

OSB Professional Liability Fund presents

The Next Chapter: Planning for Retirement

Wednesday, September 21, 2022
9:00 am – 12:15 pm

MCLE ID 92396

1.5 Practical Skills and 1.5 Mental Health Substance Use Credits

Speakers: **Rachel Edwards**
PLF Practice Management Attorney

Douglas Querin
OAAP Attorney Counselor

Kerri Patrick
Certified Financial Planner

Scott Jonsson
Semi-Retired Attorney



Professional
Liability Fund

CLE Materials

- [Speaker Bios](#)
- [PowerPoint Slides](#)
- [Presentation Resources](#)

Speaker Bios

Rachel Edwards

Rachel Edwards received her BA from the University of Washington in Seattle and her JD from Willamette University College of Law. She is a member of the Oregon State Bar, Oregon Women Lawyers, Multnomah Bar Association, and Washington County Bar Association. Prior to joining the Professional Liability Fund in 2016, Ms. Edwards was in private practice for four years. Her areas of practice included Social Security disability, family law, adoption, and estate planning. In her role as a Practice Management Attorney for the PLF, Ms. Edwards provides practice management assistance to Oregon attorneys to reduce their risk of malpractice claims and enhance their enjoyment of practicing law. Her assistance is free and confidential.

Douglas Querin

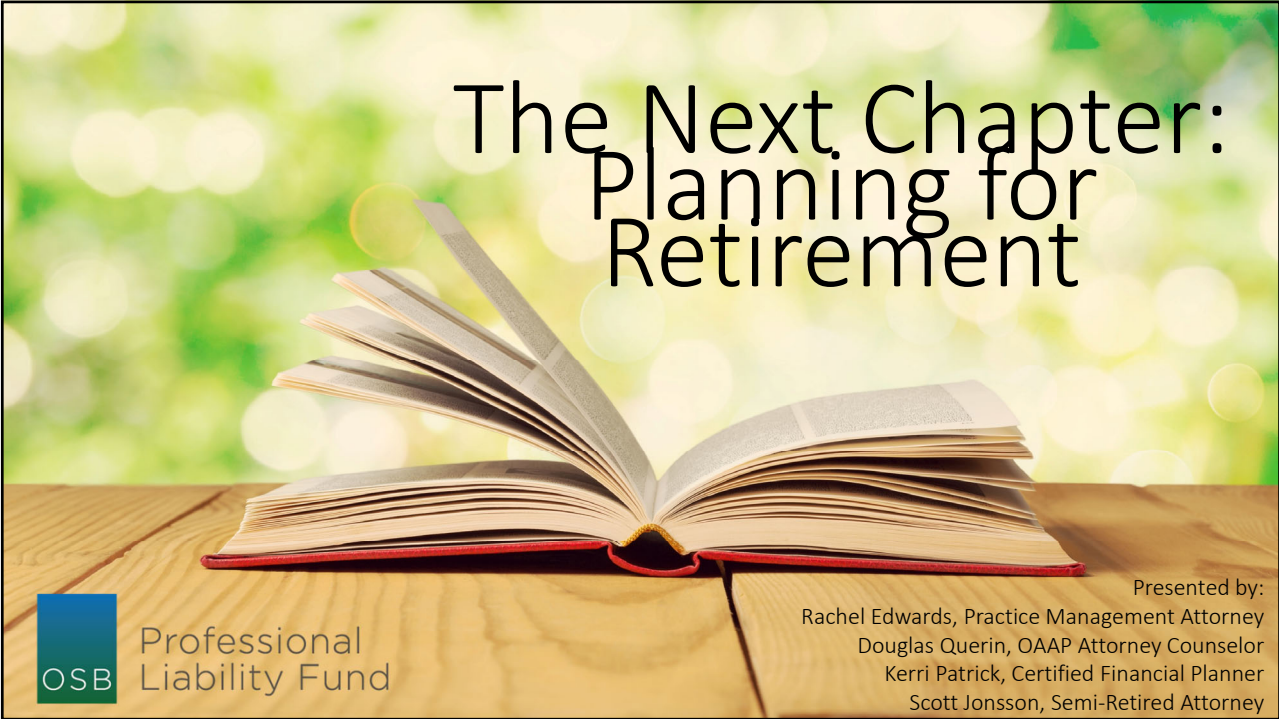
Douglas S. Querin, JD, LPC, CADC I, is an Attorney-Counselor with the Oregon Attorney Assistance Program (OAAP), providing resource referrals and confidential behavioral health and addiction counseling services to Oregon lawyers, judges, and law students. He practiced law as a trial lawyer in state and federal courts in Oregon for over 25 years, returned to graduate school earning an M.A. in Counseling, and became licensed as a Professional Counselor and certified as a Drug and Alcohol Counselor. He started at OAAP in 2006. Doug frequently presents at Oregon law schools, law firms, and bar association events on mental health, substance use, and professional well-being issues within the legal community.

Kerri Patrick

Kerri earned her Bachelor of Arts in 1992 from Anderson University. In 1993, she started working as an administrative assistant to several financial advisors before becoming insurance and securities licensed in 1995. Kerri places an emphasis on education and keeping current in this ever changing and often confusing industry, and has made her own training and certifications a high priority. She holds CFP®, CLU, and ChFC certifications (Certified Financial Planner® from the College for Financial Planning, and the Chartered Life Underwriter and Chartered Financial Consultant from the American College of Financial Services.).

Scott Jonsson

Scott graduated from the University of Oregon Law School in 1983. During law school, he was a member of the Moot Court team and a civil practice law clerk and was a summer clerk for a judge on the Colorado Supreme Court. He has engaged in civil litigation his entire legal career, split roughly between plaintiff and defense cases. His practice areas were business and contract litigation, commercial real estate disputes, construction defect, employment, antitrust and all manner of tort cases. He is a licensed attorney in Oregon and Washington. He has been admitted pro hac elsewhere at times. He is admitted to all courts in both states, the US District courts of Eastern and Western Washington and Oregon. He is also admitted to the 9th Circuit, the US Court of Federal Claims and the US Supreme Court. He maintained an active civil trial practice for almost 40 years and very nearly retired in early 2019. Since then, he has filled in for attorneys on leave a couple of times. He has also been retained as an arbitrator on several occasions.



The Next Chapter: Planning for Retirement



Professional
Liability Fund

Presented by:
Rachel Edwards, Practice Management Attorney
Douglas Querin, OAAP Attorney Counselor
Kerri Patrick, Certified Financial Planner
Scott Jonsson, Semi-Retired Attorney

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Financial Planning

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Goals for Today and Beyond

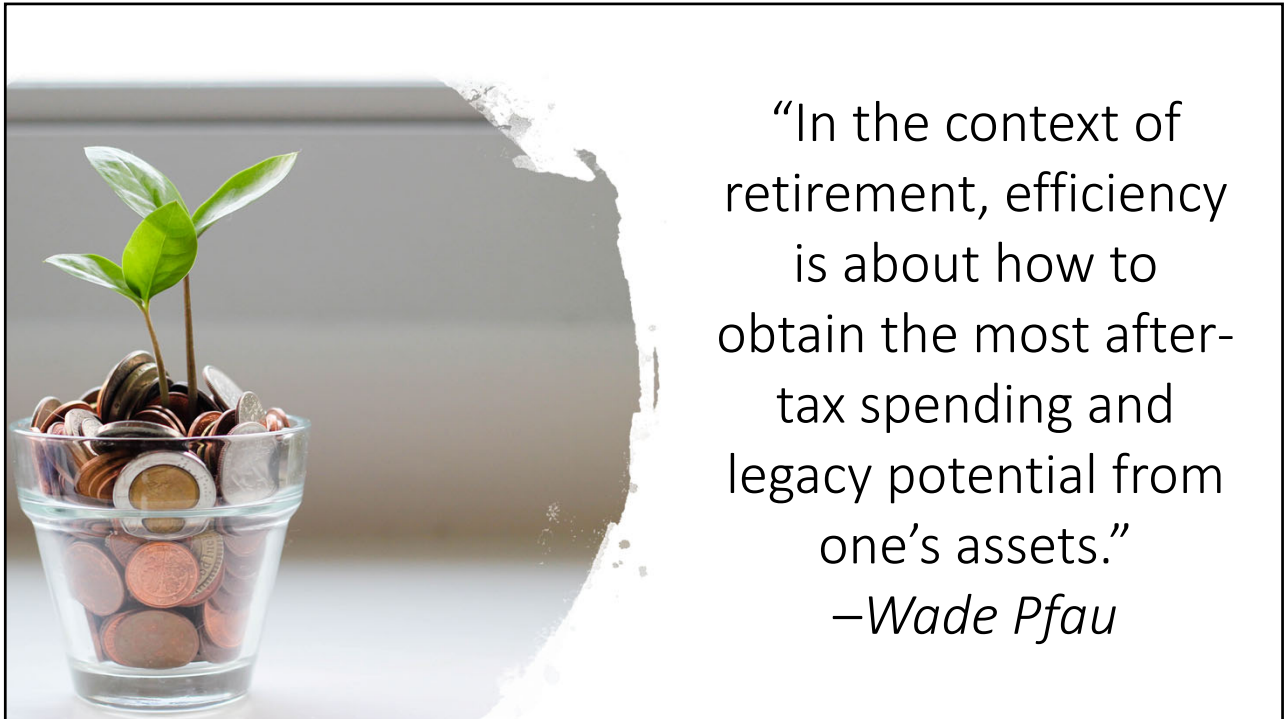
1. Clarify misconceptions about retirement planning and financial jargon
2. Identify what lawyers worry about and need
3. Name barriers that keep us from planning and/or saving
4. How to choose a financial advisor (if you're so inclined) and get started with your financial plan
5. Tips for retirement planning
6. Have a comfortable retirement that lets you live the lifestyle you've become accustomed to!

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Retirement Planning

1. Understanding and harnessing your motivation and concerns
2. Providing you with clear direction on how to reach your goals
3. Having a plan for dealing with inevitable obstacles

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“In the context of retirement, efficiency is about how to obtain the most after-tax spending and legacy potential from one’s assets.”
–Wade Pfau

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Financial Advice

- While there are bound to be disputes over what, exactly, constitutes competence in advice giving, there should be little doubt that:
 - Any advice will *have* to include elements of being tailored to the individual;
 - Of being understandable; and
 - Taking into account *all* aspects of a client’s life circumstances.

