The SUBY Group

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EYE ON MONEY

JUL AUG 2024

6 Ways to Help Protect Yourself Financially

plus

NEW EXCEPTIONS TO THE TAX PENALTY ON EARLY 401(K) WITHDRAWALS

CHARITABLE GIFTS THAT PAY YOU AN INCOME

STUDENT LOAN REPAYMENT TIPS

FINANCIAL

Traveling abroad?
3 things to do before you leave home.

Decide which credit cards to take with you. Card fees and perks can vary significantly. For example, some cards charge a foreign transaction fee every time you use them outside of the United States, and some don't. Some cards offer travel perks, such as assistance with medical referrals or locating lost luggage, and some don't. Some cards offer higher rewards for travel-related purchases, and some don't.

Consider bringing a backup credit card and carrying it in a separate place in case your main card is lost, stolen, or declined.

Review your health insurance coverage. Not all health insurance plans will cover the medical care you receive when traveling abroad. For instance, Medicare generally will not cover care received outside of the United States, although some Medicare Advantage plans and Medigap policies will. If you are not covered, consider purchasing travel health insurance. ■

inside

What Retirees Need to Know About RMDs

Required minimum distributions are a fact of life for many retirees. Here are a few things to know about them.

RMDs generally begin at age 73.
Owners of tax-deferred retirement accounts, such as traditional IRAs and 401(k) accounts, generally must begin withdrawing at least a minimum amount each year beginning at age 73. That amount is known as a required minimum distribution, or RMD for short.

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 plan, the plan permits the delay, and you do not own 5% or more of the company.

NEW: RMDs are not required from any Roth accounts during the account owner's lifetime.
This was not always the case. Prior to 2024, RMDs were required from designated Roth accounts in 401(k), 403(b), and 457(b) retirement plans. The Secure 2.0 Act removed that requirement, and as of 2024, account owners do not have to take RMDs from any of their Roth accounts.

RMDs are designed to stretch out distributions and the resulting tax payments over your lifetime.
RMDs are calculated by dividing your account balance on December 31 of the prior year by a distribution period set by the IRS. To give you an example, let's say your balance on December 31 of last year was $1,000,000 and you are age 73. According to the IRS's Uniform Lifetime Table, the distribution period for someone age 73 is 26.5 years. So $1,000,000 is divided by 26.5 to arrive at a $37,736 RMD for this year. (If your spouse is more than 10 years younger and is your sole beneficiary, you use a different table.)

You can withdraw more than the RMD amount.
The RMD is simply the minimum amount you must withdraw each year.

You get a few extra months to take your first RMD.
Typically, the deadline for taking your RMD for the year is December 31. However, if you are the account owner, you have the option to take your first RMD as late as April 1 of the year following the year you reach age 73. But be sure to consider that if you wait until the following year to take your first RMD, you will have to take 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.

There is a penalty for not taking an RMD.
You may have to pay an additional 25% tax on any amount not distributed as required. However, if the failure to take an RMD is corrected quickly, the penalty may be reduced to 10%.

You can donate the RMD from your IRA to charity and avoid the taxes.
As long as you are age 70½ or older, you can have up to $105,000 per year (2024 amount) distributed tax-free from your traditional IRA directly to qualified charities. And if you are age 73 or older, your charitable distributions will count toward your RMD for the year. ■

This article pertains to the RMD rules for account owners. The rules for beneficiaries are different.

PLEASE CONSULT YOUR FINANCIAL PROFESSIONAL FOR ADVICE.


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How Can Investing Make You Money?

Investing has the potential to make you money in three main ways: capital gains, interest, and dividends.

Capital Gains

The first way that investing can make you money is if the price of an investment increases while you own it and you sell it for more than you paid for it. For example, if you purchase a share of stock for $50 and later sell it for $60, you make a $10 profit, known as a capital gain. Of course, it is important to remember that prices move up and down, and the price you receive when you sell an investment may be higher or lower than the price you originally paid.

Interest

Bonds and certificates of deposit (CDs) generally pay you interest in return for the use of your money. If you invest in individual bonds or brokered CDs, the interest is usually paid at a fixed rate and at regular intervals until the bond or CD matures. If you invest in mutual funds or exchange-traded funds (ETFs) that invest in bonds, they will periodically pass along to you your share of the interest they receive from those bonds.

Dividends

If you invest in stocks or a mutual fund or ETF that invests in stocks, you may receive dividends. Dividends are payments from companies that have chosen to distribute part of their earnings to their shareholders. Dividends are usually paid in cash, distributed on a quarterly basis, and expressed as a certain amount per share, such as $0.50 per share. Dividends will fluctuate in value and can be suspended by the company. Also, not all companies pay dividends. Some companies choose instead to reinvest all of their earnings in growing the company, which may benefit their shareholders if it increases the share price. ■

Please consult your financial professional for investment advice.

__PLEASE NOTE—Bonds:__ 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. You may have a gain or loss if you sell a bond before its maturity date. __Mutual Funds:__ 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. __Investing:__ Investing involves risk, including the possible loss of the money you invest.

Test Your Retirement Planning Knowledge

Test your knowledge and gain a greater understanding of a few of the factors that go into saving and planning for retirement.

