

FINANCIAL PERSPECTIVES

TIMELY INSIGHTS EXCLUSIVELY FOR CLIENTS OF RAYMOND JAMES ADVISORS

Understanding the impact of shifting regulations

A client-advisor relationship is one based on trust and candor. Each member acts as an active and integral part of the dynamic, and our advisors take their responsibilities seriously. For more than 50 years, Raymond James has championed clients' rights to be informed, to understand their investments and the advice we provide. Now, in the midst of a new Department of Labor (DOL) rule governing retirement investment accounts, we want to make sure you understand what's changing and – as importantly – what's not.

DECODING DOL

As the DOL “fiduciary rule” begins to take effect, all financial advisors offering guidance on retirement accounts will be required to adhere to a new government-defined standard similar to the client-first approach to which Raymond James has long held itself. Formalizing this standard of advice means that when it comes to all-important retirement assets in 401(k) accounts, IRAs and other types of tax-advantaged retirement savings vehicles, investments must be selected based on the client's best interest – our firm's longstanding core value. It should be noted, though, that the rule does not apply to other accounts that may be informally earmarked as retirement savings, such as individual and joint investment accounts, bank accounts and money market mutual funds.

A HISTORY OF CLIENT-FIRST SERVICE

Client-first service has been Raymond James' guiding principle since its inception in 1962. Our firm was one of the first in the industry to develop a Client Bill of Rights because we believe you

deserve to truly understand the investment and financial planning process. We want you to have every opportunity to understand the risks, rewards and implications of various investment choices and financial planning strategies. The Client Bill of Rights is an important component of a strong working relationship with your advisor and ensures that you know your role, rights and responsibilities as an active participant in the planning process.



FIDUCIARY STANDARD DEFINED

The rule's fiduciary standard formally requires that an advisor who acts as a fiduciary – in this case, a person who receives compensation for providing actionable advice to investors who participate in certain types of retirement plans – must act in the best interest of the client whose assets they are managing.

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RAYMOND JAMES®

Building your financial team: Who should make the cut?

Managing the moving parts of your financial picture can be complicated, and it only becomes more complex as your wealth increases. Engaging a well-rounded team of professionals and loved ones is essential to making sure that your financial- and estate-planning bases are covered. Consult with your financial advisor about building your team and managing those relationships.

POSITION YOUR PLAYERS

As you develop your financial plan, identify who in your personal life should know all or part of your plan. First, name your primary confidantes. These should be the people you can rely on to protect your most personal details, such as what you own and how to access it, as well as your wishes regarding your health and your children's future.

Each member of your primary team should be kept up to date with your life changes and understand his or her role in carrying out your wishes, especially when it comes to serving as a trustee, executing powers of attorney or implementing healthcare directives. Those who don't make the first cut will be part of your secondary team, people you trust with some personal information but not all.

RECRUITING THE PROS

When it comes to major decisions such as estate planning or selecting a power of attorney, you'll want to enlist a group of experts. When building your professional team, consider your

financial advisor the manager, the person who coordinates among the parties.

Consult with your advisor about selecting your team members and deciding how best to manage those relationships, taking into consideration how much you wish to share with whom – and when.

? Did you know?

With your permission, your financial advisor can grant others access to important financial information on a need-to-know basis. Ask about access for authorized representatives to view your Investor Access account.

POTENTIAL RECRUITS

So, who should be included? It differs from person to person. Weigh each member's role and when or how often they should be plugged in to your financial plan.

Here are eight potential recruits to consider:

Estate attorney

Those with complex family dynamics or intricate financial situations may wish to hire an estate planning lawyer to help address specific concerns that often arise in such situations. Additionally, an estate attorney can help draft a will and other essential documents.



CONVERSATION STARTERS | Timely to-dos for pursuing a life well planned.

0.3%: 65 million Americans will see a 0.3% increase in their monthly Social Security and Supplemental Security Income (SSI) benefits in 2017.

OFFICE CLOSINGS

Keep in mind that offices will be closed on Jan. 2 for New Year's Day (observed) as well as Jan. 16 for Martin Luther King Jr. Day, Feb. 20 for Presidents Day and April 14 for Good Friday.

TAXES

Fourth quarter estimated tax payments are due on Jan. 17, and keep an eye out for year-end retirement tax packets for Form 1099-R and 5498, if applicable, which Raymond James mails on Jan. 31. The firm also begins mailing 1099 tax statements on Feb. 15. Think you'll owe? Now's the time to start a conversation with your advisor about how you might pay Uncle Sam come April.



Tax professional

Tax professionals should be well versed in your financial and investment plans to ensure that they are being managed as tax-efficiently as possible and to make certain that all of your filings are completed accurately and on time.

Trustee

A person or organization that holds the legal title of an asset or group of assets for another person, the beneficiary. While you can choose yourself, a family member or even a friend, many investors prefer a corporate trustee for this responsibility because of the knowledge, time, resources and experience needed to manage a trust.