“Advice That Sticks,” by *Moira Somers, PhD*



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The Plainspoken Principle

- **Accumulation Phase**- saving and investing for retirement
- **Active Management**- buying and selling stocks to try and beat the market
- **Passive Management**- way of investing that attempts to match the entire market, countries, or industries
- **Asset Allocation**- mix of investments
- **Distribution Phase**- living off your savings and investments in retirement
- **Diversification**- investment in many different companies/categories
- **Estate Planning**- decisions about how you want your family and resources cared for after your death
- **Equities**- stocks
- **Expense Ratio**- costs of owning a mutual fund or other investment

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The Plainspoken Principle

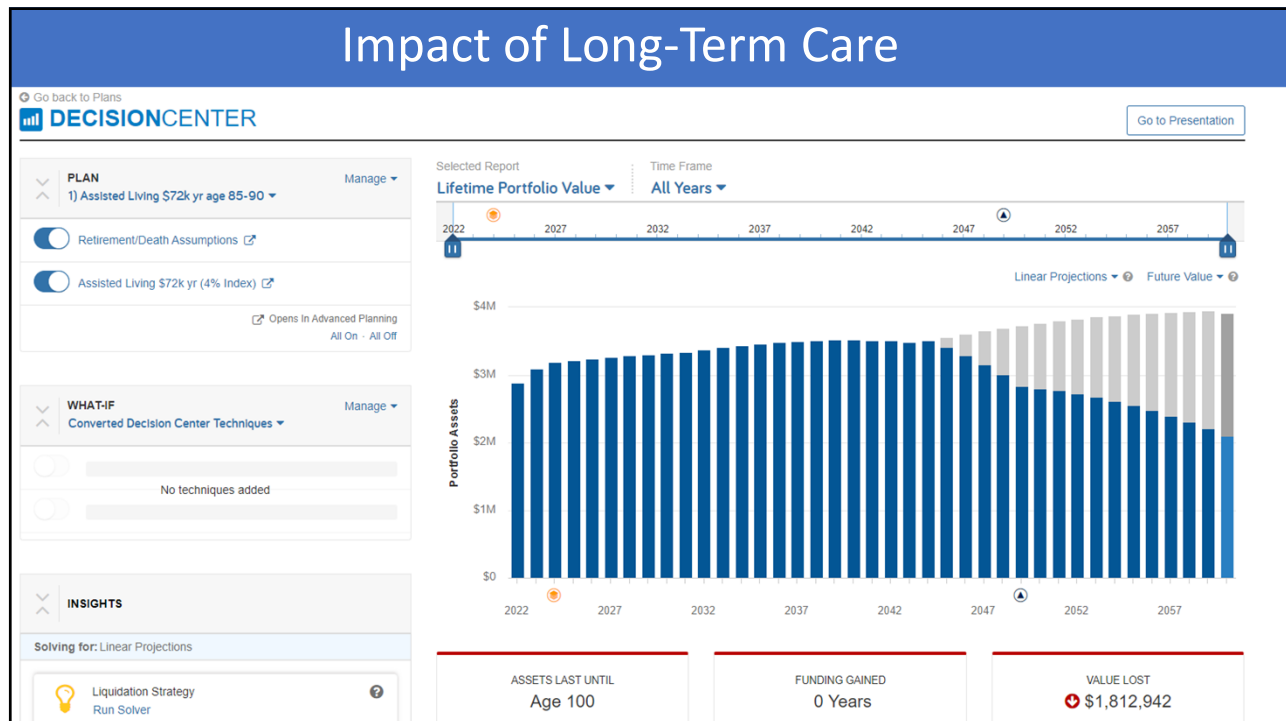
- **Fixed Income**- bonds
- **Market Capitalization**- value of all outstanding shares of a corporation
- **Large Cap**- large companies (market cap of \$10 billion or more)
- **Mid Cap**- midsize companies (market cap between \$2-10 billion)
- **Small Cap**- small companies (market cap between \$300 million-\$2 billion)
- **Longevity Risk**- possibility that you outlive your money
- **Risk Tolerance**- how much risk are you comfortable with?
- **Trading Costs**- costs of buying and selling investments
- **Volatility**- ups and downs in the market

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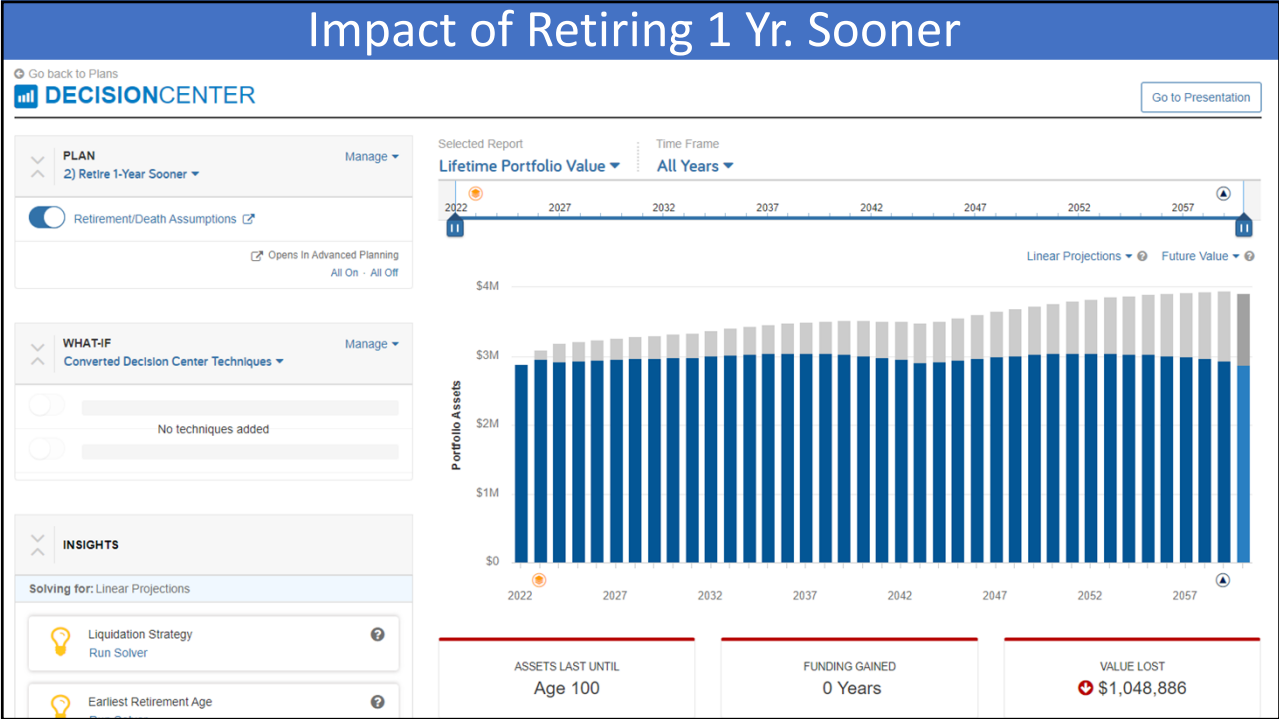
Potential Concerns That Cause Worry

1. College savings
2. Health insurance for family members (including young adult children)
3. Long-term care for older family members/parents whom you're responsible for
4. Estate planning
5. Health concerns and the potential impact
6. "Early retirement"
7. Bear markets and the impact of withdrawing during periods of downturn
8. Small business planning needs
9. Establishing separate investment accounts earmarked for a specific purpose
10. Mitigating taxes
11. Debt reduction
12. Mortgage debt

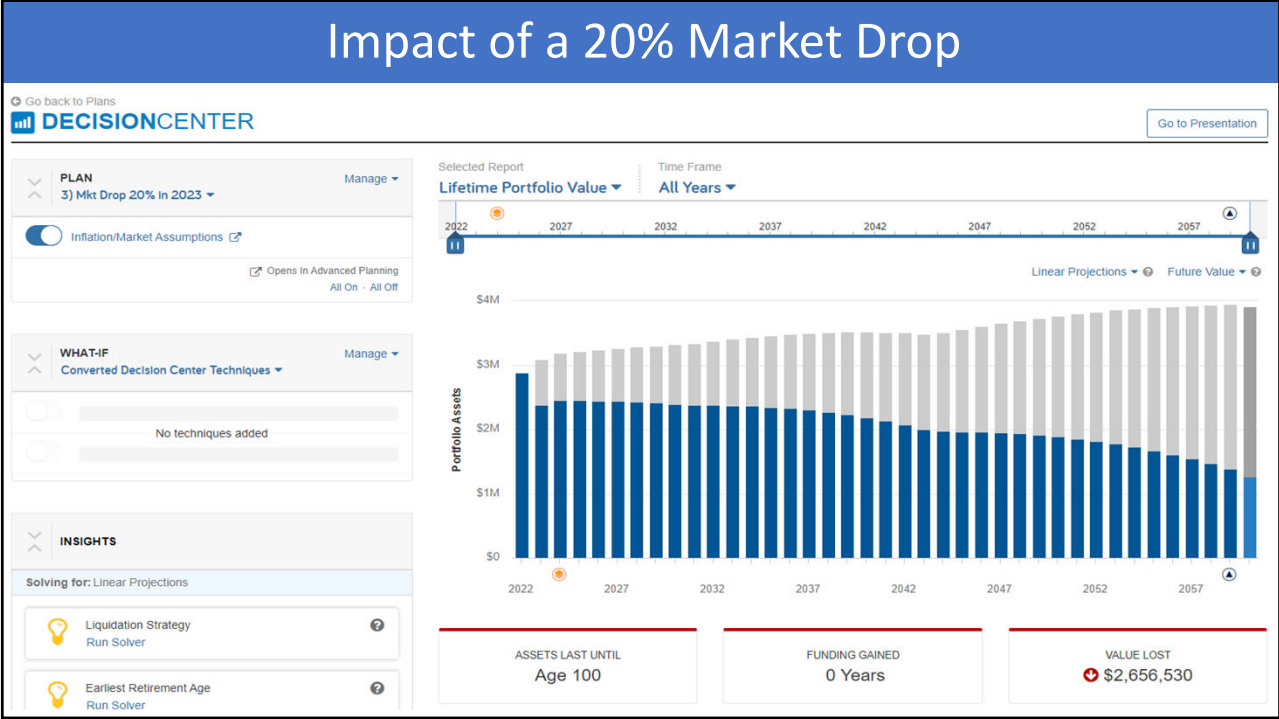
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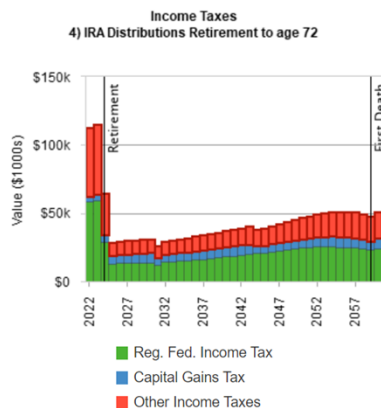
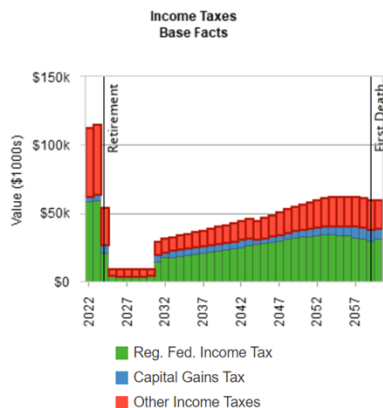
Impact of Federal and State Income Taxes

Income Tax Base Facts vs. 4) IRA Distributions Retirement to age 72 (All Years)

The Income Tax report projects your future Federal, Capital Gains, Dividends, and Other Income taxes.