1. When planning how long your savings may need to last, keep in mind that about one in four 65-year-olds today will live to age:

A. 80
B. 90
C. 100

2. And one in ten 65-year-olds will live to age:

A. 85
B. 95
C. 105

3. For people who are age 65 today, the chance of needing long-term care services at some point in the future is:

A. 30%
B. 50%
C. 70%

4. If you were born after 1959, your full retirement age for Social Security purposes is age:

A. 65
B. 66
C. 67

5. Although you can begin Social Security benefits at age 62, your monthly benefit may be as much as 77% larger if you wait until age 70 to begin.

A. True
B. False

6. The average monthly Social Security benefit for a retired worker in February 2024 was:

A. $1,911
B. $2,911
C. $3,911

7. The maximum amount that someone under age 50 can contribute to a 401(k) retirement plan in 2024 is:

A. $13,000
B. $23,000
C. $33,000

8. You can generally begin contributing extra amounts, known as catch-up contributions, to your 401(k) and IRA at age:

A. 40
B. 50

9. Individuals who receive taxable compensation (wages, self-employment income, etc.) during the year can contribute to a traditional IRA.

A. True
B. False

10. Roth IRAs offer which tax benefit?

A. Qualified withdrawals are tax-free
B. Contributions are tax-deductible

11. People who contribute the maximum amount to a retirement plan at work, but still need to save more, should consider:

A. Contributing to an IRA
B. Using regular investment and savings accounts to save more
C. All of the above

12. People who are close to retirement age, but haven't saved enough, should consider:

A. Increasing how much they save
B. Working a few extra years
C. All of the above

SOURCES: 1,2,4,5,6 – Social Security Administration's website. 3 – LongTermCare.gov.

Answers: 1–B, 2–B, 3–C, 4–C, 5–A, 6–A, 7–B, 8–B, 9–A, 10–A, 11–C, 12–C

6 Ways to Help Protect Yourself Financially

Life can be risky at times. Jobs can be lost, people can fall ill, financial markets can be volatile. Fortunately, there are things you can do to help minimize the toll that negative events may take on your finances. Six of them are touched on here. For specific advice on what you can do to help protect yourself financially, please consult your financial professional.

Establish an emergency fund.
If you lost your job tomorrow, would you be able to pay your bills until you found a new job? Or would you need to dip into your retirement savings or resort to credit cards to cover your living expenses? An emergency fund can help protect you from having to use those potentially costly options when life throws you a curveball.

You can establish an emergency fund by setting aside enough cash to cover three to six months of living expenses—more if you think it may take longer to find a new job.

And because you never know when an emergency may arise, you may want to keep your fund in an account that you can access quickly when needed. Interest-bearing savings accounts, money market accounts, and certificates of deposit (CDs) can be good choices.

If you use CDs, keep in mind that they typically charge a penalty if you withdraw cash before they mature. You may want to open several CDs that mature at different times so that you'll have penalty-free access to your funds at regular intervals. You may also want to keep some money in a savings or money market account that you can draw on while you wait for your CDs to mature.

Once your emergency fund is established, use it only for emergencies. If you use it for other things, you run the risk that there may not be enough money in your fund when there is a true emergency.

Build a safety net with insurance.
Insurance is designed to help protect you financially when bad things happen. Here are a few types of insurance you may want to consider.

▶ ***Health insurance.*** To help cover your medical and prescription drug expenses, there's health insurance, which you may be able to secure through your employer or purchase through a health insurance marketplace.

Keep in mind that health insurance will generally only cover part of your medical bills so it's a good idea to also set aside some cash for any copayments, deductibles, and coinsurance that you may need to pay out of your own pocket.

Flexible spending accounts and health savings accounts can be good places to stash some cash. Each lets you set aside money on a pre-tax basis for qualified medical expenses.

Although each type of account offers tax benefits, there are distinct differences between the two. A flexible spending account is available only through employers, and any unused money in the account at the end of the plan year may be forfeited unless the plan has a grace period or allows carryovers. With a health savings account, any money that you don't use this year remains in your account and can be used in future years. To contribute to a health savings account, you must have a high-deductible health plan, either through your employer or one that you purchase on your own.

▶ ***Disability insurance.*** Even when you are too sick or injured to work, you still need to pay your bills. Your emergency fund may help cover your living expenses for a few months, but what if you are unable to work for several months or years? This is where disability insurance can help protect you by replacing part of your income when you are unable to work due to an illness or injury.

There are two main types of disability insurance. Short-term, which kicks in soon after you become unable to work and may last for up to six months, and long-term, which generally kicks in after six months and may last for years or all the way up to retirement age.

Both types of disability insurance may be available from your employer. If not, you can generally purchase a long-term disability policy on your own.

▶ ***Life insurance.*** Would your family suffer financially without your income? If they would, consider purchasing life insurance to help protect their financial security after your death.

The cash payout from a life insurance policy can help your beneficiaries cover their everyday living expenses and perhaps larger expenses also, such as college tuition for your children or any taxes your estate may owe.

Plus life insurance may help ease your mind about the future security of the people you love and who depend on you financially.

