

Wye Financial Partners

Planning Your Financial Future



Wye Financial Partners

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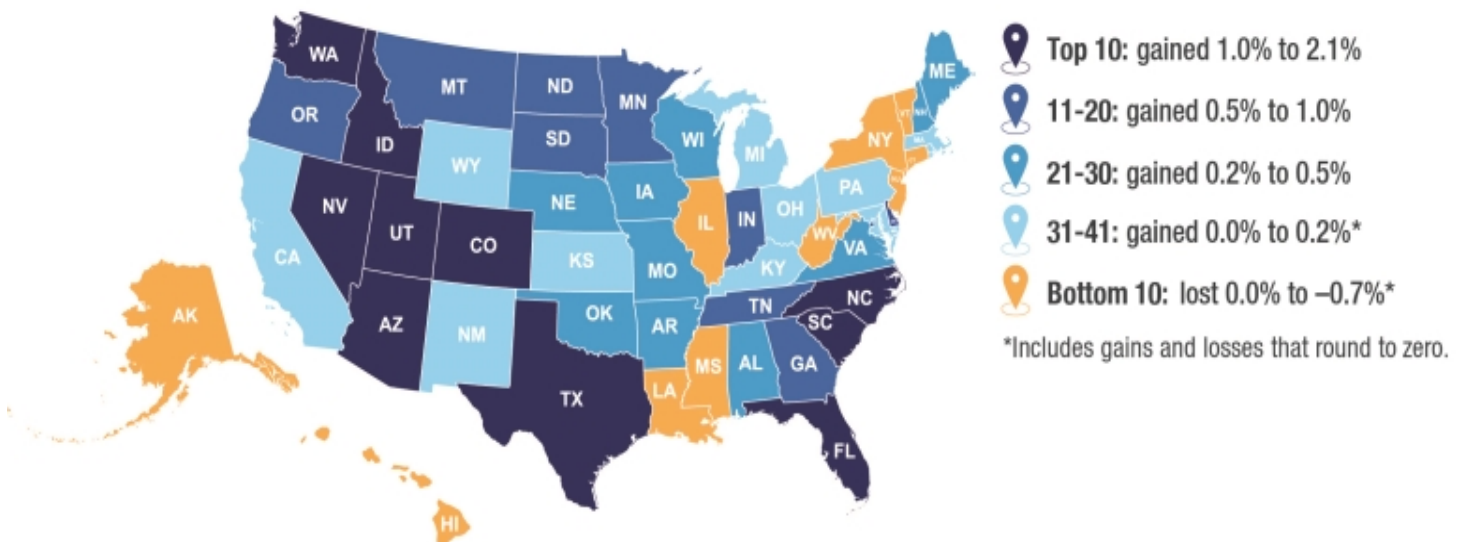
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Wye Financial Partners, a division of Shore United Bank, offers comprehensive financial strategies and exceptional service tailored to meet the individual and business needs of our clients. **For helpful videos and information, visit us at www.WyeFinancialPartners.com**. We are built around the character of our people and committed to the success of our clients and our communities. Our team of experienced professionals is dedicated to helping our clients navigate toward their financial goals.

State Population: Winners and Losers

The U.S. population was 328,239,523 in 2019, an increase of 0.5% over 2018. This was the fourth consecutive year of slowing population growth due to fewer births, more deaths, and lower immigration from other countries. Forty states and the District of Columbia gained population, while 10 states lost population. Here are the winners and losers based on percentage increase or decrease in population.



Source: U.S. Census Bureau, 2019

Five Key Benefits of the CARES Act for Individuals and Businesses

By now you know that Congress has passed a \$2 trillion relief bill to help keep individuals and businesses afloat during these difficult times. The Coronavirus Aid, Relief, and Economic Security (CARES) Act contains many provisions. Here are five that may benefit you or your business.

