7,750 if you have family HDHP coverage. Individuals age 55 or older can contribute up to an extra $1,000.[1]

1 Additional limitations may apply to the maximum amount you can contribute. Also, your income must be under certain limits to contribute to a Roth IRA.

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THE BOLD NEW BERLIN | Berlin, Germany

BY BRIAN JOHNSTON

Berlin is a city in the midst of change. Here's a look at some of its latest hotspots, as well as its more traditional neighborhoods.

THIRTY YEARS AGO, nobody wanted to visit Berlin. The Berlin Wall had fallen but the city was still associated only with Cold War standoffs and spy stories. The reinstated capital of a united Germany had to reinvent itself—and it did.

Now Berlin has one of Europe's most buzzing arts and culture scenes, its best and most outrageous nightlife, and some of its most diverse neighborhoods. Though it has few traditional tourist sights, this capital of cool is for those looking to enjoy lively, contemporary, and fast-changing Europe far beyond the static old-town stereotypes.

You might start at the beginning, however, at the village-like Nikolai Quarter on the eastern bank of the Spree River, established in the sixteenth century. Although reconstructed after World War II from its church spires to tavern cellars, it offers a flavor of old Berlin and is especially atmospheric after dark, when alleyways are lit by gas lanterns that reflect off cobblestones. Locals come here to dine on traditional fare such as pork knuckle with sauerkraut, wild boar or venison, or lighter carp and trout dishes.

Berlin was founded in the thirteenth century, but stepped up in the seventeenth century when it became the seat of Prussia's monarchs. A modest royal hunting lodge got a serious makeover as a fitting palace. Charlottenburg, now absorbed into posh suburbia, is a masterpiece of German baroque loaded with artworks, Chinese porcelain, and gold leaf, and surrounded by ornamental gardens and lakes.

In 1789, King Frederick William II erected Brandenburg Gate at the western end of Unter den Linden, the broad avenue that runs through the city center. Later, incorporated into the Berlin Wall, it became a symbol of divided Germany. Head down Unter den Linden and you're deep in the heart of former East Berlin. Along the way, you pass churches, palaces, and a buzzing university campus.

You'll also cross Museuminsel, a river island that houses some of Europe's most outstanding museums. If you have time for only one, make it the Neues Museum for its Greek and Roman antiquities. Also

LEFT: **The Brandenburg Gate is Berlin's most iconic landmark.** BELOW: **Visitors to the Reichstag (Germany's parliament building) can ascend a spiral walkway to the top of its glass dome for 360-degree views of Berlin.**

excellent are the Pergamon Museum (currently closed for renovation) for its Persian, Assyrian, and Babylonian art and the Museum of Islamic Art, with a superb collection of carpets, woodcarvings, and miniatures. The Old National Gallery has European paintings from the eighteenth to early twentieth centuries, including works by German Romantics and French Impressionists.

Beyond Museuminsel, the culture-minded will also want to visit the Gemäldegalerie, particularly distinctive for its medieval German art by masters such as Hieronymus Bosch and Albrecht Dürer, although many master painters are represented here, including an impressive collection of Rembrandts.

Gemäldegalerie is a hop from Potsdamer Platz, reduced to rubble during World War II but today dominated by corporate headquarters. The square features spectacular modern architecture and one of Berlin's best shopping malls. Metal strips mark where the Berlin Wall once ran, and six re-erected segments of Wall stand outside the subway station.

If you have kids, then the interactive German Spy Museum covers adult themes such as Cold War politics, but also the history of spycraft from ancient Babylonians to James Bond in entertaining ways. Attempting to traverse a room crisscrossed with laser-beam alarms is a lot of fun.

Refresh your spirit afterwards in the vast Tiergarten, a huge green space that encompasses meadows, lakes, meandering paths, and swathes of lawn. A chunk of the Tiergarten is taken up by a zoo, the rest scattered with monuments. Clamber up the 285 steps of the Victory Column and you're rewarded with fine views.

Just off Tiergarten's southwest end, Kurfürstendamm (usually referred to by its abbreviation Ku'Damm) provides another change of pace. It became famous in the pre-War period for its avant-garde cultural scene and dance halls. Now it's Berlin's main shopping drag and has everything from chic stores to down-at-the-heels clothing outlets.

Explore the side streets for specialty stores. In Tauentzienstrasse, you'll find the chicest department store in town, KaDeWe, as well as Europa Centre, Berlin's biggest shopping mall and one of the largest entertainment complexes in Europe, perfect for a rainy afternoon.

Lifestyle rather than sights is what Berlin is really about, so explore its neighborhoods. Fashion and arts scenes are focused on the Hackescher Markt and the Scheunenviertel or Barn District, named for the pens beside what was a cattle market in the seventeenth century. Shabby buildings, graffiti-covered alleyways, and barebones cafés recall the area's more recent blue-collar, slightly disreputable past, but you'll also find boutique hotels, art galleries, theatres, and lots of entertaining people-watching.

Look in particular for the Die Hackenschen Höfe, which crams over a hundred cafés, boutiques, and restaurants into a series of Art Nouveau apartment courtyards that have become one of the chief places in the city to head for drinks in the evening.