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Protect your credit by watching for identity theft and fraud.

Check your credit reports at least once a year and report any errors or signs of fraud to the credit reporting agencies and the company where the error or fraud occurred.

Review your financial statements and medical bills promptly and report any errors or signs of fraud that you spot.

▶ ***Long-term care insurance.*** You may be surprised to learn that Medicare and most health insurance plans generally do not cover the cost of long-term care. That's the type of care you may need one day if you ever need help with the basic activities of daily living, such as eating, bathing, and dressing.

Unless you have enough savings to comfortably cover any potential long-term care costs, consider purchasing insurance. One option is to buy a traditional long-term care insurance policy to help cover part of the cost of the care you receive in your home, a nursing home, or other setting. Another option is to buy a hybrid life insurance policy that includes long-term care benefits.

Maintain a diversified portfolio. One of the best ways to manage risk in your investment portfolio is to stay diversified. Rather than investing in just one asset class, spread your investments among stocks, bonds, and cash. And rather than investing in just a few stocks or bonds, spread your money across a wide range of investments in each asset class. Doing so can help lessen the impact that a downturn in one asset class, industry, region, or individual investment may have on your overall portfolio.

Perhaps the easiest way to build a diversified portfolio is to invest in mutual funds and exchange-traded funds. Funds may hold hundreds or even thousands of individual securities, making it possible for you to build a diversified portfolio with just a few well-chosen funds.

Be sure to also consider how much of your portfolio to allocate to each asset class. Stocks typically offer the greatest potential for growth over the long-term, but with the greatest risk. Including some less risky assets, such as bonds and cash, can help reduce risk in your overall portfolio. During a stock market downturn, a portfolio invested in stocks, bonds, and cash is apt to lose less in value than an all-stock portfolio.

When deciding how much of your portfolio to allocate to each asset class, consider your goals, tolerance for risk, and how soon you will need your money. If you have decades to go before you will need it, you may be comfortable allocating a large percentage of your portfolio to stocks. But if you'll need your money in the next few years, you may want to reduce your stock allocation and increase your allocation of bonds and cash to help protect what you've saved so far.

Your financial professional can help you build a diversified portfolio.

Consider an income annuity.

If you are concerned about running out of money in retirement, you may want to add an income annuity to your mix of retirement assets.

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 during retirement in return for your upfront premium payment. The income payments are guaranteed to continue for the period you choose—either for life or a specific number of years.

Because income annuities pay a predictable amount of income that is unaffected by market fluctuations and that is guaranteed to continue for the period you choose, many people use them together with other sources of guaranteed income (Social Security and pensions) to help cover their essential expenses in retirement.

Plan for incapacity.

There may come a day when you are unable to manage your finances on your own due to a serious illness or injury. To help ensure that someone of your choosing is able to step in and handle them for you, it's a good idea to make legal arrangements now. Without the right documents in place, the court may need to appoint someone to manage your financial affairs if you become incapacitated—and it may be someone you don't want.

One legal step you can take is to create a durable power of attorney for finances that authorizes the person you name to handle your financial affairs if you become incapacitated. You can generally specify in the document the financial tasks that you'd like that person to handle, such as paying your bills and taxes. You may also want to touch base with your financial institutions to make certain they will honor your power of attorney. Some institutions may prefer that you use their power of attorney forms.

Another legal option is to create a revocable living trust. Once your assets are transferred to the trust, the person you name as your successor trustee can manage them on your behalf if you become incapacitated. Until then, you retain full control of the trust assets.

Talk to an estate planning professional about how to protect yourself financially if you become incapacitated. ■

PLEASE NOTE:

Asset allocation and diversification do not ensure a profit or protect against loss in declining markets.

Before investing in mutual funds, 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.

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

Please consult your financial professional.

Please seek specific advice from your financial professional regarding what you can do to help protect yourself financially when life throws you a curveball.

Student Loan Repayment Tips

If you recently graduated or left college, you may need to begin repaying your student loans soon. Here are a few tips for repaying federal student loans that may help you pay less interest and make the most of your payments.

1 Pay less interest with the standard repayment plan.

Your federal student loans may be eligible for a few repayment plans. The one you choose will affect how much you pay each month and overall.

Your loan servicer will automatically place you on the standard repayment plan if you don't choose a different plan. With the standard plan, you'll pay a fixed amount each month for 10 years, although you can pay your loan off faster if you pay extra each month. Your monthly payments will typically be higher with this plan, but you'll pay less interest over the life of the loan because the repayment period is shorter than most other plans.

However, if your monthly payments are too high under the standard plan, you can choose another plan with lower payments. Just keep in mind that lower payments and longer repayment periods generally mean you'll pay more interest over time.

2 Get your loans forgiven.

If you work for the government or a nonprofit, you may be able to have the remaining balance of your Direct Loans forgiven after you make 120 monthly payments.

The program is known as Public Service Loan Forgiveness and is available to individuals who work 30 hours or more per week for a qualifying employer. To find out if your employer is qualified, you can use the employer search tool at studentaid.gov/pslf/employer-search.