Web Print

Generate ▾



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Barriers to Financial Peace of Mind

- Busyness and distractions
- Barely making ends meet now
- Family dynamics
- Too much information coming at you, confusion, mass media hype
- Too complicated
- Not at all interested
- “There’s always next year” (or New Year’s resolution)
- Goal diffusion
- “It’s too late”
- “I think my inheritance will suffice”
- “That’s never going to happen to me”
- It’s hard to give up control!



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Do It Yourself vs. Hiring a Professional

Do It Yourself

1. Robo-Advisor
2. Take advantage of helpful resources (see materials)

Hire a Professional

1. Certified Financial Planner duties
2. Find the right planner for you

<https://www.letsmakeaplan.org/>

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Choosing a Financial Advisor

Fee-Based

Paid through a mix of fees from clients, as well as commissions from selling financial products (e.g., loaded mutual funds or insurance)

Fee-Only

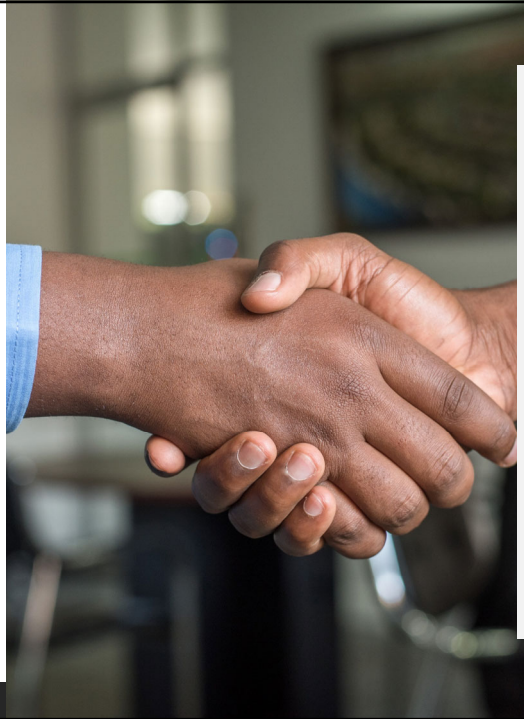
Only paid through fees from the clients (e.g., paying a % of assets managed, paying fixed fees for planning services, or paying an hourly rate for advice)

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Fee-only Financial Advisor

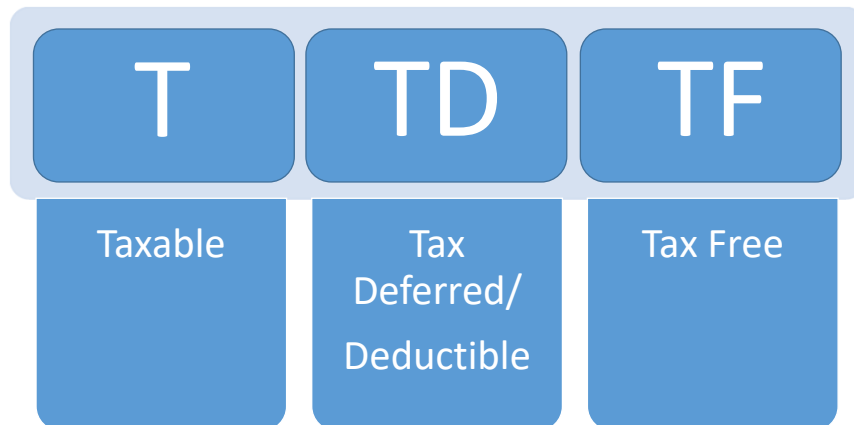
Eight core
planning
areas



1. Investments
2. Taxes
3. Debt Management
4. Education Planning
5. Retirement Planning
6. Estate Planning
7. Insurance (risk management)
8. Household Budgeting

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Types of Investments



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Types of Retirement Plans

Traditional IRA <ul style="list-style-type: none"> Contributions fully or partially deductible Generally not taxed until withdrawal 	Roth IRA <ul style="list-style-type: none"> Contributions not deductible Qualified distributions tax-free if requirements satisfied 	Simple IRA <ul style="list-style-type: none"> Business owner with 100 or fewer employees Requirements regarding contribution amounts Employer cannot have any other retirement plan 	Payroll Deduction IRA <ul style="list-style-type: none"> Any size business Employees establish Traditional or Roth IRA and authorize payroll deduction amount for it 	401K <ul style="list-style-type: none"> Employees contribute portion of wages to individual accounts Employers can contribute Distributions taxable
Solo 401K <ul style="list-style-type: none"> Business owner with no employees Can also cover your spouse Make contributions as employer and employee 	Simple 401K <ul style="list-style-type: none"> Business owner with 100 or fewer employees Requirements regarding contribution amounts Employer cannot have any other retirement plan 	SEP <ul style="list-style-type: none"> Any size business Employers can also set aside money for themselves Employer contributions only 	Defined Benefit Plan <ul style="list-style-type: none"> Any size business Benefit based on a fixed formula 	Profit-Sharing Plan <ul style="list-style-type: none"> Any size business Discretionary employer contributions (no set amount)

<https://www.irs.gov/retirement-plans/plan-sponsor/types-of-retirement-plans>

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2022 Retirement Plan Comparison Chart

ANNUAL CONTRIBUTION LIMITS		
Annual Contribution Limits	2022	2021
Traditional IRA, Roth IRA, Spousal, Guardian	\$6,000	\$6,000
Traditional, Roth, Spousal IRA Catch-Up Contribution	\$1,000	\$1,000
Education IRA - formerly Coverdell ESA (per beneficiary)	\$2,000	\$2,000
Employer Deduction Limit (SEP, MPP, PSP, 401(k))	25% aggregate comp	25% aggregate comp
Elective Deferral (402(g) Limit): 401(k), SARSEP, 457 and 403(b))	\$20,500	\$19,500
Defined Contribution 415 Limit (the lesser of)	100% comp or \$61,000	100% comp or \$58,000
Salary Deferral Catch-Up Limit (does not count against 415 limits in a 401(k) plan)	\$6,500	\$6,500
SIMPLE Plan Deferral	\$14,000	\$13,500
SIMPLE IRA Catch-Up Limit	\$3,000	\$3,000
Defined Benefit 415 Limit	\$245,000	\$230,000
Annual Compensation Cap	\$305,000	\$290,000
SEP Participation Compensation	\$650	\$650
Highly Compensated Employee (HCE)	\$135,000	\$130,000
Key Employee Officer Definition	\$200,000	\$185,000
Social Security Taxable Wage Base	\$147,000	\$142,800

Source: LPL Financial

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Why Work With a Financial Advisor?

GOALS	CIRCUMSTANCES			PREFERENCES	
GROWTH	Taxable	Tax-exempt	Married	Conservative	Moderate
	Single	Divorced	Widowed	Aggressive	Fee sensitive
INCOME	Young	Not Young	Working	Return driven	Preservation
	Retired	Short Horizon	Long Horizon	Yield Oriented	ESG

Source: Russell Investments

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Our formula for 2022 is:

A+B+C+T

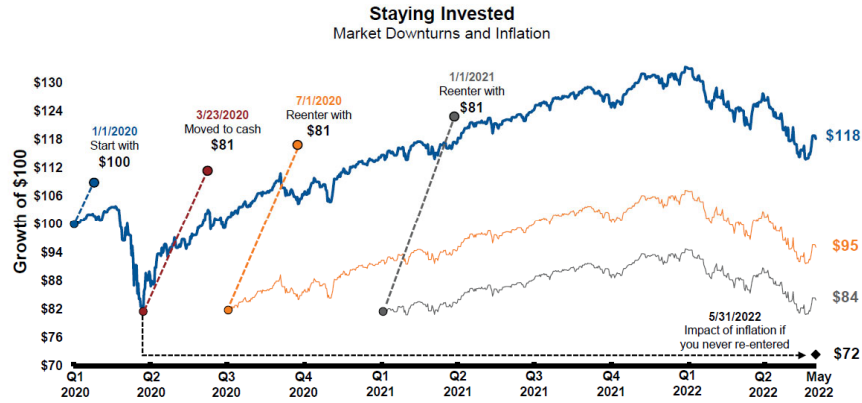
- A** IS FOR ACTIVE REBALANCING OF INVESTMENT PORTFOLIOS
- B** IS FOR BEHAVIORAL COACHING
- C** IS FOR CUSTOMIZED EXPERIENCE AND FAMILY WEALTH PLANNING
- T** IS FOR TAX-SMART PLANNING & INVESTING

Source: Russell Investments

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Fear impacts opportunity

Moving to cash is costly



- Staying invested through pandemic lows was rewarded
- If an investor exited the market at the bottom and re-entered later, they would have missed a narrow window to recoup any losses
- Adding insult to injury, inflation would have eroded \$81 to \$72 if they never re-entered the market

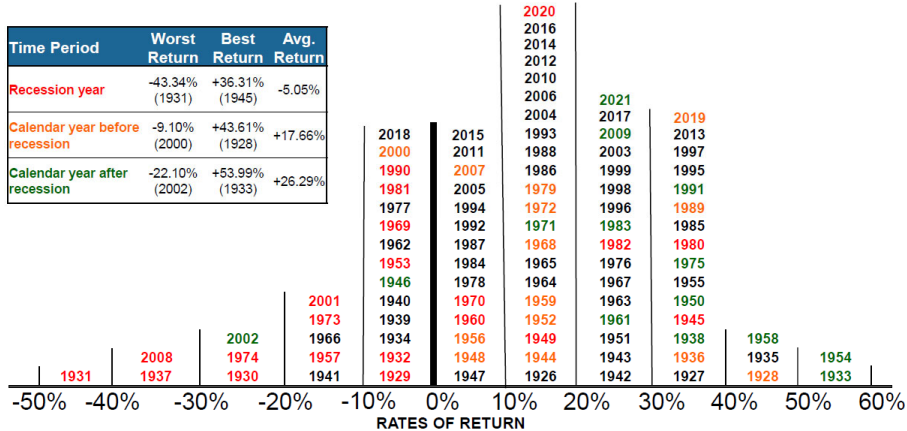
Source: Morningstar Direct and BLS.gov. Balanced Portfolio: 60% S&P 500 Index & 40% Bloomberg Aggregate Bond Index. As of May 31, 2022. Monthly change in CPI as of May 31, 2022.

