O'Brien WEALTH PARTNERS
ADVISORS | ANALYSTS | ADVOCATES

177 Huntington Avenue
Suite 2010
Boston, MA 02115

First, Last Name

1234 Main Street
Unit #4
Boston, MA 02130

INSIDE

O'BRIEN WEALTH PARTNERS
IN THE NEWS...

O'Brien Wealth Partners' expertise has been featured "in the news" quite a lot recently. Jill was interviewed by WBZ Women's Watch and NECN. In print we can be found at Business Insider & MarketWatch.com. Jill's absolute favorite was a Reuters-sponsored Twitter Chat on Valentine's Day on the topic Love & Money - attended by an audience of 3.5 million Twitter users! If you want to see Jill's latest tweets, please follow her @Jillfop. Links to all of our latest appearances and articles can be found on our website.

In 2017, O'Brien employees have had a very busy travel year – collectively we traveled to a total of 27 states, 6 different Canadian cities, Barbados, the Caribbean, France, Grand Cayman, Holland, Ireland & Israel!

DID YOU KNOW?

__47%__ of single seniors and __22%__ of married couples are almost completely dependent on Social Security.

Know your Social Security Full Retirement Age and benefit amount!

The Full Retirement age is increasing as time progresses. If you were born between __1937__ and __1959__, your full retirement age ranges from 65 to 66 and 10 months. If you were born after __1960__, your full retirement age is 67.

If your full retirement age is 67, and you start your benefit at 62, your benefit is reduced by about __30%__ as you will be getting benefits for an additional 60 months. If you elect to take benefits at age 65, your benefit is reduced by about __13.3%__ as you will be getting benefits for an additional 24 months.

CURRENTS

WINTER 2018

A NOTE FROM JILL

Last month, the Olympic Games were a part of the nightly milieu of our household – our television tuned persistently to the primetime sport du jour. The rooted tradition, the pomp and circumstance, the thrill of victory and the agony of defeat, all a part of the sport and theater that combine to make the Olympics so captivating. And while the medal ceremonies honor those select few who make it onto the podium, I find it equally interesting to contemplate those who do not. These elite athletes have dedicated the past four years, and in some cases a lifetime, to training for a chance at Olympic glory.

After the closing ceremonies the Olympic athletes went home. For a very few there were victory parades and six-figure endorsement contracts. But what about the rest? For many, it may be time to choose another path, to reinvent themselves. It is not unlike what we encounter with our clients each and every day. Many of us work our whole lives with an end goal of retirement. We have plans, we save; we effectively train for a healthy retirement. Just like athletes facing injuries, we encounter unexpected circumstances-illness, unexpected expenses, losses, divorce, market movements- along the way. But as long as we stay the course and retain our discipline we overcome them.

Training for retirement, just like athletic training, is a marathon and not a sprint. As just one example, the range of returns you can expect from investments narrows dramatically over longer time periods: over a one year period stock returns have ranged from -39% to +47% whereas over rolling 20 year periods they have ranged from 7% to 17%. As your Advisors, we are here as your financial coaches to help you see the value in keeping the long run perspective and on focusing on the ultimate goal.

And when retirement does come, many ask "now what"? "What's next?" The fact is that retirement is not an ending but an opportunity for new beginnings. It provides a chance to explore what truly matters and the time to pursue the interests and activities that answer this question. Whether it is family, friends, leisure, a second career or giving back, your flame should burn brighter than ever as you enjoy that rare intersection of time, health and money.