To have your loans forgiven, you must use an income-driven repayment plan or the standard repayment plan. But keep in mind that the standard plan has a 10-year repayment period. At the end of 10 years, you usually will have made 120 monthly payments and fully paid off your loan, leaving nothing to forgive. However, you can generally switch from the standard plan to an income-driven plan to increase the likelihood that there will still be a balance to forgive after 120 payments.

If you are a teacher, you may also want to explore the Teacher Loan Forgiveness program that forgives up to $17,500 if you teach five consecutive years in a low-income school.

3 Use auto pay.

You'll get a 0.25% reduction in the interest rate on your Direct Loans if you agree to have your loan payments automatically deducted from your checking or savings account each month.

4 Claim a tax deduction for the interest you pay.

You may be able to deduct up to $2,500 of the qualified student loan interest you pay during the year if your modified adjusted gross income (MAGI) is under a certain limit, you are not claimed as a dependent on someone else's tax return, and your tax filing status is something other than married filing separately.

To deduct the interest you pay in 2024, your MAGI must be less than $95,000 ($195,000 if married filing a joint return). If your MAGI is between $80,000 and $95,000 ($165,000 and $195,000 if married filing a joint return), the deduction amount will be reduced.

You can only claim the 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. ■

Your loan servicer can provide you with specific information about your student loans and your options for repaying them.

NEW !

Get an employer match for your student loan payments.

Many workers with student loan debt are missing out on employer matching contributions for retirement plans because they can't afford to save for retirement while paying off their loans. For many of these people, there is good news.

Starting in 2024, employers have the option to make matching contributions to an employee's retirement account based on their student loan payments rather than their retirement plan contributions. This means that you may be able to receive matching contributions from your employer while you pay off your student loans—even if you don't contribute to your retirement account yourself.

This new option applies to 401(k), 403(b), 457(b), and SIMPLE IRA plans, but keep in mind that the option is new and it is optional. It may take some time before employers adopt it, and they are not required to do so. Your employer can let you know if it is offering a match for student loan payments.

New Exceptions to the 10% Tax Penalty on Early Distributions from Retirement Accounts

The Secure 2.0 Act of 2022 added four new exceptions—disaster recovery, domestic abuse, personal emergencies, and terminal illness—to the list of exceptions you may be able to use to avoid the 10% tax penalty for dipping into your retirement savings early. Here are a few things to know about the new exceptions and other changes.

The 10% tax penalty.
Withdrawals from an IRA or workplace retirement plan before age 59½ are generally subject to a 10% early distribution tax penalty. The penalty is intended to discourage you from using your savings for anything other than retirement.

Fortunately for people who retire early or who need cash in certain situations, there are several exceptions to the penalty—including four new ones—that may allow you to withdraw money from your retirement savings earlier than age 59½ without incurring the 10% penalty.

There are four new exceptions.

▶ ***Disaster recovery exception.*** You may be able to withdraw up to $22,000 penalty-free if you live in a federally declared disaster area and suffer an economic loss due to that disaster.

▶ ***Domestic abuse exception.*** A victim of domestic abuse in the past year may withdraw up to $10,000 or 50% of their balance, whichever is less, without incurring the 10% penalty. The individual has the option to repay the withdrawal within three years. This exception applies to distributions made after 2023.

▶ ***Emergency personal expense exception.*** You may be able to withdraw up to $1,000 penalty-free for a personal or family emergency. Only one withdrawal is allowed per calendar year, and you have the option to repay the money within three years. No additional emergency withdrawals can be made during the three-year repayment period unless you repay the withdrawn amount or you contribute new money equal to the withdrawn amount. This exception applies to distributions made after 2023.

▶ ***Terminal illness exception.*** If you have been certified by a physician as having a terminal illness, withdrawals that you make after receiving that certification may be penalty-free. A terminal illness is an illness or physical condition that can reasonably be expected to end in death in seven years or less. This exception applies to distributions made after December 29, 2022.

The separation from service exception has been expanded.
Under prior law, 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 qualified retirement plan after you leave are penalty-free.

The Secure 2.0 Act of 2022 expanded the age-50 exception to include private sector firefighters and certain state and local government corrections employees.

Plus, it modified the age-50 exception so that qualified public safety employees, private sector firefighters, and certain corrections employees who separate from service after 25 years of service under the plan can avoid the penalty on their withdrawals even if they haven't reached age 50 yet.

A couple of caveats.
Secure 2.0 granted employers the option to allow employees to make withdrawals for domestic abuse, disaster recovery, emergency expenses, and terminal illnesses. It did not require them to do so. Your plan administrator can tell you which withdrawal reasons are allowed by your employer's plan.

Also, the exceptions to the 10% tax penalty can be complex. It's a good idea to review all of the requirements before taking an early distribution from your retirement savings. ■

Please consult your tax and financial professionals for more information about these and other exceptions.

PLEASE NOTE: SIMPLE IRA withdrawals are subject to a 25% tax penalty instead of a 10% penalty if made within the first 2 years of participation.