Source: Russell Investments

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Historically it has paid to own stocks

Calendar year U.S. stock returns 1926-2021



- 74% of the time, the U.S. equity market has posted positive calendar year returns
- U.S. equity market calendar year returns are not always negative during recessions
- Calendar years before and after recession years generally produce positive returns

U.S. Stocks: Ibbotson S&P 500 Large Cap Stock TR USD Ext from 1926-1936 and the S&P 500® Index from 1937-2021. Recession year defined as year in which the first of two negative quarters of GDP growth occurred; Source: St. Louis Fed & Morningstar. Index returns represent past performance, are not a guarantee of future performance, and are not indicative of any specific investment. Indexes are unmanaged and cannot be invested in directly.

Source: Russell Investments

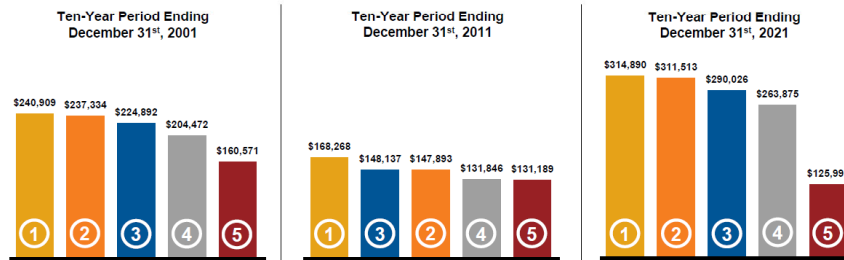
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Be invested, stay invested

Time is more important than timing

1 Perfect timing	2 First of the year	3 Dollar cost averaging	4 Worst timing	5 Holding cash
This strategy is ideal, yet implausible	Investing for the longest amount of time can yield the best gain in most market environments	A popular rules-based strategy. Can help investors cope with volatile markets	Despite bad timing, assets invested in the market may grow faster than if left in cash	Holding cash too long can result in the least growth of wealth

HYPOTHETICAL ENDING WEALTH AFTER INVESTING \$12,000 PER YEAR



Source: Russell Investments & Morningstar. Note that one year represents a 12-month period ending December 31st. Assumes an investment of \$12,000 per year into a hypothetical S&P 500 Index portfolio with no withdrawals between Jan 1st and Dec 31st. Cash return based on return of \$12,000 invested each year in a hypothetical portfolio of 3-month Treasury bonds represented by the FTSE Treasury Bill 3-month Index without any withdrawals between Jan 31st and Dec 31st. Indices are unmanaged and cannot be invested in directly. Returns represent past performance, are not a guarantee of future performance, and are not indicative of any specific investment. Hypothetical analysis provided for illustrative purposes only.

Source: Russell Investments

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Psychology of Your Own Money

1. Go out of your way to find humility when things are going right and forgiveness/compassion when they go wrong.
2. Less ego, more wealth.
3. Manage your money in a way that helps you sleep at night.
4. If you want to do better as an investor, the single most powerful thing you can do is increase your time horizon.
5. Become okay with a lot of things going wrong. You can be wrong half the time and still make a fortune.
6. Use money to gain control over your time (and be generous to others).
7. Be nicer and less flashy.
8. Save, just save.
9. Define the cost of success and be ready to pay for it.
10. Worship room for error.
11. Avoid the extreme ends of financial decisions.
12. You should like risk because it pays off over time.
13. Define the game you're playing.
14. Respect the mess.

Source: "The Psychology of Money" by Morgan Housel

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“A genius is the man
who can do the
average thing when
everyone else around
him is losing his mind.”
-Napoleon

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Tips of the Trade

- No one's crazy. People do crazy things with money, but no one is crazy.
- Luck and risk. Nothing is as good, or as bad, as it seems.
- Never enough. There is no reason to risk what you have and need for what you don't have and don't need.
- Confounding compounding. \$81.5 billion of Warren Buffett's \$84.5 billion net worth came after his 65th birthday.
- Getting wealthy vs. staying wealthy. Good investing is not necessarily about making good decisions.
- You can be wrong half the time and still make a fortune.
- Freedom. Controlling your time is the highest dividend money pays.
- No one is as impressed with your possessions as you are, and wealth is what you don't see.
- Building wealth has little to do with your income or investment returns, and lots to do with your savings rate.
- Don't rely too heavily on investment history as a guide to what's going to happen next.
- You'll change. Long-term planning is harder than it seems because people's goals and desires change over time.
- Nothing's free. Everything has a price, but not all prices appear on labels.
- Beware of taking financial cues from people playing a different game than you are.
- Watch out for the "Seduction of Pessimism."
- When you'll believe anything! Think about market forecasts. We're very, very bad at them.

Source: "The Psychology of Money" by Morgan Housel

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Retirement Planning

- The “simple” act of proactively planning for retirement can improve retirement satisfaction and happiness
- Risks become less nebulous, and those with a plan can feel more comfortable about what comes next
- Planning leads to peace of mind

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Additional Resources

1. Best Robo-Advisors (<https://www.forbes.com/advisor/investing/best-robot-advisors/>)
2. Financial planning and education (www.investopedia.com)
3. Types of retirement plans (<https://www.irs.gov/retirement-plans/plan-sponsor/types-of-retirement-plans>)
4. Student loan advice (www.gradfin.com)
5. Federal student loan aids and forgiveness (www.studentaid.gov)
 1. Biden student loan forgiveness plan FAQs (<https://www.forbes.com/advisor/student-loans/student-loan-forgiveness-faqs/>)
6. Certified Financial Planning Board (www.cfp.net)

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<https://www.sitkafinancial.com>

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Attorney Well-Being

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- Oregon Attorney Assistance Program
- Lawyer well-being
- Preparing for changes tomorrow
- Self-care practices



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Lawyers & Judges

Law Students

- ▲ Well-being and stress
- ▲ Anxiety or depression
- ▲ Problem substance use
- ▲ Compulsive & challenging behaviors
- ▲ Career and lifestyle
- ▲ Relationships
- ▲ Challenging times
- ▲ Planning for retirement

Individual Counseling

Support Groups

Workshops /CLEs

OAAP Attorney Counselors



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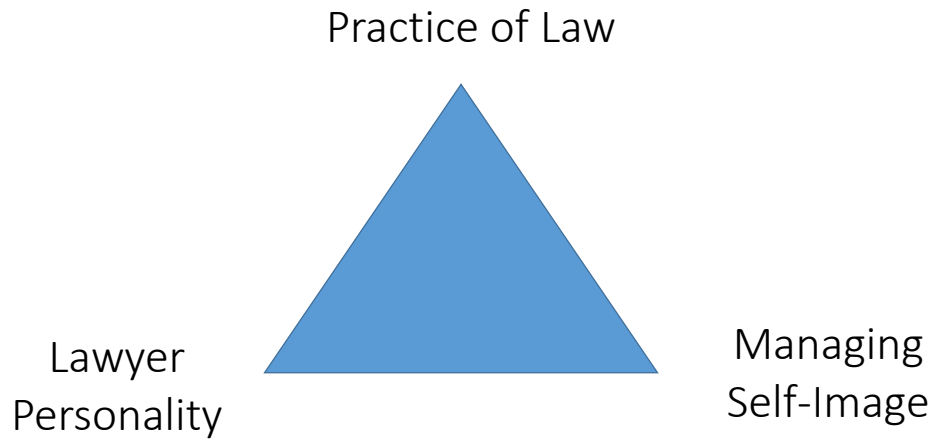
Confidential Assistance

All communications with the OAAP are completely confidential and will not affect your standing with the Professional Liability Fund (PLF) or the Oregon State Bar. The OAAP is a confidential service of the PLF for all members of the Oregon legal community. Call us at (503) 226-1057 or visit us at www.oaap.org.

confidential • professional • compassionate

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Dimensions of Being a Lawyer



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The Art of Letting Go

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THE BEST DECISIONS
are made with
Input from Others



Family

Friends

Colleagues

Experts

Others

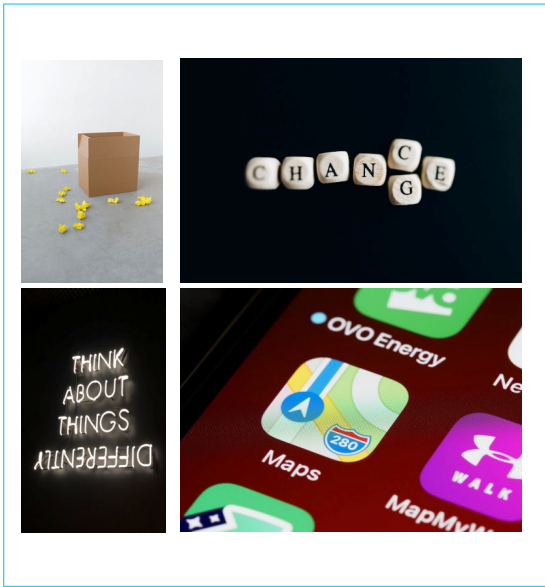
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The Importance of Looking at Ourselves

- Values
- Interests
- Goals
- Roles
- Beliefs
- Habits
- Customs
- Responsibilities

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Don't just think outside the box Think like there is NO BOX!

Imagine
Create
Explore
Experiment

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Dimensions of Well-Being



Physical

Emotional

Social

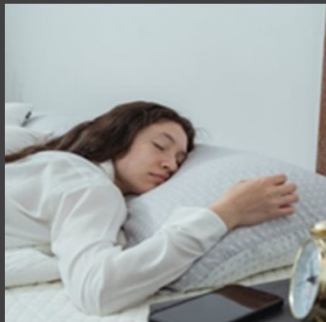
Intellectual

Environmental

Spiritual

Financial

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PHYSICAL Well-Being

Recognizing the need for physical activity, diet, sleep, and nutrition

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EMOTIONAL Well-Being

Coping effectively with life and creating satisfying relationships

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Managing our Emotions

- Emotions are normal, especially during times of transitions
- Be alert to feelings
- Manage emotional fluctuations



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SOCIAL Well-Being

Developing a sense of connection, belonging, and well-developed support system

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INTELLECTUAL Well-Being

Engaging in continuous learning & pursuit of creative or intellectually challenging activities; monitoring cognitive wellness

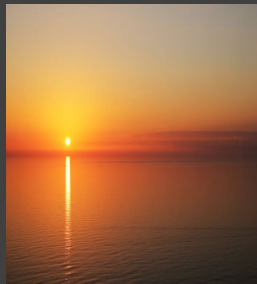
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ENVIRONMENTAL Well-Being

Good health by occupying pleasant and stimulating environments that support well-being

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SPIRITUAL Well-Being

Expanding our sense of purpose and meaning of life

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FINANCIAL Well-Being

Satisfaction with current and prospective financial situations

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Self-Care

Relationships

Health & Healthcare

Embrace Relaxation

Exercise – Body & Brain

Practice Moderation

Other

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- All services are confidential
- Assistance to lawyers, judges, and law students
- Short-term individual counseling
- Referral to other resources when appropriate
- Support groups
- Workshops
- CLEs
- Educational programs



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Pre-Law Retirement Experience

- Smokejumper and coach
- Career future and retirement options
- Transition to law school

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Private Practice

- Private practice for 36 years
- No firm had formal retirement plans
- Retirement planning on your own

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Transition Issues

- Financial planning
- Full health assessment
- What will you do?