Jill

Jill Fopiano, CFA, CFP®
President & CEO

ADVISOR ARTICLE

FINANCIAL PLANNING AND THE 2017 TAX REFORM ACT

By Cindy Kuppens

No doubt you've read about the major changes under The Tax Cuts and Jobs Act of 2017, such as changes in individual tax brackets and tax rates, a lower corporate tax rate, an increase in the standard deduction, a $10,000 limit on state and local income and property taxes, and doubling of the federal estate and gift tax exemption. Now that the new law is in effect, you may want to focus on how it will impact your financial planning, for 2018 and in the future, or at least until 2026, when the law's provisions will expire if they are not renewed. Here are several strategies you may want to consider:

"Bunching" your charitable contributions: Because the standard deduction has been almost doubled ($12,000 Single, $18,000 Head of Household, and $24,000 Married Filing Jointly), it's been estimated that only 5% of filers will be able to itemize deductions beginning in 2018. If you are charitably inclined, the inability to itemize charitable deductions may not affect your giving. Even so, you may want to consider bunching your expected charitable contributions for several years into one tax year. This will allow you to itemize deductions and take a greater deduction in that year. This can be accomplished by donating directly to qualified charities or by making a donation to a qualified Donor Advised Fund (DAF). With a DAF you can deduct your donation in one year and make annual gifts from the fund to your preferred charities in future years. Check with your tax preparer to learn whether this strategy makes sense for you.

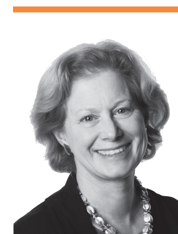
Estate tax planning: Even though the federal estate and gift tax deduction has doubled, it is important that you keep your estate plan up to date. If you live in Massachusetts or another state with a lower estate tax threshold, you will want to employ strategies to limit your estate tax liability. You will also want to have your estate planning attorney review your documents to ensure that any funding of trusts after your death continues to reflect your wishes. And, even if your state of residence does not have an estate tax, remember that estate planning is much more than tax planning. Your estate plan directs who will receive your assets after your death and includes important documents such as your living will, durable power of attorney and health care proxy.

Fund Section 529 plans for private elementary and secondary school expenses: The new law allows 529 plans to distribute up to $10,000 per year for private elementary and secondary school. If your children or grandchildren are attending private school, you may want to increase funding to their 529 plans, and allow your expected contribution toward their education grow tax free. (See Lauren's article on page 2 for more information on changes to Section 529 plans.)

Convert your income to pass-through business income: Starting in 2018, many sole proprietors, partnerships and S corporations will be eligible for a 20% deduction on business income. If you are an independent contractor or own a business, consider whether this deduction will apply to you. Those with taxable incomes above $207,500 (Single filer) or $415,000 (Married Filing Jointly) are not eligible. The rules for the pass-through income deduction are complex, so you should be sure to consult your tax advisor to determine whether the deduction can apply to you and what steps you should take to obtain this tax benefit.

Saving more if your taxes decrease: If you find that your federal taxes decrease under the new law, consider opportunities to use the increase in your after-tax income meaningfully. Do you want to contribute more to charitable organizations? Save more for your child's education? Your retirement? Take a vacation? Pay down your mortgage? Resolve now to use the funds in a way that will benefit you.

If you have questions or would like to talk more about how the new tax law will affect your financial planning, please contact your O'Brien advisor. We welcome every opportunity to strengthen your financial plan and future!



Cindy Kuppens, CFP ®, AEP
Senior Advisor, CCO
Principal

DID YOU KNOW?

1 out of 3 Americans has NO retirement savings whatsoever.

The future value of money and compounding returns is real!

*The rule of 72 states that invested funds returning **6%** should double in 12 years.*

*The U.S. retirement savings gap is estimated to be between **$6.8** trillion and **$14** trillion.*

Know the limits!

*In **2018** you can contribute up to **$18,500** (with a catch up of **$6,000** for employees over age 50) to a 401(k), 403(b) and most 457 plans.*

*In **2018** you can contribute **$5,500** to an individual retirement account or a Roth individual retirement account (with a catch up of **$1,000** for people over the age of **50**).*

FIVE QUESTIONS ON ROTH ACCOUNTS

By Lis Zimmerman

1. What type of Roth accounts are there?

There are Contributory Roth IRAs, Conversion Roth IRAs, Roth 401(k)s and Roth 403(b)s. The primary difference between a Roth account and any other retirement account is that the Roth is a post-tax account, meaning all contributions or conversions are contributed after taxes are paid, and all the growth earned is tax-free rather than tax-deferred.