Some exceptions to the 10% tax penalty on early distributions

For qualified plans and IRAs:

- Birth or adoption
- Death of account owner
- Disability
- Disaster recovery
- Domestic abuse victim
- Emergency personal expense
- Equal payments
- Medical expenses
- Military reservist
- Terminal illness

For IRAs only:

- First-time homebuyer
- Higher education expenses
- Unemployed health insurance

For qualified plans only:

- Separation from service
- Distributions from pension-linked emergency savings accounts

Charitable Gifts That Pay You an Income

A type of charitable gift known as a life income gift can help you fulfill your philanthropic goals and generate an income stream for yourself or others.

Life income gifts are a way for charitably-minded individuals to give to their favorite charities and receive an income for life in return.

Here's how they generally work. You irrevocably transfer cash or other assets to a charitable gift annuity, a pooled income fund, or a charitable remainder trust. In return for your gift, you and perhaps another beneficiary receive income payments for life or a specified number of years. After the last beneficiary dies or the trust ends, the remaining assets are used by the charitable organization you selected.

This approach to charitable giving is designed to help protect your financial security now and support your favorite charities later.

It may also benefit your tax situation. When you make a life income gift, you can generally claim a charitable tax deduction for a portion of your gift, assuming you itemize deductions and the gift is not a charitable distribution from your IRA. The exact amount of your deduction will depend on the amount of your gift that is expected to eventually pass to the charity.

Here are a few things to know about the three ways to make a life income gift. Your financial professional can tell you more about them.

NEW !

As of 2023, you may be able to fund a charitable gift annuity or a charitable remainder trust with a qualified charitable distribution from your traditional IRA if you are age 70½ or older. Your gift will not be eligible for a tax deduction, but it can count toward your required minimum distribution for the year if you are age 73 or older. There are several requirements that must be met to do this, so please consult your financial professional to learn more.

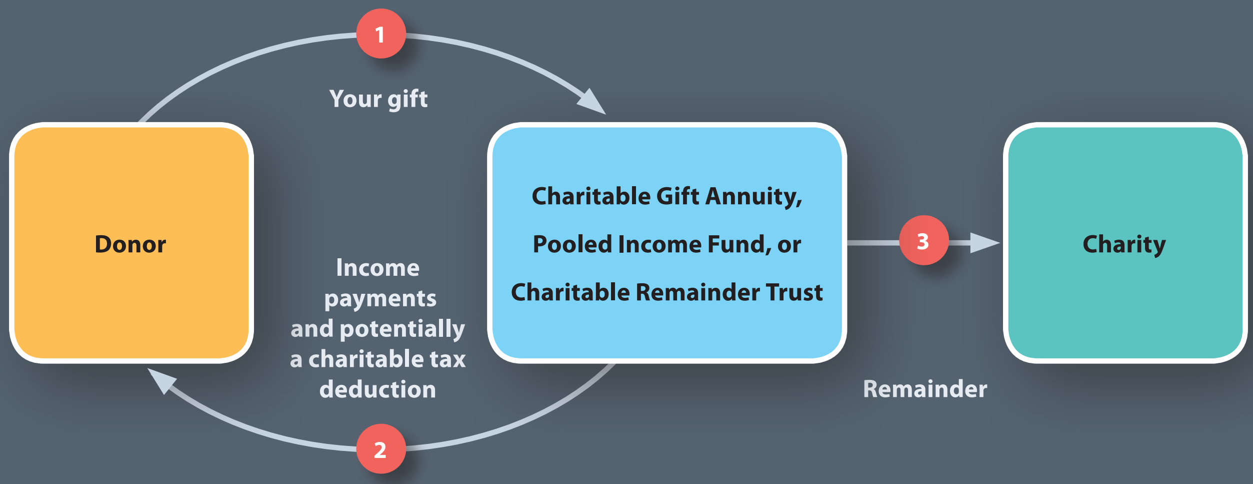
How life income gifts generally work

Charitable Gift Annuity

- **What is it?**
  A charitable gift annuity is a contract between you and your chosen charity in which the charity promises to pay one or two beneficiaries (you and your spouse, for example) a fixed income for life in exchange for your gift of cash, securities, or other assets. The promise of life-long income is backed by the charity's assets.

- **Fixed income payments.**
  You will receive a fixed amount of income every year for life. That exact amount will be determined when you make your charitable gift and will be based on the age of the beneficiary(s) and whether the income payments will last for one or two lives. Typically, the older you are when you begin receiving payments, the greater the annual income amount.

- **Who offers them.**
  Charitable gift annuities are offered by many religious, educational, and charitable organizations for a minimum donation of perhaps $5,000 or $10,000.



Pooled Income Fund

▶ **What is it?**

A pooled income fund is a trust created by a charitable organization in which your charitable contribution is "pooled" for investment purposes with contributions from other donors. Each period, the fund pays you, or you and another beneficiary, a proportional share of the fund's net investment income.

▶ **Variable income payments.**

The amount of income you receive each period (usually quarterly) will vary depending on how the fund's investments have performed.

▶ **Who offers them.**

Pooled income funds are offered by many nonprofit organizations, such as universities, faith-based groups, and other charities. The charitable arm of some financial institutions also offer pooled income funds and may allow you to support more than one charity with your gift. Depending on the charitable organization, the minimum donation may be as low as $5,000 or $10,000.

