

And the Winner Is!

Last month we emailed and asked you to cast your vote for one of four charities. The top vote-getter would receive a \$10,000 donation from Hart & Patterson.

The contest was so close that we decided to donate \$10,000 each to two organizations, [The Food Bank Farm of Western Massachusetts](#) (Hatfield) and [The Care Center](#) (Holyoke). Thank you for being a part of our charitable planning and we look forward to honoring these organizations when we can gather again safely.

Our Dear Sally

For several years, Sally had health issues and passed away peacefully at the end of the year with her beloved Maine Coon cat, Earl, by her side. For many of you, Sally was your first contact with our office. Among her many duties she fielded calls and greeted you when you visited Hart & Patterson on North Pleasant Street. After Cheryl and Lorraine hung out their shingle and opened their doors in April of 1992, it didn't take long for them to realize that they needed some very competent and friendly help ASAP. They had each worked with Sally at Shawmut Bank in Amherst and knew they wanted her to join them. They met with Sally to share their vision of what they wanted to create and she was sold... but it came with a big hitch. She wanted to wait until she was 60 in order to retire from Shawmut – which was two years away. Knowing that she was THE one, they waited for her. Sally became their biggest fan and was a staunch supporter of all of us who worked with her over the years.

Sally's quick wit, generous laugh and zest for life will be deeply missed by all of us. She was a devoted friend, co-worker, employee, and at times, even mother. As difficult as it is to know that we will no longer know her physical presence, her spirit and love will always remain with each of us.

Inflation Commentary

From the daily drumbeat of headlines, we not only know that inflation is running higher than it has in decades, but we also know from our own first-hand experience. Supply chain issues are one of the main reasons that inflation has increased so dramatically. The global bottlenecks of shipping containers stuck in ports continue to cause significant delays in the delivery of goods. This bottleneck leads to shortages on the shelves which then leads to price increases as demand outstrips inventory. Many companies in the U.S. find themselves in the position of determining whether there are solutions closer to home to obtain their goods. These solutions may increase the cost, but they offer a more dependable timetable for delivery. As many heads of companies have noted, trains and trucks are a reliable delivery source when compared to shipping containers.

Costs for freight shipments have increased dramatically. This change has offset some of the savings that companies had been able to achieve by sourcing goods from overseas. The one-two punch of higher freight costs and the enormous delays in the delivery of goods have created an opportunity for some U.S. and Mexican-based companies to pick up business as suppliers to U.S. based companies. This change in the supply chain will take time but has already begun.

As some companies are switching to suppliers closer to home, the bottlenecks in global ports are being addressed to help free the logjam. As these two occur simultaneously, it is reasonable to expect supply chain issues to ease up in the not-too-distant future. This easing should lead to a cooling of the current inflation trend.

The other issue we will be keeping an eye on regarding inflation is the Federal Reserve. They have signaled three separate .25 percentage rate hikes for the coming year. Their goal is to find the right balance so that the economic recovery can continue, and a recession can be avoided.

Market Thoughts

A quick note about the markets. As the markets continue their upward trend, it is important to be prepared for bumps along the way. Based on our observations above, it is reasonable to expect gyrations in the markets as the supply chain issues work out their kinks and the Federal Reserve begins a slow and steady increase in the cost of money. There are always issues that come seemingly out of nowhere that can impact the markets. It goes without saying that it is anyone's guess what havoc Covid could create for the markets in 2022. As always, please do not hesitate to contact us with any questions or concerns that you have.

Meeting Scheduling

If you would like to cancel a meeting or change the time, date or format (Zoom, in person or phone), this change can be made in the email reminder you receive from us. Simply click on the green change/cancel appointment button (see below) located at the bottom of the reminder email. Our office is notified immediately of the change.

You are always welcome to call or email the office if you would like us to make the change for you.

Change/Cancel Appointment

2022 Updates

IRAs

Individuals under age 50 may contribute \$6,000 and individuals age 50 and older may make an additional "catch-up" contribution of \$1,000 for a total of \$7,000.

TSA/403(b), 401(k)

The contribution limit for participants under age 50 is \$20,500. Participants age 50 and older may make an additional "catch-up" contribution of \$6,500 for a total of \$27,000.