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Transition into Retirement



“GO TIME” AFTER
PROCRASTINATION

CLIENT NOTIFICATION

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Retirement

- Retirement transition
- New four-word question: What are you doing?
- Volunteer on two boards
- Writing class
- Oregon Genealogical Society
- Senior Studies Institute
- Physical activity
- Renew friendships



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Plan B Flexibility

- Knees replacement and Achilles heel procedure
- COVID-19
- Volatile financial markets
- War in Ukraine



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Scott Jonsson
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A portrait of Scott Jonsson, a middle-aged man with glasses and a grey beard, wearing a blue shirt and a grey vest. The portrait is set against a blurred outdoor background. To the right of the portrait is a yellow triangular graphic element.

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PLAN:



A chalkboard with the word 'PLAN:' written in white chalk. A silver marker is visible on the right side of the chalkboard. The chalkboard is set against a yellow background with a dark grey triangular graphic element at the bottom right.

Logistics of Retirement

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Create a Timeline

- Set a date and work your way backwards
- Determine when you will stop taking new cases
- Track active matters



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To Sell or Not?

- Must comply with ORPC 1.17 requirements
- Not all practices have marketable value
- Other options:
 - Gradual transition
 - Merge
 - Close



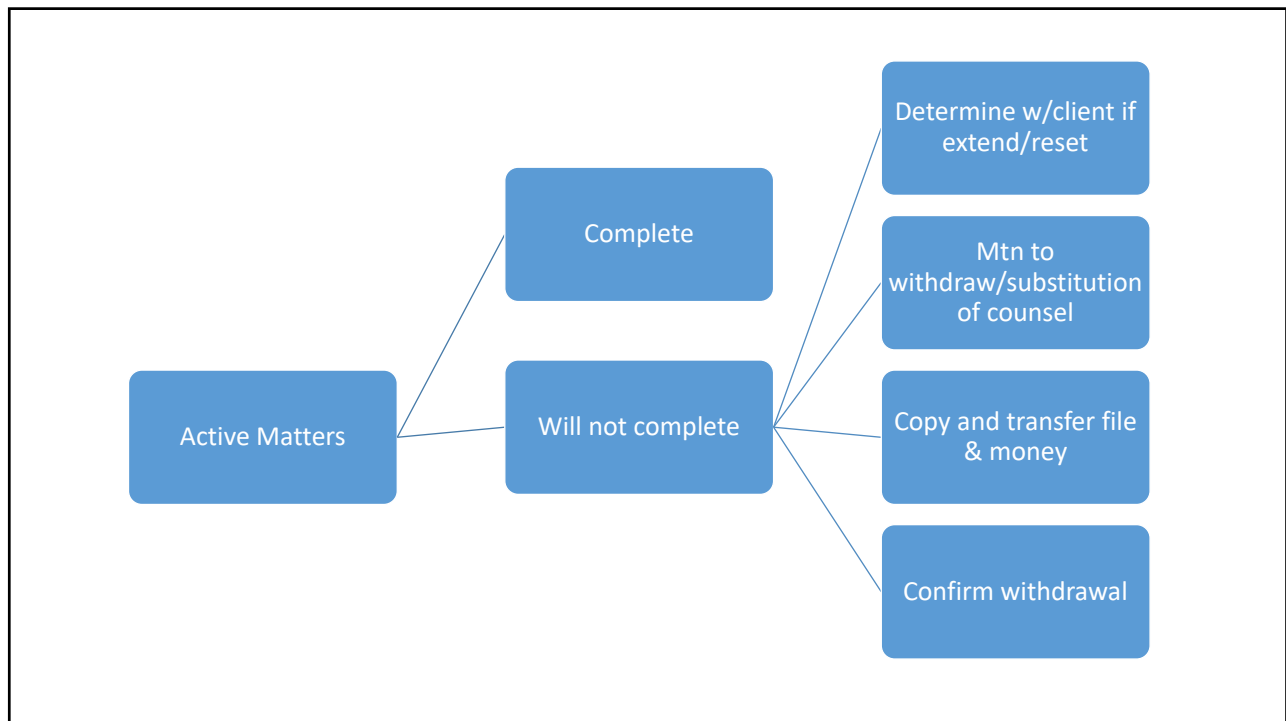
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Active Client Files

1. Make a list of active client files
2. Separate into categories
 1. Complete; or
 2. Will not complete (but may not be possible to withdraw (see ORPC 1.16))
3. Notify active clients of retirement and advise they obtain new counsel if they need further legal services after retirement date
4. Transfer file and refund money
5. Verify withdrawal/substitution of counsel

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Closed File Retention and Destruction

- PLF recommends storage for at least 10 years from date of file closure
- Some reasons to store longer (e.g., original wills)



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Business Wrap-Up

1. Final billing statements
2. Return funds to clients or new attorneys
3. Fully reconcile accounts before closing
4. Cancel leases, vendors
5. Phone message and email auto-reply

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IOLTA Closure

1. Fully reconcile
2. Send final bills
3. Disburse
4. Unclaimed funds rule

<https://www.osbar.org/resources/abandonedfunds.html>

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Tips

- Try to finish all active matters before retiring
- Remove your name from closed cases in OECl in case they reopen in the future
- Provide clients with a copy of their file (and return original documents) throughout or at the end of the matter
- Avoid sending clients to collections



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Books and Furniture

- Advertise on listserves, Craigslist, OSB Bulletin
- Donate books to law schools

https://www.co.washington.or.us/LawLibrary/upload/How-to-Dispose-Used-Law-Books_updated-11-2014.pdf

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Bar Status Change

Status Change FAQ

[Status Change FAQ](#) [Inactive Status](#) [Retired Status](#) [Active Pro Bono Status](#) [Form A Resignation](#)

I will no longer be actively practicing law in Oregon and want to update my status. What are my options?

The Oregon State Bar offers four alternative options for members who no longer wish to practice law and maintain an active status with the Bar. The chart below provides a brief comparison of the status options. Please select a status type for more details.

Status Type	Annual Fee	Transfer Deadline for Reduced Fee	Benefits	Reporting Requirements (MCLE, IOLTA)	Eligible to Practice Law in Oregon	Eligible for Reinstatement
Inactive Status	\$150	January 31	Bulletin	None	No	Yes
Retired Status (Over Age 65)	\$150	January 31	Bulletin	None	No	Yes
Active Pro Bono Status	\$150	January 31	Bulletin, Fastcase, BarBooks	None	Only through Bar certified pro bono programs	Yes
Form A Resignation (before 12/1/19)	None	None	None	None	No	Yes
Form A Resignation (after 11/30/19)	None	None	None	None	No	No. Members must reapply for admission

<https://www.osbar.org/statuschanges/statuschangeFAQ.html>

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PLF Coverage

- Primary
 - Automatic tail coverage begins after termination of private practice and continues indefinitely
 - Limit is remaining limit on last year of primary PLF coverage
 - No charge
- PLF Excess
 - Firm continues- covered as former attorney if listed as “former attorney”
 - Firm closes- need to purchase tail coverage

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Questions?

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Materials

Program materials are available at





www.osbplf.org >

Services > CLEs &

Resources > CLEs

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PLF Practice Management Attorneys

 Hong Dao Director, PMAP hongd@osbplf.org	 Rachel Edwards rachele@osbplf.org	 Monica Logan monical@osbplf.org	 Isaac Alley isaaca@osbplf.org
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Call us at 503-639-6911 or visit us at www.osbplf.org

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Resources



Professional
Liability Fund

<https://www.osbplf.org> > Services
503-639-6911 | 800-452-1639

- Practice Management Assistance Program (PMAP)
- Practice Aids ■ Books ■ CLEs
- *InPractice* blog
- *InBrief* Newsletter



<https://oaap.org/>

503-226-1057 | 800-321-6227

- Short-term individual counseling
- Support groups and workshops
- CLEs and other educational programs
- Referrals to community resources
- *ThrivingToday* Blog
- *InSight* Newsletter

1. Forms (Go to our website at <https://www.osbplf.org/services/resources/#forms>, and you can find the forms listed below in the following categories, among others)
 - a. Buying or Selling a Law Practice
 - i. Checklist for Buying a Law Practice
 - ii. Checklist for Selling Your Law Practice
 - iii. Resources for Lawyers Planning to Sell Their Practices
 - b. Closing a Law Office
 - i. Acknowledgment of Receipt of File
 - ii. Authorization for Transfer of Client File
 - iii. Checklist for Closing Your IOLTA Account
 - iv. Checklist for Closing Your Own Office
 - v. Letters for Closing Your Law Office
 - vi. Office Closure File Tracking Chart
 - vii. Request for File
 - viii. Resources for Lawyers Closing Their Offices
 - c. Office Systems and Procedures
 - i. File Retention and Destruction Guidelines
 - d. Retiring from Law Practice
 - i. Checklist for Lawyers Planning to Retire
 - ii. Resources for Lawyers Planning to Retire
2. Financial
 - a. Books
 - i. The Richest Man in Babylon by George Clason (https://www.amazon.com/Richest-Man-Babylon-Magic-Story/dp/1939438632/ref=pd_lpo_2?pd_rd_i=1939438632&psc=1)
 - ii. Retirement Planning Guidebook: Navigating the Important Decisions for Retirement Success by Wade Pfau (https://www.amazon.com/Retirement-Planning-Guidebook-Navigating-Important/dp/194564009X/ref=sr_1_2_sspa?crd=WVNGMS2HQA5E&keywords=retirement+planning+guidebook+navigating+the+important+decisions&qid=1659562182&srefix=retirement+planning+guidebook+navigatin%2Caps%2C119&sr=8-2-spons&psc=1&spLa=ZW5jcnlwdGVkUXVhbGlmaWVyPUExTFJQT1QzQjFGSkxBJmVuY3J5cHRIZElkPUeWnU3MzQ0M09KVIFURTIWU0RGSSZlbnNyeXB0ZWZlbnUeWMTI3MTcyVjVNNkpuOUkxaUTVRJndpZGldE5hbWU9c3BfYXRmJmFjdGlvbWVjbj1jYGlja1JlZGlyZWNOJmRvTm90TG9nQ2xpY2s9dHJlZQ==)
 - iii. The Psychology of Money: Timeless Lessons on Wealth, Greed, and Happiness by Morgan Housel (https://www.amazon.com/Psychology-Money-Timeless-Lessons-Happiness/dp/B08D9WJ9G8/ref=sr_1_1?crd=18LJWFKT3SZXR&keywords=the+psychology+of+money&qid=1659562234&srefix=the+psychology+of+money%2Caps%2C125&sr=8-1)
 - iv. Simple Wealth, Inevitable Wealth: How You and Your Financial Advisor Can Grow Your Fortune in Stock Mutual Funds by Nick Murray

https://www.amazon.com/Simple-Wealth-Inevitable-Financial-Advisor/dp/0966976312/ref=sr_1_1?crd=3EORP2ASYPN1V&keywords=simple+wealth%2C+inevitable+wealth&qid=1663646304&s=audible&sprefix=simple+we%2Caudible%2C117&sr=1-1-catcorr