Charitable Remainder Trust

▶ **What is it?**

A charitable remainder trust is a private trust you can set up and fund to generate income for yourself and other beneficiaries for a period of time with the remainder going to your favorite charities after the last beneficiary dies or the trust ends.

▶ **Income payments.**

When it comes to income payments, charitable remainder trusts offer greater flexibility than the first two life-income options. For example, you can choose to have the income payments last for life or for a period of years with a charitable remainder trust. You can name more than two beneficiaries to receive the income payments. And you can choose whether you want to receive a fixed amount each year or a fixed percentage of the trust's assets as they are valued each year.

▶ **More flexibility.**

In addition to more flexibility when structuring the income payments, a charitable remainder trust also offers you the flexibility to choose more than one charity to receive the trust's remaining assets and to change your mind about the charities you want to receive the remaining assets.

▶ **Cost.**

Because a charitable remainder trust is a custom-designed and individually managed trust, there may be significant costs associated with setting one up and running it. A minimum contribution of $50,000 to $100,000 may be needed to justify the cost. ■

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MARVELOUS MOROCCO | Morocco

BY BRIAN JOHNSTON

Colorful, cultured, and occasionally chaotic, Morocco is an adventurous destination of rich culture and history set against splendid landscapes.

MOROCCO IS THE FLUTTER of pigeon's wings against minarets, the flashing gold-capped smiles of old men in hooded djellaba robes, and bazaars hung with carpets and lamps. Morocco wafts with the aromas of crushed mint in tea and bubbling tureens of spicy stews. Buildings are looped with Arabic calligraphy and graced with patterned tilework and delicate arches. Shadowy alleys meander through time-worn old towns behind immense battlements. This is a land of spectacle and color that assaults the senses.

Centuries of nomads, traders, and conquerors have created a rich culture, architecture, and cuisine in Morocco, but it isn't stuck in time. Old and new collide: laden donkeys and motorbikes, teenagers in jeans and old ladies swathed in black, lemons and lingerie sold side by side in bazaars. This is a booming, contemporary nation bridging east and west that has realigned itself as a contemporary, tolerant society that blends Islamic, European, and North African influences.

Perhaps the most agreeable surprise, though, is the beauty of Morocco's landscapes. The Atlas Mountains near Marrakech feature cool, green valleys, snow-capped peaks, and the skiing and hiking resort of Oukaimeden. The Atlantic coastline is battered by booming waves, most famously at surf town Essaouira. Meanwhile the Sahara Desert is an ominous presence in the east: Chebbi and Erg Chigaga are the most accessible 'sand seas' scalloped with giant dunes.

The capital Rabat is a good place to slide cautiously into Morocco. The city is orderly and conservative, fanned by sea breezes, and missing the crowded mayhem of other towns—which some see as a blessing, others a disappointment. Rabat is cosmopolitan and glamorous in an old-fashioned way but also emerging as a cultural center, with good museums and a redeveloped riverfront crowned by a curvaceous, flying-saucer-like opera house designed by Iraqi-British architect Zaha Hadid.

Some of the city dates from the French-colonial era and features wide boulevards and open squares shaded with orange trees. You can visit royal tombs and mosques and tuck into fine French cuisine under the shade of plane trees. Unexpected layers of history include

LEFT: **Inside the walls of the 12th-century Kasbah of the Udayas in Rabat, visitors can roam alleyways lined with blue-and-white painted houses, tour the Andalusian Gardens, and enjoy views of the Atlantic Ocean.** BELOW: **Erg Chebbi is a sea of sand dunes near the western edge of the Sahara Desert in Morocco.**

Roman and medieval ruins where storks roost and a kasbah (citadel) of blue-and-white alleyways and teahouses overlooking the ocean. Rabat's old town is a maze of alleyways bright with green and red doors encased in mosaic work. Backgammon pieces click and hookahs burp from coffeehouses, where old men read the newspapers and crunch walnuts under posters of Moroccan starlets.

From Rabat, head inland to Meknes, whose fortifications, punctured by several monumental gateways, are draped over successive hillsides in concentric rings around crumbling palaces. The old imperial capital has subsided into provincial obscurity and is less visited than Fez or Marrakesh. You'll forego luxury tourist infrastructure, but get a more tranquil experience in a place where traditional crafts still flourish.

Save your shopping for Meknes, which has little hustle. Tailors stitch in tiny shops and shoemakers fashion yellow or red leather slippers with pointy toes, fit for a vizier. The main market glistens with pyramids of olives and bags of nougat tied with yellow ribbon.

It's an hour east to Fez, approached along wide boulevards framed in flowers and flags. The world's largest intact medieval city sprawls splendidly over several hills and is crammed with World Heritage-listed mosques and courtyard houses gorgeous in stucco and stained glass. This is the spiritual center of old Morocco and an ancient trading city for Berbers and Arabs. The medina (old town) seems scarcely to have changed in centuries.

Fez's alleyways are claustrophobic, crazy, wonderful, seductive, and worn. Prepare for butchers selling flyblown camel meat, tailors sewing striped djellabas, and tannery workers stomping on hides in great pots of stinking pink and yellow dye. Ever-narrowing alleys throw up constant charms: medieval archways, tottering buildings, tiled fountains. Another photographer's delight is the spice cones of market stalls: henna, turmeric, paprika, and chili in little volcanoes of color.