Simple IRA Deferral Contributions

Participants under age 50 may contribute \$14,000. The "catch-up" contribution provision available for participants age 50 and older allows for an additional \$3,000 for a total of \$17,000.

Profit-Sharing Plan Contribution/Deduction Limits

The employer deduction limit for profit-sharing plans remains at 25%. This continues to allow substantially increased annual contributions for employers who use or allow multiple contribution options, such as profit sharing, matching, and after-tax contributions.

Please contact us if you retired last year or are planning to retire this year and are making systematic investments to retirement accounts through our office. If you are no longer working, we will need to terminate any automatic/systematic investments that you may have had established for your various retirement accounts (i.e., IRAs, Simple IRAs, and SEPs) so that contributions are not made this year.

RMDs (Required Minimum Distributions) from Retirement Plans for Individuals who are 72 already or who will be turning 72 this year

If you have retirement accounts and turn 72 this year, you must start taking required distributions. For those of you who are reaching this new milestone, we will be in touch to discuss a plan. Feel free to contact us if you have questions before we reach out to you.

2022 Limits for Tax Deductibility of Long-Term Care Insurance Premiums

Premiums up to the limits below are considered unreimbursed medical expenses. They are deductible to the extent that they, along with other unreimbursed medical expenses, exceed 7.5% of your adjusted gross income (AGI). Amounts above the limits specified below are not treated as a deductible medical expense.

Attained Age before the Close of 2022	Maximum Deduction
40 or less	\$450
more than 40, but not more than 50	\$850
more than 50, but not more than 60	\$1,690
more than 60, but not more than 70	\$4,510
more than 70	\$5,640

Tax Year Retirement Plan Contributions

Please note that we need to receive your retirement plan contribution checks by April 7, 2022 or contact us if you would like to set up an ACH from your bank account. This will allow us time to process your transaction before the deadline. If you are not able to make this date, you may send your checks directly to the appropriate investment company. Remember to write the contribution year in the Memo field (e.g., IRA or Roth IRA 2021 contribution) so that it can be coded to the proper tax year.

1099s - Just a reminder – revised or late 1099s from investment companies are always a possibility SEI usually mails out their 1099s on the last day of February. 1099-Rs (retirement income) are usually mailed in late January.

Quarterly Statements: You should be receiving statements at least quarterly from SEI. If you are not receiving these statements, or you need another copy of a statement, please call us and we will provide one to you. Clients are encouraged to review the information on the statements, especially the amount of fees deducted, and compare that information with any information provided by Hart & Patterson Financial Group LLC. If there are any questions or discrepancies, please contact us as soon as possible.

Lorraine's Celeriac Soup

Many people aren't accustomed to celeriac soup. It's a homely vegetable but a wonderful one to eat in the winter. I love to make this soup on a cold, snowy day to serve for dinner with some nice bread. I hope you like it! Bon appétit!

Ingredients

- 1 medium celery root, peeled and diced
- 2 stalks celery, diced
- 1 medium carrot, diced
- 1/2 medium onion, diced
- 1 tsp onion granules
- 1 tsp garlic granules
- 1 tsp thyme
- 1 Bay leaf
- 3 tbsp olive oil
- 32 ounces chicken stock
- Salt and pepper

Optional

- Fleur de sel and olive oil or
- Crème fraîche

1. Peel and dice the celeriac, celery, carrots and onion.
2. Combine the vegetables and thyme in a soup pot with 3 tablespoons of olive oil.
3. Sauté the vegetables until they begin to brown.
4. Add the bay leaf and the chicken broth to the vegetables. Let simmer for 40 minutes until all ingredients are soft.
5. Remove the bay leaf. Taste the soup and add salt, pepper and thyme, if necessary.
6. Purée the soup in a blender. Be sure to keep the top of the blender slightly askew or you will have hot soup exploding out of the top of the blender all over your cabinets.
7. When ready to serve, you could sprinkle a little fleur de sel and olive oil over the soup, or add a dollop of crème fraîche to the soup.

Enjoy the start of this New Year and please stay safe!

Vikki D. Lenhart
Registered Investment Adviser

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