- v. Behavioral Investment Counseling by Nick Murray
https://www.amazon.com/Behavioral-Investment-Counseling-Nick-Murray/dp/0615252095/ref=sr_1_1?crd=3AYSJEB1Z3FUJ&keywords=behaviora+investment+counseling&qid=1659562300&s=audible&sprefix=behavioral+inve+stment+counseling%2Caudible%2C103&sr=1-1
- vi. The Intelligent Investor: The Definitive Book on Value Investing by Benjamin Graham
https://www.amazon.com/Intelligent-Investor-Definitive-Investing-Essentials/dp/0060555661/ref=sr_1_1?crd=38PHQKD6R5WQR&keywords=the+intelligent+investor+by+benjamin+graham&qid=1662523076&s=books&sprefix=the+intelligent+%2Cstripbooks%2C116&sr=1-1
- vii. The Emotional Investor - How Biases Influence Our Investment Decisions...and what you can do about it! by Jay Mooreland
<https://www.amazon.com/Emotional-Investor-Influence-Investment-Decisions/dp/0692531807>

b. Robo-Advisors

- i. Vanguard Digital Advisor (<https://investor.vanguard.com/advice/digital-advisor>)

c. CLEs

- i. Money Matters: Managing Student Loans & Making Smart Financial Decisions
<https://www.osbplf.org/cle-classes/money-matters--managing-student-loans-making-smart-fina/>

3. Retirement Planning

- a. <https://www.betterment.com/>
- b. <https://retirewithstyle.podbean.com/>

4. Wellbeing

- a. Lawyers' Perspectives on Retirement, InSight, March 1, 2019.
<https://www.oaap.org/insights/march-2019-full-issue/perspectives-on-retirement/>
- b. What makes a Good Life, TED Talk, Jan. 25, 2016 (12:47 min.).
https://www.ted.com/talks/robert_waldinger_what_makes_a_good_life_lessons_from_the_longest_study_on_happiness
- c. 7 Self-Care Rituals for the Newly Retired. (<https://www.wisebread.com/7-self-care-rituals-for-the-newly-retired>)
- d. Meditation: A Simple, Fast Way to Reduce Stress. Mayo Clinic. April 29, 2022.
<https://www.mayoclinic.org/tests-procedures/meditation/in-depth/meditation/art-20045858>
- e. Introduction to Tai Chi. Mayo Clinic. June 24, 2021.
<https://www.mayoclinic.org/patient-visitor-guide/education-centers/patient-education-minnesota/classes/tai-chi-qigong>
- f. Tai Chi. A Gentle way to Fight Stress. Mayo Clinic. Feb. 26, 2021.
<https://www.mayoclinic.org/healthy-lifestyle/stress-management/in-depth/tai-chi/art-20045184>

5. Career
 - a. What Color is Your Parachute? By Richard Bolles (<https://www.amazon.com/What-Color-Your-Parachute-2021/dp/198485786X>)
6. Succession Planning
 - a. Succession Planning: Developing a Reasonable Timeline and Identifying a Successor Attorney (<https://www.osbplf.org/blog/inpractice/succession-planning--developing-a-reasonable-timeline-and-identifying-a-successor-attorney/>)
 - b. Plugging the Knowledge Drain (<https://www.osbplf.org/blog/inpractice/plugging-the-knowledge-drain%E2%80%9D--how-to-retain-knowledge-to-ensure-your-firms-continued-success/>)
7. Closing Your Law Practice
 - a. Nuts-and-Bolts Issues for Smoothly Closing Your Law Practice (<https://www.osbplf.org/cle-classes/nuts-and-bolts-issues-for-smoothly-closing-your-law-pra/>)
 - b. The Career of a Lawyer: Creating Success at Each Stage (Retirement) (<https://www.osbplf.org/cle-classes/pm-session---the-career-of-a-lawyer--creating-success-a/>)
 - c. 2016 Oregon Lawyer Retirement Survey (https://assets.osbplf.org/in_sights_issues/2016-Oregon-Lawyer-Retirement-Survey.pdf)
 - d. A Funny Thing Happened on the Way to My Retirement (https://www.abajournal.com/voice/article/a-funny-thing-happened-on-the-way-to-my-retirement?utm_medium=email&utm_source=salesforce_546266&sc_sid=02613438&utm_campaign=weekly_email&promo=&utm_content=&additional4=&additional5=&sfmc_j=546266&sfmc_s=46839282&sfmc_l=1527&sfmc_jb=4006&sfmc_mid=100027443&sfmc_u=15827236)
8. File destruction
 - a. Retention and Destruction of Electronic Client Files in the Cloud (<https://www.osbplf.org/blog/inpractice/retention-and-destruction-of-electronic-client-files-in-the-cloud/>)
 - b. Unwanted Data: How to Properly Destroy Data in Hardware (<https://www.osbplf.org/blog/inpractice/unwanted-data-how-to-properly-destroy-data-in-hardware/>)
9. Groups
 - a. Campaign for Equal Justice Retired Attorney Committee (<https://cej-oregon.org/retired-attorney-event-page/>)
10. Miscellaneous
 - a. Certified Financial Planning Board (www.cfp.net)
 - i. Certified Financial Planner Board Code of Ethics and Standards of Conduct (<https://www.cfp.net/ethics/code-of-ethics-and-standards-of-conduct>)
 - ii. Fee-based vs. Fee-only financial advisors-
<https://www.cfp.net/ethics/compliance-resources/2019/02/understanding-the-term-fee-based>

CHECKLIST FOR LAWYERS PLANNING TO RETIRE

1. If you are a sole practitioner or head of a small firm with a number of associates working for you, decide whether you wish to sell all or part of your law practice, including goodwill.
2. If you wish to sell your practice, review ORPC 1.17, ORPC 1.5(e), and ORPC 1.6(b)(6). See the Professional Liability Fund (PLF) practice aid, *Checklist for Lawyers Planning to Sell Their Law Practices*.
3. Decide when you would like to retire and create a timeline for your plan.
4. Review all active client files.
 - a. Do you intend to finish all open matters, and will you be able to do so prior to retirement?
 - b. Do your files contain original documents, photographs, tapes, discs or other property provided to you by clients? Return these items to clients and make copies for your records. Property belonging to the client, including original client documents, cannot be destroyed.
 - c. Do you have original wills? If you keep original wills, 40 years must elapse before the will can be disposed of. ORS 112.815 provides: “An attorney who has custody of a will may dispose of the will in accordance with ORS 112.820 if: (1) The attorney is licensed to practice law in the state of Oregon; (2) At least 40 years has elapsed since execution of the will; (3) The attorney does not know and after diligent inquiry cannot ascertain the address of the testator; and (4) The will is not subject to a contract to make a will or devise or not to revoke a will or devise.”
5. Notify current clients of your impending retirement. Advise clients to obtain a new attorney if they will need further legal services after your retirement date. Clients may be referred to other practitioners or the Oregon State Bar (OSB) Lawyer Referral Service, 503-684-3763 or 1-800-452-7636.
6. For cases with pending court dates, depositions, or hearings:
 - a. Discuss with clients how to proceed. When appropriate, request extensions, continuances, and resetting of hearing dates. Send written confirmation of these extensions, continuances, and resets to opposing counsel and your client. Ideally, these matters should be concluded prior to your retirement date.
 - b. Obtain client permission to submit a motion and order to withdraw as attorney of record. Review ORPC 1.16.
 - c. If the client is obtaining a new attorney, be certain a Substitution of Attorney is filed.
 - d. Pick an appropriate date to confirm whether all cases either have a motion and order allowing your withdrawal as attorney of record, or have a Substitution of Attorney filed with the court.

CHECKLIST FOR LAWYERS PLANNING TO RETIRE

7. Make copies of files for clients who need further legal services after your retirement. Retain your original files. All clients should either pick up their files and sign a receipt acknowledging they received the files, or sign an authorization for you to release the files to their new attorneys. Sample receipts and authorizations are available on the PLF website, www.osbplf.org.
8. Wrap up the business and financial affairs of your practice. Prepare final billing statements showing any outstanding fees due and/or money in trust. Get instructions from clients concerning any funds in their trust accounts. These funds should be either returned to the clients or forwarded to their new attorneys. All accounts should be fully reconciled before they are closed. See the PLF practice aid, *Closing Your IOLTA Account*, available on the PLF website, www.osbplf.org.
9. The PLF recommends that closed files be kept for 10 years or longer. Obtain all clients' permission to destroy the files after approximately 10 years. If property and documents belonging to the client have been returned (see step 4 above), files may be stored electronically. If you are storing client files or data in the cloud, make arrangements to maintain your cloud-based storage for 10 years or longer. For more information about storage of paper-based and electronic files, see the Office Systems and Procedures and Paperless Office and Cloud Computing practice aids available on the PLF website, www.osbplf.org.
10. Tell all clients where their closed files will be stored and whom they should contact to retrieve them. If closed files will be stored by another attorney, get the clients' permission to allow the attorney to store the files for you and provide your clients with the attorney's name, address, and telephone number.
11. If someone else will be storing your closed files, notify OSB Regulatory Services of the location. See the PLF practice aid, *Resources for Lawyers Planning to Retire*, available on the PLF website, www.osbplf.org.
12. File an exemption with the PLF. See the PLF practice aid, *Resources for Lawyers Planning to Retire*, available on the PLF website, www.osbplf.org.
13. Contact the PLF for information about "tail" or Extended Reporting Coverage (ERC). There is no cost for ERC under PLF Claims Made Plans for 1996 and later years. If you have excess coverage, contact the PLF or your excess carrier about purchasing excess ERC.
14. If desired, change your membership status with the OSB. See the PLF practice aid, *Resources for Lawyers Planning to Retire*, available on the PLF website, www.osbplf.org.
15. If you are a sole practitioner, maintain your telephone number for 30-60 days after your office is closed. Record an appropriate outgoing message announcing your retirement and office closure. Remind clients whom they can contact to obtain their files. (See step 10 above.) If you choose to disconnect your number, consider asking the telephone company for a new phone number to be given out when your disconnected phone number is called. This eliminates the problem created when clients call your old number, get a recording stating that your telephone is disconnected, and do not know where else to turn for information.