The road beyond Fez brings you over undulating hills bursting in springtime wildflowers to Volubilis, a ruined second-century Roman town notable for its gorgeous mosaic floors. In Europe, this classical site would be crammed with tourists; in Morocco only ghosts of the past whisper. Down the road is Moulay Idriss, a town of cubist houses wedged into a steep mountain gap. Many Moroccans make a pilgrimage here to visit the shrine of the country's great seventeenth-century sultan, Moulay Ismail.

Back on the coast, there isn't much to bring tourists to Casablanca, other than its recognizable name. Yet there's an exhilarating buzz to this city, economically Morocco's most important. Nightclubs and seafood restaurants line the waterfronts, and grand Art Deco-era squares—a French creation—contrast with older, Andalusian-style alleys. Contemporary Moroccan life is on show, with restaurants and cafés a fine place to relax.

In terms of sights, Casablanca has only a single attraction, although a splendid one. Hassan II Mosque, one of the world's largest mosques, is an eruption of marble topped by a whopping 689-foot minaret; in the evening, it resembles an illuminated space rocket. The mosque's interior is a delicate wonderland of cedar, granite, and marble, and its setting on a rocky promontory pounded by the waves is inspired.

As you head south and inland, the formerly green, agricultural landscape becomes reddish, and treeless plains are ringed by purple hills. Then Marrakesh appears, a pink city of medieval ramparts against a snowy barrier of the Atlas Mountains.

Behind the fortifications is a fabulous medina in whose winding, high-walled alleys you'll easily get lost. Never mind: you might come across a crumbling palace, magnificent tiled mosques, or stucco-work tombs with ceilings of gold. Craftsmen work cedar wood, bakers flip enormous rounds of flat bread, and cafés serve mint tea.

As sun sets, hit legendary Jamaa el-Fna Square where monkeys juggle, fortune-tellers mutter, street performers drum, and locals come out to munch on slow-roasted lamb and bags of dried nuts.

Beyond the almost medieval atmosphere of the old town, Marrakech has more contemporary attractions: orange-scented spas, the latest in nightclubs—you really can rock the kasbah—and avenues of glamorous fashion boutiques.

Chic Morocco is also on show at boutique hotels in Marrakech where French-influenced designer flair meets Islamic architecture and cocktails at sunset under tangerine trees are accompanied by DJs spinning cool vibes—just another of the many facets of this intriguing, colorful country. ■

Road Trip—Everyone in the Car!

Some roads are just special, offering breathtaking vistas that far exceed what one sees on everyday drives. The following scenic byways are examples of such roads. To find a route that offers exceptional scenery in your area, search online for "scenic byway" and the name of your state.

COLORADO

Trail Ridge Road | *www.nps.gov*

This road in the Rocky Mountain National Park climbs 4,000 feet in a matter of minutes, taking travelers up through forests of aspen, pine, and spruce to the alpine tundra above the tree line for unimpeded views of the mountain scenery and wildlife. All told, the road is 48 miles in length—11 miles of it above the tree line—and connects Estes Park in the east to Grand Lake in the west. The National Park Service recommends a half day or longer for this trip and reminds travelers that it may be as much as 20 or 30 degrees colder above the tree line—so cold in fact that this road is closed to through travel in the winter.

VIRGINIA

Skyline Drive | *www.nps.gov*

The Skyline Drive (shown above) is a National Scenic Byway packed with mountain and valley vistas that stretches 105 miles along the crest of the Blue Ridge Mountains in Shenandoah National Park. The speed limit is a leisurely 35 mph, and although it is possible to drive the entire length in three hours, you may want to plan on a few extra hours to enjoy a picnic, take a short hike, or simply soak up the views at some of the 75 overlooks that dot the road. And if you are in the mood for more scenic vistas, you may want to continue on to the Blue Ridge Parkway, which begins at the southern end of the Skyline Drive.

IDAHO

Northwest Passage Scenic Byway | *visitidaho.org*

This scenic byway follows the route that the Lewis and Clark Expedition took through north central Idaho in 1803 in search of the Northwest Passage. Today, travelers can enjoy the 200-mile trek from the comfort of their car as they pass through wilderness and the historic lands of the Nez Perce people.