2. What are the contribution and income limits in 2018 for Roth accounts?

For 2018, you can contribute up to $5,500 to a Roth IRA, or $6,500 if you are 50 years or older. If you earn more than $135,000 (single filer) or $199,000 (joint filer), you will be phased out. However, there are no income limits for a Roth 403(b) and a 401(k). Depending on your tax situation during your working years and during retirement, this may be an attractive option for higher earners.

3. What is so appealing about a Roth IRA?

Simply put, the after-tax compounding. If you have the ability to contribute to a Roth IRA when you are young it is powerful. Roth IRA contributions are made on an after-tax basis and all the growth is compounded tax-free. For example, take a 25 year old who contributes to a Roth IRA for 10 years at $5,500 per year and earns an average annualized return of 6%. By the time this individual turns 60, they will have contributed $55,000 and earned about $250,000. When they take out the earnings of $250,000, it is all tax-free.

4. Why would I consider a Roth Conversion?

A Roth conversion allows an individual to convert a pre-tax retirement account into a Roth account which would allow the assets to grow tax-free post conversion. The benefit is the compounding of the tax-free growth. In order to take advantage of this, you would be responsible for paying the taxes on any assets that are converted. For those in lower tax brackets who expect to be in higher tax brackets, those who would like to pay taxes on retirement accounts that will likely be transferred to heirs, and for those with special situations where they have low income for a short period of time, it is worth considering. You will potentially lower your Required Minimum Distributions, transfer assets tax-free to your heirs and coordinate a tax strategy for yourself that allows you to take advantage of lower tax brackets.

5. How do I know if this is right for me?

Contact your O'Brien Advisor to discuss whether a Roth contribution or conversion is right for you in 2018. If your income falls below the Roth income limits you should absolutely consider making a Roth contribution. Or, if you expect your tax rates to increase over time, you may want to consider converting all or a portion of your traditional IRA to a Roth IRA. We can help you determine the approach that best meets your needs.

Lis Zimmerman, CFP®, CASL®, CRPC®

Senior Advisor, Director of Financial Planning

Principal

EDUCATION PLANNING POST TAX REFORM

By Lauren Higgins

The Tax Cuts and Jobs Act of 2017 signed into legislation on December 22nd includes a provision that expands the benefits of 529 plans., Now, 529 account owners can withdraw up to $10,000 per year per beneficiary for K-12 tuition in addition to taking withdrawals for college and post-college expenses. For some families, this change may make 529 accounts a more appealing option when planning for education costs.

> **"One option may be to open a 529 account for college and one for K-12 expenses. As an account owner, you can manage the two accounts for their specific goals."**

Prior to this change, families seeking a tax-advantaged savings vehicle for pre-college education expenses were limited to using a Coverdell / ESA account. However, not every family is eligible to fund a Coverdell / ESA account. In 2018, individuals earning more than $110,000 ($220,000 if married filing jointly) are not eligible to contribute to a Coverdell. For those who are eligible, the contribution limit is $2,000 and per beneficiary. Once the $2,000 limit is hit, the beneficiary is no longer eligible for Coverdell / ESA gifts from any other donor and contributions are prohibited beyond age 18.

Unlike the Coverdell / ESA, a 529 does not impose an income limit for eligibility; annual contributions are tied to the annual gift exclusion ($15,000 in 2018) and contributions can be made after the beneficiary is age 18. Furthermore, there is no annual gift limit and so beneficiaries can receive contributions from multiple donors exceeding the annual gift limit. 529 plans do impose a maximum contribution amount (generally $235,000 - $520,000) but allow multiple donors to contribute varying amounts in any given year. This feature allows various family members to participate in the savings effort and in some cases front-load the 529 account for estate planning reasons. For tips on how to share your education savings goals with your family, talk to your O'Brien advisor.

Although a 529 account may be an appropriate part of your overall plan, this (new) legislation introduces some potential hurdles.