Appointed or legal guardian(s) of children

Perhaps the most important decision for those with minor children, selecting the right person to care for your kids – and having a will in place – will ensure that your wishes are carried out as you desire. Otherwise, a court will choose who will care for and make decisions on behalf of a minor child.

Spouse

Your spouse is likely to be the first person to join your team and, aside from your advisor, know the most about your financial plan. Remember, though, that personal dynamics differ, and this is not always the case.

Parents

Your parents' involvement in your financial planning can vary depending on circumstance. For some, they may serve as chosen guardians for minor children. They may plan to leave you an inheritance or support

a child's education. Maybe, as they age, you will help them with their long-term care. Consider each applicable scenario and re-evaluate your financial plan and their role in it as they age.

Siblings

Adult siblings may be chosen as appointed guardians for children and therefore may need to know more about your financial plan than most. Additionally, they may collaborate when caring for aging parents and at times must work together through the process of receiving an inheritance.

Additional beneficiaries

Children, grandchildren or others who are eligible to receive distributions from a trust, will or life insurance policy or will be impacted by your plan in another way. Beneficiaries are either named specifically in these documents or have met the stipulations that make them eligible for distributions. ■

NEXT STEPS

Talk to your advisor for help:

- Identifying which types of professionals specialize in situations similar to yours.
- Selecting who among those closest to you should make up your team and how much access they should or shouldn't have to your personal information.
- Coordinating with those who make up your team.

RESOLUTIONS

Resolve to be more organized when it comes to your planning process. Sign up for Investor Access, which can help you go paperless, see the big financial picture and, through Vault, securely store, share and edit important documents.

PLANNING WELL

Double-check your employer retirement plan contributions and take advantage of any available employer match. Maximize contributions early in the year so they will have more time to generate tax-deferred gains. You have until mid-April to do so for the previous year, if you have not already done so.

LIVING WELL

Review your flexible spending account (FSA) or health savings account (HSA) contribution levels to ensure you're taking full advantage based on your family's needs, but be careful not to exceed applicable limits. If you have an FSA, be sure to utilize available funds before your plan's use it or lose it deadline.

Understanding the impact of shifting regulations (cont.)

The fiduciary rule codifies for the entire investment industry much of what you already experience when you work with your advisor, who considers the suitability of a particular investment given your goals and the time you have to reach them, as well as your net worth, ability to tolerate risk and more. As the rule goes into effect, we remain focused on preserving flexibility in how you work with your advisor. Our objective is to continue thoughtfully serving your best interests and to comply with the rule without unnecessarily limiting your choices.

WHAT TO EXPECT GOING FORWARD

If you have a retirement investment account, you can expect to receive standard disclosures that will include information about the fiduciary role played by your advisor and our firm, the best interest standard, our products and services, and more. After the recent U.S. election, some anticipate that the rule may be revised, delayed or even overturned, but no such changes had been announced at the time this article went to publication. Regardless of the rule's changes, you can rest assured that we will seek to continue delivering the same level of service with integrity that you have come to expect from your trusted advisor.

STAYING THE COURSE

Our advisors plan to continue our firm's thoughtful, long-term approach to doing what's best for you and your financial security, helping you select investments that we believe will give you the best chance of meeting your goals. We will continue to work closely with industry experts and regulators to comply with the rule as we plan for a seamless transition with little disruption to the relationships between advisors and valued clients like you. ■

Among your rights as a client of a Raymond James advisor:

- ▶ You have the right to select and work with a trustworthy, independent financial advisor who is professionally competent, personally dedicated, and who communicates with you on a regular basis about your portfolio. You may request information about your advisor's work history and background, and you may contact your state or provincial securities agency for verification.
- ▶ You have the right to expect financial and investment recommendations based solely upon your unique needs and goals, consistent with the objective of enhancing your financial well-being. While the performance of investments may not meet your expectations and markets can underperform their historical averages, recommendations should be based upon the goal of attaining superior performance in light of the facts known at the time of investment.
- ▶ You have the right to open, consistent communication and to have information presented in clear and understandable terms.

NEXT STEPS

Consider these to-dos as you await the first phase of the rule's implementation:

- Ask your advisor about what to expect in the wake of the DOL rule's implementation.
- Review our Client Bill of Rights, which is intended to help set the stage for a mutually beneficial relationship between you and your advisor. Visit raymondjames.com/billofrights.
- Sign up for Investor Access and e-delivery to help ensure you receive your disclosures in a timely manner.

Ready! Set! File! Key mailing dates for tax season.



Retirement account tax packages (1099-Rs & 5498s), 1099-Qs, and Raymond James Bank 1099s



Original 1099s



Amended 1099s and delayed original 1099s



Remaining original composite statement of 1099 forms, Form 1042-S and royalty trust tax packets



Form 2439 statements



Tax Day

Please be aware that even after delaying mailings to account for these events, amended 1099 statements can still ensue.

Clarification: The "Planning to Give" article in the Fall 2016 edition of *Financial Perspectives* stated that making a qualified charitable distribution had the benefit of both reducing income and allowing a deduction when it is only the former, not both. We apologize for the error and any confusion it may have caused.