CHECKLIST FOR LAWYERS PLANNING TO RETIRE

16. If desired, submit a notice of your retirement to the *Oregon State Bar Bulletin*, local bar association, local newspaper, or law school.

Call the PLF's Practice Management Attorneys at 503-639-6911 or 800-452-1639 for assistance or answers to any questions.

IMPORTANT NOTICES

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RESOURCES FOR LAWYERS PLANNING TO RETIRE

PRACTICE MANAGEMENT ASSISTANCE FOR ATTORNEYS PLANNING TO RETIRE

Professional Liability Fund

Practice Management Attorneys

<https://www.osbplf.org/services/practice-management-assistance.html>

16037 SW Upper Boones Ferry Road, Suite 300, Tigard, OR 97224

P.O. Box 231600, Tigard, OR 97281-1600

503-639-6911 or 800-452-1639

COVERAGE QUESTIONS, INCLUDING TAIL COVERAGE AND EXCESS

Professional Liability Fund

Primary Plan Overview: <https://www.osbplf.org/coverage/what-is-my-coverage.html>

Leaving Private Practice: <https://www.osbplf.org/coverage/do-i-need-coverage.html>

Excess Plan Overview: <https://www.osbplf.org/excess/do-i-need-excess-coverage.html>

16037 SW Upper Boones Ferry Road, Suite 300, Tigard, OR 97224

P.O. Box 231600, Tigard, OR 97281-1600

503-639-6911 or 800-452-1639

MID-YEAR EXEMPTION FROM COVERAGE

Professional Liability Fund

Contact: Accounting Department - Direct Dial: 503-924-1771 (<https://www.osbplf.org/coverage/midyear-changes.html>)

16037 SW Upper Boones Ferry Road, Suite 300, Tigard, OR 97224

PO Box 231600, Tigard, OR 97281-1600

503-639-6911 or 800-452-1639

PERSONAL ASSISTANCE FOR ATTORNEYS PLANNING TO RETIRE

Oregon Attorney Assistance Program

Attorney Counselors

<http://www.aaap.org/>

520 SW Yamhill St., Suite 1050

Portland, OR 97204

503-226-1057 or 800-321-6227

LAWYER REFERRAL SERVICE (FOR CLIENTS)

Oregon State Bar Lawyer Referral Service

<https://www.osbar.org/public/ris/>

P.O. Box 231935

Tigard, OR 97281-1935

503-684-3763 or 800-452-7636

LEGAL ETHICS QUESTIONS

Oregon State Bar Legal Ethics Helpline

<https://www.osbar.org/ethics/>

P.O. Box 231935

Tigard, OR 97281-1935

503-431-6475 or 800-452-8260

OREGON STATE BAR STATUS CHANGES

Frequently Asked Questions

<https://www.osbar.org/statuschanges/statuschangeFAQ.html>

Email regsvcs@osbar.org with additional questions

RESOURCES FOR LAWYERS PLANNING TO RETIRE

ATTORNEY RETIREMENT NOTICES

Oregon State Bar *Bulletin*

<https://www.osbar.org/publications/bulletin/bulletin.html>

P.O. Box 231935

Tigard, OR 97281-1935

503-620-0222 or 800-452-8260

Contact: Editor

IOLTA COMPLIANCE

Compliance: <https://www.osbar.org/IOLTA>

FAQ: <https://www.osbar.org/IOLTA/faq.html>

503-620-0222 or 800-452-8260

DISPOSITION OF CLOSED ATTORNEY FILES

Oregon State Bar Regulatory Services

P.O. Box 231935

Tigard, OR 97281-1935

503-620-0222 or 800-452-8260

- If you are changing your bar membership status, and someone else will be storing your closed files, you will notify the bar of the location as part of your status change application at <https://www.osbar.org/statuschanges/statuschangeFAQ.html>.
- If you are maintaining active bar membership status, and someone else will be storing your closed files, notify the bar of the location via email to regsvcs@osbar.org.

ABA COMMISSIONS AND DIVISIONS

- The Commission on Law and Aging (https://www.americanbar.org/groups/law_aging/)
- Senior Lawyers Division (https://www.americanbar.org/groups/senior_lawyers/)

ABA BOOKS AND VIDEOS

- *The Lawyer's Retirement Planning Guide* (<https://www.americanbar.org/products/inv/book/227739316/>)
- *ABA/AARP: Get the Most Out of Retirement: Checklist for Happiness, Health, Purpose and Financial Security* (<https://www.americanbar.org/products/inv/book/252178854/>)
- *Passing the Torch Without Getting Burned* (<https://www.americanbar.org/products/inv/book/214260/>)
- *Period. New Paragraph.* (<https://www.americanbar.org/products/ecd/vppv/250111635/>)
- *The Lawyer's Guide to Succession Planning: A Project Management Approach for Successful Law Firm Transitions and Exits.* (<https://www.americanbar.org/products/inv/book/235511823/>)

ABA web store products may be purchased at a discount using the Professional Liability Fund's promotional code OSBPLF. For more information, visit the PLF Website, www.osbplf.org.

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2022 PLAN COMPARISON

Whether you're an employer who wants to help your employees work toward a secure retirement, or someone who wants to plan for your own future, this handy guide can help you narrow the focus and zero in on a retirement plan that could work for you in 2022. Because of the complexities involved with qualified retirement plans, always consult your legal or tax advisor to be sure you are complying with the rules.

ANNUAL CONTRIBUTION LIMITS

Annual Contribution Limits	2022	2021
Traditional IRA, Roth IRA, Spousal, Guardian	\$6,000	\$6,000
Traditional, Roth, Spousal IRA Catch-Up Contribution	\$1,000	\$1,000
Education IRA – formerly Coverdell ESA (per beneficiary)	\$2,000	\$2,000
Employer Deduction Limit (SEP, MPP, PSP, 401(k) ⁵)	25% aggregate comp	25% aggregate comp
Elective Deferral (402(g) Limit): 401(k), SARSEP, 457 and 403(b))	\$20,500	\$19,500
Defined Contribution 415 Limit (<i>the lesser of</i>)	100% comp or \$61,000	100% comp or \$58,000
Salary Deferral Catch-Up Limit (<i>does not count against 415 limits in a 401(k) plan</i>)	\$6,500	\$6,500
SIMPLE Plan Deferral	\$14,000	\$13,500
SIMPLE IRA Catch-Up Limit	\$3,000	\$3,000
Defined Benefit 415 Limit	\$245,000	\$230,000
Annual Compensation Cap	\$305,000	\$290,000
SEP Participation Compensation	\$650	\$650
Highly Compensated Employee (HCE)	\$135,000	\$130,000
Key Employee Officer Definition	\$200,000	\$185,000
Social Security Taxable Wage Base	\$147,000	\$142,800

CONTRIBUTION ELIGIBILITY FOR ROTH IRAS 2022

Modified Adjusted Gross Income Phase Out Range		
Single Filers	Married Filing Jointly	Married Filing Separately
\$129,000–\$144,000	\$204,000–\$214,000	\$0–\$10,000

PLAN COMPARISON

2022	Traditional IRA	Roth IRA	SEP
Plan Features	Contributions may be tax deductible (if individual falls within income guidelines); can be used in conjunction with any retirement plan. Contributions can be made after age 72.	Tax-free growth and distributions (provided certain conditions are met); nondeductible contributions may be made even after age 72; can be used in conjunction with any retirement plan	Employer-funded; easy to establish and maintain; minimal IRS filings and paperwork; low cost
Who May Establish	Age limit: None Income limit: None. Must have taxable compensation.	Age limit: None Income limit: \$144,000 for single and \$214,000 for joint	Sole proprietors, partnerships, corporations, nonprofits, government entities
Establishment Deadline	Tax filing deadline (generally April 15)	Tax filing deadline (generally April 15)	Tax filing deadline plus extensions
Contribution Deadline	Tax filing deadline (generally April 15)	Tax filing deadline (generally April 15)	Tax filing deadline plus extensions
Contribution Limit/ Requirements	Annual contributions of up to \$6,000 or 100% of compensation (whichever is less); \$7,000 if age 50 or older; non-employed spouses may also contribute up to \$6,000 per year if conditions are met (\$7,000 if over 50)	Annual contributions of up to \$6,000 or 100% of compensation (whichever is less); \$7,000 if age 50 or older; non-employed spouses may also contribute up to \$6,000 per year if conditions are met (\$7,000 if over 50)	25% of compensation up to \$61,000; approximately 20% for sole proprietors (due to self-employment deduction)
Who Contributes	Individual	Individual	Employer
Maximum Employee Eligibility Requirements	N/A	N/A	Age 21 or older, worked three of last five years and earned at least \$650 in each of those years; may exclude union employees and nonresident aliens
Vesting	100%	100%	100%
Distributions	Distributions taken prior to age 59½ may be subject to a 10% penalty tax, in addition to ordinary income tax; minimum distributions required at 72. Exceptions to 10% penalty may apply. ¹ The distribution, which is still subject to tax, may be repaid to the retirement account.	Tax-free distributions allowed provided certain conditions are met; no minimum distributions required at age 72	Distributions taken prior to age 59½ may be subject to a 10% penalty tax, in addition to ordinary income tax; minimum distributions required at 72. Exceptions to 10% penalty may apply. ¹ The distribution, which is still subject to tax, may be repaid to the retirement account.
Loan Features	Not available	Not available	Not available
Plan Administration	None	None	None

(Continued)

¹ For example, new parents may withdraw up to \$5,000 from a retirement account within a year of a child's birth or adoption without a 10% penalty tax.