- **Time Horizon Matters**

  When determining an appropriate asset allocation, time horizon is one of the primary considerations, and drives the decision on how much risk is appropriate. Depending on when you start saving for college, funds earmarked for college benefit from years of compounding. In a situation where funds previously earmarked for future college expenses are now eligible for current elementary school expenses, your asset allocation or withdrawal strategy may no longer be appropriate. One option may be to open a 529 account for college and one for K-12 expenses. As an account owner, you can manage the two accounts for their specific goals. If you have questions regarding your current 529 asset allocation, please contact your O'Brien Advisor.

- **States May Not Comply with Federal Changes:**

  Many states do not have legislation that considers K-12 expenses as qualifying expenses. The risk is that families take a distribution for an expense that qualifies at the Federal level but triggers taxes, a penalty and potentially deduction recapture at the state level. While some states have conformed to the federal law, others aren't as quick to adopt changes. Aligning with federal law could cost states millions of dollars in lost revenue. Prior to taking any pre-college distributions, be sure to check your state's rules.

  Massachusetts is one of the states that will treat K-12 expenses the same as federal law since their legislation mirrors federal definitions. As of January 1, 2017, the state of Massachusetts now offers a state tax deduction for contributions up to $1,000 for single tax payers and $2,000 for married filing jointly into the MA based 529 plan. This state income deduction is slated to expire in 2021.

- **Stay Tuned**

  As 529 plans adjust to this new provision, there is some speculation that plans may institute minimum holding periods, adjust maximum contribution limits or adjust fees. We will continue to monitor the landscape and will keep you up to date.

If you have specific questions about your 529 plan, or whether a 529 plan may be appropriate for you, please reach out to your O'Brien advisor. We look forward to sharing our education planning guidance with you and your family.

Lauren Higgins, CFP®

Advisor

Principal

SUSTAINABLE INVESTING:

DOING WELL AND DOING GOOD

By Tim Kaijala

The Traditional Investment Decision-Making Process Has Evolved. Now it's More About Inclusion than Exclusion.

As experienced financial planners and investment managers, O'Brien advisors strive to preserve and grow our clients' wealth. We also believe in nurturing the kind of financial wellbeing that promotes a more fulfilling life as a whole. Lately, many clients have been embracing this mission in a new way: by asking their investments to do more than generate solid returns.

O'Brien clients still want to create financial legacies for their children and grandchildren. However, they also want to invest in ways that effect positive change and build a better world for future generations. That's where sustainable investing comes in and why we have created our sustainable portfolio.

What is Sustainable Investing?

Modern socially responsible investing first emerged in the 1960s. Initially, the practice meant investors excluded certain industries or companies from their portfolios based on business activities. No tobacco stocks, for example. Or, no bonds issued by chemical companies.

As sustainable investing became more popular, the investment decision-making process evolved. Now, it's more about inclusion than exclusion. Traditional investment decision-making evaluates investment risk and reward potential based on financial factors alone; sustainable investing takes a broader view. The sustainable investing process incorporates environmental, social and corporate governance (ESG) factors right alongside financial factors. The goal is largely the same: to generate long-term competitive financial returns and lower investment risk but with the added benefit of generating a positive societal impact.

A New Standard for Risk and Reward

ESG factors are industry specific. Commonly, they include such key issues as climate change, labor management, corporate governance, gender diversity, privacy and data security, among others. A consumer products company and a natural gas company, for example, may face different ESG risks and opportunities. This last word—opportunities—is key, because what O'Brien and other advisors practicing sustainable investing understand is that companies engaged in positive ESG practices often strengthen their financial health, leading to higher earnings and stock prices.

Several research studies have demonstrated the positive effect of socially responsible policies on the bottom line. Many companies display a lower cost of capital, lower volatility and fewer instances of bribery, corruption and fraud over certain time periods. As another example: in a 2016 survey, 190 companies engaged in energy saving projects generated $8 billion in annual savings to the bottom line while also saving the energy equivalent of taking 45 coal power plants offline.

Stocks are not the only investment class where sustainable investing is effecting change. A leading bond credit rating agency, Moody's Investors Service, now factors ESG considerations into its ratings for municipal, corporate and other bond and debt instruments.