Further out from Berlin center, Prenzlauer Berg is another hot quarter where the latest in fashion stores vies for attention with hip restaurants, beer gardens, and nightclubs. Many handsome nineteenth-century apartment blocks, which range from the disheveled to the newly gentrified, are heritage listed.

On Prenzlauer Berg's western edge, Mauerpark or Wall Park, formed from a section of the "death strip" that ran behind the Berlin Wall, is now the place to hang out on Sundays as a flea market erupts, performers juggle, and locals barbecue.

Kreuzberg district is even edgier. The alternative and immigrant quarter is gritty and graffiti covered. The most famous street-art works splatter East Side Gallery, a remnant chunk of the Berlin Wall, most notably the mural Fraternal Kiss, which recreates an actual 1979 embrace between Soviet leader Leonid Brezhnev and East German leader Erich Honecker.

You can get excellent Turkish food in Kreuzberg's Little Istanbul, investigate art studios and start-ups around Moritzplatz, and eat inordinate amounts of take-out food at Markthalle Neun, a beautifully restored early twentieth-century market hall packed with stalls serving food from the far corners of the globe.

Finally, for anyone who loves nightlife, Berlin is the place to be, whether you hop from one neighborhood pub to another, hit the throbbing nightclub or techno scene, or take in a cabaret or burlesque show. Like everything else in Berlin, the nightlife is bigger, better, and bolder than ever before as the German capital enters its prime. ■

Six National Parks for Incredible Stargazing

The view at many national parks is just as spectacular after dark as it is during the day. These are six of the best.

ARIZONA: Grand Canyon

There's a party at the Grand Canyon on June 1–8, 2024, and you're invited! Those are the dates of the 2024 Grand Canyon Star Party when visitors to the park's North Rim or South Rim can participate in special programs, such as night sky photography workshops and telescope viewing. Can't make those dates? No worries! The National Park Service (NPS) offers astronomy programs at the Grand Canyon year-round.

CALIFORNIA, NEVADA: Death Valley

Far from the bright lights of cities, the dark skies over Death Valley National Park provide stellar views of the night sky, particularly when the moon is new. Astronomy fans may want to time their visit to March 1–3, 2024 when the park will hold its Dark Sky Festival. This annual festival generally features astronomy programs, astrophotography sessions, and presentations by guest speakers from organizations such as NASA.

CALIFORNIA: Joshua Tree

Joshua Tree National Park is a stunning sight to behold both in the day when the desert landscape is on full display and at night when the sky glitters brightly with stars, planets, and meteors. According to the NPS, the Pinto Basin Road between Cholla Cactus Garden and Cottonwood has the least traffic and some of the park's darkest skies. And of the park's nine campgrounds, the Cottonwood Campground has the darkest skies.

MINNESOTA: Voyageurs

Voyageurs National Park not only offers you the opportunity to see the Milky Way galaxy in all its glory on clear, moonless nights, it also offers you a chance to see the Aurora Borealis (Northern Lights) after a solar flare. To get the best view of either, find a spot that is free of branches and has a wide view of the horizon. For easy access, the NPS recommends the upper parking lot at the Rainy Lake Visitor Center and the Meadwood Road Day Use Area.

TEXAS: Big Bend

This park has the least light pollution of all the national parks in the lower 48 states, making it a great place to see the Milky Way, watch meteor showers, and photograph the night sky.

UTAH: Bryce Canyon

On a clear night when the moon is new, the profoundly dark skies over Bryce Canyon offer spectacular views of the Milky Way. The NPS suggests that if you prefer to stargaze soon after sunset, you may want to visit the park in June through August when the views of the Milky Way are vibrant and the galactic center is visible. June is also when the park hosts the annual Bryce Canyon Astronomy Festival, which features special evening programs, telescope viewing, and constellation tours. This year's event is scheduled for June 5–8, 2024. In addition to the festival, the park also offers night sky telescope programs from Memorial Day to Labor Day and ranger-led hikes when the moon is full. ■

QUIZ

Philadelphia

1. This river in Philadelphia is the site of one of the world's largest rowing competitions each fall:
   A. Delaware River
   B. Schuylkill River

2. The fictional movie character who ended his morning run by running up the steps of the Philadelphia Museum of Art is:
   A. Captain America
   B. Rocky

3. Philadelphia is home to a science museum named after:
   A. Benjamin Franklin
   B. Thomas Edison

4. This street in Philadelphia is the nation's oldest continuously inhabited residential street:
   A. Chestnut Street
   B. Elfreth's Alley

5. Located in Philadelphia's JFK Plaza, an iconic sculpture by Robert Indiana spells out the word:
   A. Love
   B. Hope

6. Universities located in Philadelphia include:
   A. The University of Pennsylvania and Temple University
   B. Carnegie Mellon University and Villanova University

7. In addition to the City of Brotherly Love, Philadelphia is also sometimes called:
   A. The Emerald City
   B. America's Garden Capital

8. This indoor food hall and marketplace in Philadelphia is one of the nation's oldest and largest public markets:
   A. Reading Terminal Market
   B. Quincy Market

9. Franklin, Logan, Rittenhouse, and Washington are all names of:
   A. Subway stations in Philadelphia
   B. Squares in Philadelphia

10. The pro basketball team based in Philadelphia is:
    A. The Philadelphia 76ers
    B. The Philadelphia Phillies

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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