1. Recovery Rebates

Many Americans will receive a one-time cash payment of \$1,200. Each U.S. resident or citizen with an adjusted gross income (AGI) under \$75,000 (\$112,500 for heads of household and \$150,000 for married couples filing a joint return) who is not the dependent of another taxpayer and has a work-eligible Social Security number, may receive the full rebate. Parents may also receive an additional \$500 per dependent child under the age of 17.

The \$1,200 rebate amount will decrease by \$5 for every \$100 in excess of the AGI thresholds until it completely phases out. For example, the \$1,200 rebate completely phases out at an AGI of \$99,000 for an individual taxpayer and the \$2,400 rebate phases out at \$198,000 for a married couple filing a joint return.

Rebate payments will be based on 2019 income tax returns (2018 if no 2019 return was filed) and will be sent by the IRS via direct deposit or mail. Eligible individuals who receive Social Security benefits but don't file tax returns will also receive these payments, based on information provided by the Social Security Administration.

The rebate is not taxable. Because the rebate is actually an advance on a refundable tax credit against 2020 taxes, someone who didn't qualify for the rebate based on 2018 or 2019 income might still receive a full or partial rebate when filing a 2020 tax return.

2. Extra Unemployment Benefits

The federal government will provide \$600 per week to those who are eligible for unemployment benefits as a result of COVID-19, on top of any state unemployment benefits an individual receives. Unemployed individuals may qualify for this additional benefit for up to four months (through July 31.) The federal government will also fund up to an additional 13 weeks of unemployment benefits for those who have exhausted their state benefits (up to 39 weeks of benefits) through the end of 2020.


The CARES Act also provides assistance to workers who have been affected by the COVID-19 pandemic but who normally wouldn't be eligible for unemployment benefits, including self-employed individuals, part-time workers, freelancers, independent contractors, and gig workers. Individuals who have to leave work for coronavirus-related reasons are also potentially eligible for benefits.

3. Federal Student Loan Deferrals

For all borrowers of federal student loans, payments of principal and interest will be automatically suspended for six months, through September 30, without penalty to the borrower. Federal student loans include Direct Loans (which includes PLUS Loans), as well as Federal Perkins Loans and Federal Family Education Loan (FFEL) Program loans held by the Department of Education. Private student loans are not eligible.

4. IRA and Retirement Plan Distributions

Required minimum distributions from IRAs and employer-sponsored retirement plans will not apply for the 2020 calendar year. In addition, the 10% premature distribution penalty tax that would normally apply for distributions made prior to age 59½ (unless an exception applied) is waived for coronavirus-related retirement plan distributions of up to \$100,000. The tax obligation may be spread over three years, with up to three years to reinvest the money.



The CARES Act provides economic relief for individuals and businesses affected by the coronavirus pandemic.

5. Help for Businesses

The CARES Act includes several provisions designed to help self-employed individuals and small businesses weather the financial impact of the COVID-19 crisis.

Self-employed individuals and small businesses with fewer than 500 employees may apply for a Paycheck Protection Loan through a Small Business Association (SBA) lender. Businesses may borrow up to 2.5 times their average monthly payroll costs, up to \$10 million. This loan may be forgiven if an employer continues paying employees during the eight weeks following the origination of the loan and uses the money for payroll costs (including health benefits), rent or mortgage interest, and utility costs.

Also available are emergency grants of up to \$10,000 (that do not need to be repaid if certain conditions are met), SBA disaster loans, and relief for business owners with existing SBA loans.

Businesses of all sizes may qualify for a refundable payroll tax credit of 50% of wages paid to employees during the crisis, up to \$10,000 per employee. The credit is applied against the employer's share of Social Security payroll taxes.

Will vs. Trust: Know the Difference

Wills and trusts are common documents used in estate planning. While each can help in the distribution of assets at death, there are important differences between the two.

What Is a Will? A last will and testament is a legal document that lets you direct how your property will be dispersed (among other things) when you die. It becomes effective only after your death. It also allows you to name a personal representative (executor) as the legal representative who will carry out your wishes.

What Is a Trust? A trust is a legal relationship in which you, the grantor or trustor, set up a trust, which holds property managed by a trustee for the benefit of another, the beneficiary. A revocable living trust is the type of trust used most often as part of a basic estate plan. "Revocable" means you can make changes to the trust or even revoke it at any time.