A 2016 study on ESG and bonds by Barclays found "that a positive ESG tilt resulted in a small but steady performance advantage" and that "no evidence of a negative performance impact was found." (www.investmentbank.barclays.com/our-insights/esg-sustainable-investing-and-bond-returns.html)

Two Basic Approaches

In general, sustainable investing follows two main paths. The first, as described above, is including environmental, social and corporate governance criteria when analyzing investments and building portfolios. O'Brien investors have the option of investing exclusively in our ESG portfolio or as a part of their overall investment strategy.

The second is advocacy. Also known as shareholder engagement, advocacy refers to actions you can take as an investor and therefore part-owner of publicly traded companies. The most common form of advocacy is filing shareholder resolutions to raise ESG issues.

Advocacy in Action

For many O'Brien clients, advocacy is what first attracts them to sustainable investing. Through our investment partners, O'Brien clients have many opportunities to advocate for change.

Some recent examples of advocacy efforts that included O'Brien investors:

- **Environmental:**
  O'Brien partner Calvert Investments led a multi-year engagement to encourage Colgate Palmolive to adopt more sustainable palm oil production practices. Outcome: sustainable production plan, completely eliminating forest clear-cutting.

  O'Brien partner Domini Impact Investments led shareholder actions toward Lowe's to stop sales of neonicotinoid pesticides that kill bees. Outcome: phasing out all neonicotinoid pesticides by 2019.
- **Human Capital and Labor Management:**
  Following shareholder proposals and advocacy efforts by O'Brien partner Domini, clothing designer/manufacturer Michael Kors adopted employment protections for migrant workers to address modern slavery and improved labor requirements for suppliers.
- **Policy:**
  Lobbying efforts by O'Brien partner Trillium Asset Management and others squashed recent efforts to rescind an Obama administration rule designed to reduce methane leaks by oil and gas firms operating on federal lands.

The O'Brien ESG Legacy

Socially responsible investing is here to stay. As Washington's gridlock leaves many O'Brien investors disaffected with the government's ability to solve problems, socially responsible investing—especially the advocacy piece—is providing a way not only to raise their voices, but to actively achieve direct change in corporations outside of legislation. Our clients are participating, and so are we. As of last summer, O'Brien is voting all proxy statements for the securities in our portfolio to promote positive, socially responsible change.

If you are interested in learning more about our sustainable portfolio and how it might fit with your personal investment strategy please contact your O'Brien Advisor.

Tim Kaijala

Director of Investment Research

TAKE A CLOSER LOOK AT O'BRIEN WEALTH PARTNERS...

HOW HAS OWP CHANGED OVER THE PAST 30 YEARS?

We began exclusively as an investment management firm and have grown into a comprehensive wealth management team incorporating both financial and life planning. From our small offices in Harvard Square to a 12 person team in the Back Bay, we continue to look for ways to deepen our relationships with our clients, something that has remained constant. We are involved in more aspects of clients' lives, we look for more ways to host client gatherings, we are reaching you more often due to sophisticated technology, and we have built a multi-generational team to serve the multi-generational nature of our business.

HOW HAS OWP'S INVESTMENT STRATEGY EVOLVED?

During our early years, we created portfolios of Fidelity only, equity only mutual funds. We broadened this to incorporate virtually any mutual fund family in existence using both equities and fixed income. Today we are using mutual funds, exchange traded funds, and have the ability to include separately managed bond portfolios. In addition, we have broadened our portfolio diversification by incorporating alternative assets into portfolios by adding securities that are not correlated to traditional stocks and bonds.

WHAT IS NEW ON THE PLANNING SIDE?

We have just purchased new financial planning software! We are very excited about sharing this with you over the next quarter. This dynamic software will allow us to better incorporate financial goals into our planning, be more interactive in our cash flow modelling, and give us the ability to have client vaults to store and deliver information with our clients.

WHAT IS SOMETHING WE DO THAT YOU MAY NOT KNOW?

We work with clients to apply for their Social Security retirement benefits, spousal benefits, and ex-spousal benefits online while in our office. This has reduced the stress many experience when dealing with their local branches or for questions that come up when they apply online themselves. We have seen a variety of cases and are prepared when questions arise.