MASSACHUSETTS

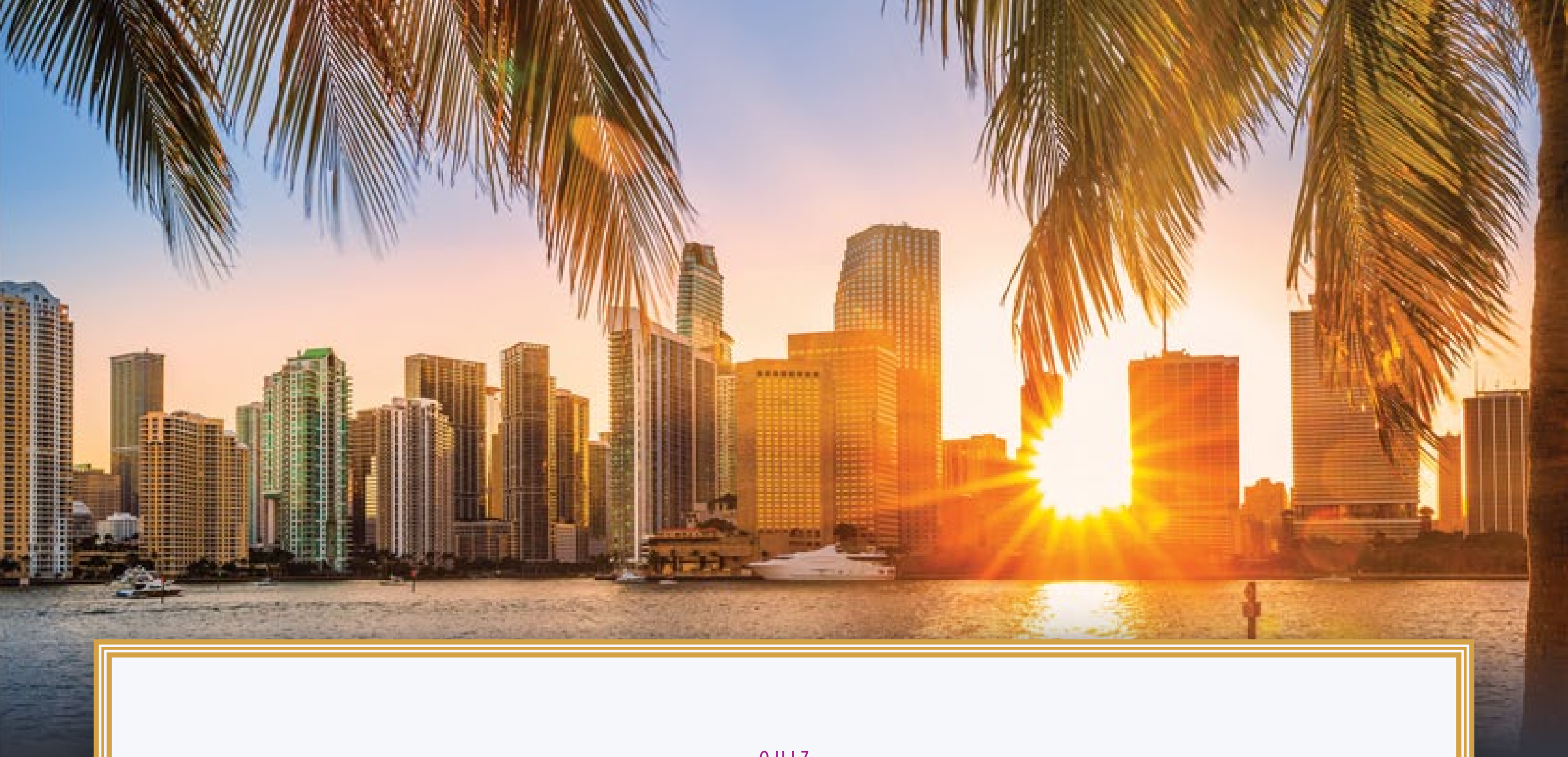
Old King's Highway (Rt. 6A) | *www.capecodchamber.org*

This 34-mile byway offers a mix of scenic and historic sites as it travels east-west along the northern side of Cape Cod between the towns of Bourne and Orleans. Roll down the windows and enjoy views of bayside marshes, cranberry bogs, and hundreds of historic buildings, some dating back as far as the 17th century, as this road passes through the largest contiguous historic district in the United States.

WISCONSIN

Door County Coastal Byway | *doorcountycoastalbyway.org*

This 66-mile byway loops through scenic Door County in Wisconsin and offers breathtaking views of Lake Michigan and the Bay of Green Bay, as well as opportunities to stop at numerous parks, beaches, and quaint coastal towns for a day of fun. ■



QUIZ

Miami

1. Miami is located on this body of water:

A. Bay of Biscay
B. Biscayne Bay

2. The 6-lane causeway that crosses the bay and connects the city of Miami to Miami Beach is named:

A. The Rickenbacker Causeway
B. The MacArthur Causeway

3. The pro hockey team based in the Miami area is:

A. The Florida Panthers
B. The Miami Heat

4. This street in Miami is named for a founder of Standard Oil who built a railway to Miami in the 1890s:

A. Flagler Street
B. Collins Avenue

5. The college football bowl game played in the Miami area each winter is called:

A. The Sugar Bowl
B. The Orange Bowl

6. This building in a city crowded with high-rises is Miami's tallest:

A. The Miami Tower
B. The Panorama Tower

7. Detectives Crockett and Tubbs were characters in this Miami-based television series from the 80s:

A. Miami Vice
B. CSI: Miami

8. Wynwood Walls is a popular Miami:

A. Concert hall
B. Outdoor street art museum

9. Head west from downtown Miami and you'll soon end up in this national park:

A. Everglades
B. Congaree

10. Many Cuban restaurants, bakeries, bars, and cigar shops can be found on this street in the heart of Miami's Little Havana neighborhood:

A. Calle Ocho
B. Brickell Avenue

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

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