A living trust is created while you're living and takes effect immediately. You may transfer title or ownership of assets, such as a house, boat, automobile, jewelry, or investments, to the trust. You can add assets to the trust and remove assets thereafter.

How Do They Compare? While both a will and a revocable living trust enable you to direct the distribution of your assets and property to your beneficiaries at your death, there are several differences between these documents. Here are some important ones.

1. A will generally requires probate, which is a public process that may be time-consuming and expensive. A trust may avoid the probate process.
2. A will can only control the disposition of assets that you own at your death, including property you held as tenancy in common.

It cannot govern the distribution of assets that pass directly to a beneficiary by contract (such as life insurance, annuities, and employer retirement plans) or by law (such as property held in joint tenancy).

3. Your revocable trust can only control the distribution of assets held by the trust. This means you must transfer assets to your revocable trust while you're living, which may be a costly, complicated, and tedious process.
4. Unlike a will, a trust may be used to manage your financial affairs if you become incapacitated.
5. If you own real estate or hold property in more than one state, your will would have to be filed for probate in each state where you own property or assets. Generally, this is not necessary with a revocable living trust.
6. A trust can be used to manage and administer assets you leave to minor children or dependents after your death.
7. In a will, you can name a guardian for minor children or dependents, which you cannot do with a trust.

Generally, most estate plans that use a revocable trust also include a will to handle the distribution of assets not included in the trust and to name a guardian for minor children. In any case, there are costs and expenses associated with the creation and ongoing maintenance of these documents. Keep in mind that wills and trusts are legal documents generally governed by state law, which may differ from one state to the next. You should consider the counsel of an experienced estate planning professional and your legal and tax advisers before implementing a trust strategy.

Different Documents, Different Features

Even if you have a revocable living trust, you should have a will to control assets not captured in the trust.

Features	Will	Revocable living trust
Control distribution of assets	Yes	Yes
Assets included	Only probate assets	Assets transferred to the trust
Effective date	At death	Immediately
Avoid probate	No	Yes*
Public record	Yes	No*
Creditors' claims	Limited time to file claims	Claims may be made at any time
Avoid estate taxes	No	No
Appoint guardian for minor-age children	Yes	No

*Depends on applicable state laws.



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The CARES Act Suspends Federal Student Loan Payments

On March 27, 2020, Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Included in the legislation are new rules for student loan relief.

The legislation provides a six-month automatic payment suspension for any student loan held by the federal government. This six-month period ends on September 30, 2020.

If you have a federal student loan, you don't need to contact your loan servicer to request a suspension; the six-month freeze will be applied automatically to any eligible federal student loan. However, you can choose to keep making your monthly student loan payments during the six-month suspension period if you wish.

Interest will not accrue during the six-month suspension period. In effect, the interest rate is set to 0%.

Only Federal Loans Qualify

Only student loans held by the federal government are eligible for payment suspension. This includes Direct Loans (which includes PLUS Loans), as well as Federal Perkins Loans and Federal Family Education Loan (FFEL) Program loans held by the Department of Education. Private student loans are not eligible.

Impact on Public Service Loan Forgiveness Program

Under the Public Service Loan Forgiveness (PSLF) Program, borrowers who work in an eligible public service job and make 120 on-time student loan payments are eligible to have the remaining balance on their federal Direct Loans forgiven.

Under the CARES Act, the six-month freeze on student loan payments will not affect the 120-month running period for purposes of the PSLF program. In other words, each month of the suspension period will still count toward a borrower's 120 payment tally, even if the borrower does not make any payments during the six-month period.

How to Contact Your Loan Servicer

Your federal loan servicer is the company that handles your loan's billing and provides related services. If you want to contact your loan servicer for any reason you should try to do so online or by phone. If you don't know the name of your loan servicer or how to contact the company, you can visit studentaid.gov/login or call 1-800-4-FED-AID for assistance.

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