2022	Simple IRA	Profit Sharing/ Money Purchase	403(b)(7) ² / Roth 403(b)(7)
Plan Features	Employee- and employer-funded; easy to establish and maintain; no ADP/ ACP nondiscrimination testing; mandatory employer contributions; employer cannot maintain another retirement plan	Employer-funded; allows restricted coverage; allows control over when the money will be withdrawn; may allow for loans	Primarily employee-funded; easy to establish and maintain; pre-tax contributions may reduce employee's current taxable income
Who May Establish	Employers with 100 or fewer employees, including sole proprietors, partnerships, corporations, nonprofits, and government entities	Sole proprietors, partnerships, corporations, nonprofits, government entities	Public schools and 501(c)(3) organizations
Establishment Deadline	October 1	Tax filing deadline plus extensions	Plan year-end, usually December 31 for calendar-year plans
Contribution Deadline	Salary deferrals made on each pay period; employer contributions by tax filing deadline plus extensions	Tax filing deadline plus extensions	Salary deferrals withheld each pay period; employer contributions by tax filing deadline plus extensions
Contribution Limit/ Requirements	Employees can defer up to \$14,000; \$17,000 if age 50 or older; employer must match dollar for dollar up to 3% of compensation (can be lowered to 1% for two of every five years) OR 2% of compensation as a non-elective contribution	25% of compensation up to \$61,000; approximately 20% for sole proprietors (due to self-employment deduction); PSP contributions are discretionary and MPP contributions are required by percentage specified in plan document	Employees can defer up to \$20,500; catch-up contributions of \$6,500 if age 50 or older; employer contribution of 25% of compensation; total combined employer and employee contributions cannot exceed \$61,000 (excludes catch-up contribution); long-tenured catch-up contribution for employees of 15 years or more with same employer
Who Contributes	Employee and Employer	Employer	Employee and Employer
Maximum Employee Eligibility Requirements	Earned at least \$5,000 during any two prior years and is expected to earn at least \$5,000 in current year; may exclude union employees and nonresident aliens; no age limit restriction	Age 21 or older, worked one year (or two years if 100% immediate vesting); may exclude union employees, nonresident aliens and employees who work less than 1,000 hours per year ³	Generally, all employees
Vesting	100% for both employee and employer contributions	Vesting schedule allowed	100%
Distributions	Distributions taken prior to age 59½ may be subject to 10% penalty tax, in addition to ordinary income tax (25% penalty applies if distribution is within two years of participation); minimum distributions required at 72. Exceptions to 10% penalty may apply. ¹ The distribution, which is still subject to tax, may be repaid to the retirement account.	Distributions can only be taken with a triggering event such as death, permanent disability, attainment of plan's normal retirement age, separation from service or plan termination; any distributions taken prior to age 59½ (age 55 if separated from service) may be subject to 10% penalty tax, in addition to ordinary income tax; minimum distributions may be required at 72. Exceptions to 10% penalty may apply. ⁴ The distribution, which is still subject to tax, may be repaid to the retirement account.	Distributions can only be taken with a triggering event such as death, permanent disability, attainment of 59½, separation from service or plan termination, or hardship; any distributions taken prior to age 59½ (age 55 if separated from service) may be subject to a 10% penalty tax, in addition to ordinary income tax; minimum distributions may be required at 72. Exceptions to 10% penalty may apply. ⁴ The distribution, which is still subject to tax, may be repaid to the retirement account.
Loan Features	Not available	Allowed	Allowed
Plan Administration	None	IRS Form 5500 and other ERISA requirements ⁵	IRS Form 5500 and other ERISA requirements if subject to ERISA ⁵

(Continued)

² Employer may make matching or discretionary contributions within an ERISA 403(b); ERISA 403(b)s are subjected to ERISA requirements.

³ Long-term part time employees (those who work 500 or more hours in at least three consecutive years beginning 01-01-2021) may contribute to the plan

⁴ For example, new parents may withdraw up to \$5,000 from a retirement account within a year of a child's birth or adoption without a 10% penalty tax.

⁵ Owner-only plans are not required to file IRS 5500 until assets reach \$250,000 or terminate. LPL Financial does not provide tax advice. Please consult your tax advisor.

2022	401(k)/Roth 401(k)	Safe Harbor 401(k)/ Roth Safe Harbor 401(k)	Individual K/ Roth Individual K
Plan Features	Employee-funded with possible employer contribution; allows restricted coverage; allows control over when the money will be withdrawn; may allow for loans	Employee- and employer-funded; allows employers to maximize contributions made by highly compensated employees; mandatory employer contributions; no ADP/ACP discrimination testing	Employee- and employer-funded; allows control over when the money will be withdrawn; may allow for loans; designed specifically for owner-only businesses
Who May Establish	Sole proprietors, partnerships, corporations, nonprofits	Sole proprietors, partnerships, corporations, nonprofits	Employer-only businesses including sole proprietors, partnerships, corporations, and nonprofits (may employ spouse)
Establishment Deadline	Tax filing deadline plus extensions. Plans with employee deferrals must be established by December 31.	October 1	Tax filing deadline plus extensions. Plans with employee deferrals must be established by December 31.
Contribution Deadline	Salary deferrals withheld each pay period; for sole proprietors, when business income is determined; employer contributions by tax filing deadline plus extensions	Salary deferrals withheld each pay period; for sole proprietors, when business income is determined; employer contributions by tax filing deadline plus extensions	Salary deferrals withheld each pay period; for sole proprietors, when business income is determined; employer contributions by tax filing deadline plus extensions
Contribution Limit/ Requirements	Employees can defer up to \$20,500; catch-up contributions of \$6,500 if age 50 or older; employer contribution of 25% of compensation (approximately 20% for sole proprietors due to self-employment deduction); total combined employer and employee contributions cannot exceed \$61,000 (excludes catch-up contribution)	Employees can defer up to \$20,500; catch-up contributions of \$6,500 if age 50 or older; employer typically contributes dollar for dollar on the first 3% and \$.50 on the dollar for the next 2%; other employer contribution options are available; additional non-safe harbor employer contributions are allowed	Employees can defer up to \$20,500; catch-up contributions of \$6,500 if age 50 or older; employer contribution of 25% of compensation (approximately 20% for sole proprietors due to self-employment deduction); total combined employer and employee contributions cannot exceed \$61,000 (excludes catch-up contribution)
Who Contributes	Employee and Employer	Employee and Employer	Individual
Maximum Employee Eligibility Requirements	Age 21 or older, worked one year; may exclude union employees, nonresident aliens and employees who work less than 1,000 hours per year ³	Age 21 or older, worked one year; may exclude union employees and nonresident aliens; may not exclude employees due to minimum hours or last-day rules	N/A
Vesting	100% for employee contributions; vesting schedule allowed for employer contributions	100% for both employee and employer contributions; vesting schedule allowed for any employer contributions made in addition to mandatory safe harbor contributions	Vesting schedule allowed but generally not used
Distributions	Distributions can only be taken with a triggering event such as death, permanent disability, attainment of plan's normal retirement age, separation from service or plan termination; any distributions taken prior to age 59½ (age 55 if separated from service) may be subject to 10% penalty tax, in addition to ordinary income tax; minimum distributions may be required at 72. Exceptions to 10% penalty may apply. ⁴ The distribution, which is still subject to tax, may be repaid to the retirement account.	Distributions can only be taken with a triggering event such as death, permanent disability, attainment of plan's normal retirement age, separation from service or plan termination; any distributions taken prior to age 59½ (age 55 if separated from service) may be subject to 10% penalty tax, in addition to ordinary income tax; minimum distributions may be required at 72. Exceptions to 10% penalty may apply. ⁴ The distribution, which is still subject to tax, may be repaid to the retirement account.	Distributions can only be taken with a triggering event such as death, permanent disability, attainment of plan's normal retirement age, separation from service or plan termination; any distributions taken prior to age 59½ (age 55 if separated from service) may be subject to 10% penalty tax, in addition to ordinary income tax; minimum distributions may be required at 72. Exceptions to 10% penalty may apply. ⁴ The distribution, which is still subject to tax, may be repaid to the retirement account.
Loan Features	Allowed	Allowed	Allowed
Plan Administration	IRS Form 5500 and other ERISA requirements ⁵	IRS Form 5500 and other ERISA requirements ⁵	IRS 5500 EZ when plan assets reach \$250,000

² Employer may make matching or discretionary contributions within an ERISA 403(b); ERISA 403(b)s are subjected to ERISA requirements.

³ Long-term part time employees (those who work 500 or more hours in at least three consecutive years beginning 01-01-2021) may contribute to the plan

⁴ For example, new parents may withdraw up to \$5,000 from a retirement account within a year of a child's birth or adoption without a 10% penalty tax.

⁵ Owner-only plans are not required to file IRS 5500 until assets reach \$250,000 or terminate. LPL Financial does not provide tax advice. Please consult your tax advisor.

TAX DEDUCTIBILITY OF IRA CONTRIBUTIONS

Tax Deductibility of IRA Contributions (Tax Year 2022) for Participants in Employer-Sponsored Retirement Plans

- IRA contributions are fully deductible if neither you nor your spouse participates in an employer-sponsored retirement plan such as 401(k), 403(b), or pension plan.
- **Deductibility is limited** if you or your spouse participates in an employer-sponsored retirement plan. Refer to the chart below to determine if your modified adjusted gross income affects the amount of your deduction.

Filing Status	Modified Adjusted Gross Income	Allowable Deduction
Single or Head of Household	\$68,000 or less	A full deduction up to the amount of your contribution limit
	More than \$68,000 but less than \$78,000	A partial deduction
	\$78,000 or more	No deduction
Married Filing Jointly or Qualifying Widow(er)	\$109,000 or less	A full deduction up to the amount of your contribution limit
	More than \$109,000 but less than \$129,000	A partial deduction
	\$129,000 or more	No deduction
Married Filing Separately	Less than \$10,000	A partial deduction
	\$10,000 or more	No deduction

If you file separately and did not live with your spouse at any time during the year, your IRA deduction is determined under the "Single" filing status.

This chart is designed to give you a basic overview of IRA deductions. LPL Financial recommends you consult with a qualified tax advisor before making IRA decisions.

This material was prepared by LPL Financial, LLC.

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Not Insured by FDIC/NCUA or Any Other Government Agency	Not Bank/Credit Union Guaranteed	Not Bank/Credit Union Deposits or Obligations	May Lose Value
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Justice Protects



Join us on **October 11th** at the **in-person "Retired" Attorney Event**

The Campaign for Equal Justice Retired Attorney Committee invites you to an evening of fun and fellowship in beautiful Washington County wine country. Join us for an opportunity to connect with old friends, meet new friends, and support the CEJ.

Event Details:
Tuesday, October 11, 2022
4:00 to 7:00 p.m.

Appetizers and your first pour are hosted. Donations to the CEJ are appreciated but not required. You do not have to be retired to attend the event!

Ruby Vineyard
30088 SW Egger Rd, Hillsboro, OR 97123

RSVP for the Event Today!

1. Go to CEJ's website (cej-oregon.org)
2. Click on the "Events" tab
3. Scroll down the page until you see the information about the "Retired" Attorney Event, and click on the heading/event name.
4. You will be at the sign up page! Alternitively you can type in the following url: <https://cej-oregon.org/retired-attorney-event-page/>

