



GSB FINANCIAL
RESOURCE CENTER
 INVESTMENT & INSURANCE SERVICES
Your Money. Your Life. Your Journey.

Located at Guaranty State Bank & Trust Company

201 South Mill Street | P.O. Box 607 | Beloit, Kansas 67420
 Office: 785-738-4429 | Fax: 785-738-9901 | Toll Free: 888-738-4429

the Vault

The Monthly Newsletter of
 The Guaranty
 State Bank & Trust Co.

January 2021

Retirement Plan Limits for 2020 and 2021

The Internal Revenue Service cost-of-living adjustments (COLA) affect contributions and other limits that may play a key role in an investor's financial plan. The 2020 and 2021 numbers are summarized below.

<u>LIMIT</u>	<u>2020</u>	<u>2021</u>
401(k), 403(b) and 457 plan elective deferral limit	\$19,500	\$19,500
401(k), 403(b) and 457 plan age 50+ catch-up contribution limit	\$6,500	\$6,500
SIMPLE IRA elective deferral limit	\$13,500	\$13,500
SIMPLE IRA age 50+ catch-up contribution limit	\$3,000	\$3,000
Maximum annual contribution for defined contribution plans	\$57,000	\$58,000
Annual compensation limit	\$285,000	\$290,000
Definition of highly compensated employee	\$130,000	\$130,000
Definition of key employee in top-heavy plan	\$185,000	\$185,000
SEP minimum compensation	\$600	\$650
Social Security taxable wage base	\$137,700	\$142,800
Maximum annual benefit for defined benefit plans	\$230,000	\$230,000
Traditional and Roth IRA contribution limit	\$6,000	\$6,000
Traditional and Roth IRA age 50+ catch-up contribution limit	\$1,000	\$1,000
Social Security tax rate (employee)	6.20%	6.20%
Social Security tax rate (self-employed)	12.40%	12.40%

Source of chart data: www.irs.gov and www.ssa.gov

Securities and advisory services are offered through LPL Financial (LPL), a registered investment advisor and broker-dealer (member FINRA/SIPC). Insurance products are offered through LPL or its licensed affiliates.

Guaranty State Bank & Trust Co. and GSB Financial Resource Center **are not** registered as a broker-dealer or investment advisor. Registered representatives of LPL offer products and services using GSB Financial Resource Center, and may also be employees of Guaranty State Bank & Trust Co. These products and services are being offered through LPL or its affiliates, which are separate entities from, and not affiliates of, Guaranty State Bank & Trust Co.

Securities and insurance offered through LPL or its affiliates are:

**Not Insured by FDIC or Any Other Government Agency |
 Not Bank Guaranteed | Not Bank Deposits or Obligations | May Lose Value**

FRAUDULENT UNEMPLOYMENT CLAIM –

Scammers are filing fraudulent unemployment claims. Should you receive a determination notice in the mail from Kansas Department of Labor, or your employer notifies you, contact KDOL at 785-291-6059 or <https://www.dol.ks.gov/fraud> to report the fraudulent activity.

As recommended by Kansas Department of Labor:

A fraudulent claim that is created using you or your employee's personal information, including Social Security Number and date of birth, indicates that personal information is exposed and there is risk of further financial harm. Most often the scammers have found your personal information through credit card data breaches.

In such cases, we recommend the following steps:

1. Contact the Federal Trade Commission at www.identitytheft.gov.
2. Place a fraud alert on your credit record with one of the three credit bureaus:
 1. Equifax: 1-866-349-5191
 2. Experian: 1-888-397-3742
 3. TransUnion: 1-800-680-7289
3. Contact your financial providers (banks, credit card companies, etc.) to flag irregular transactions.
4. Check your Social Security earnings statements online to make sure your reported wages are correct. You can do this with a free, personal my Social Security account at www.socialsecurity.gov/myaccount.

Unemployment fraud is a felony. It is the willful misrepresentation of information to collect unemployment benefits. Each year, employers pay unemployment taxes which are deposited into the Unemployment Insurance Trust Fund. Unemployment benefits are paid out from this fund to workers who have lost their job through no fault of their own. Employers' tax rates are affected when workers make claims against their account and the balance of the Trust Fund. KDOL wants to ensure unemployment benefits are not being diverted from the Trust Fund to those who are not eligible. Kansas law provides penalties to claimants and employers who commit fraud.

1099 Interest Income statements will be mailed out on January 18, 2021. Please review the statements and notify the bank should you have any questions or corrections to make.

As a reminder, year-to-date interest income is accumulated at the Primary Owner level with totals \$10.00 or greater reported to the Internal Revenue Service.

**HAPPY
 NEW
 YEAR!**
 Goodbye 2020...
 Hello 2021!

Because Life Is More Than Money

Social distancing, wearing a face mask, washing a thousand times a day your hands - both hands, that is, including palms and finger tips while singing happy birthday twice, gatherings postponed/cancelled... What hassles and disappointments this pandemic has wrought on us. But, before we gripe more...

Consider what these folks had to do on the job. "... laborers held a tool in one hand and a spear in the other. Each of the builders had a sword strapped to his side as he worked..." (NEHEMIAH 4:16-18)

Here are some verses from the Bible that continue to encourage me through this pandemic.

JOHN 13:7 reads, "Jesus replied, "You don't understand now what I am doing, but someday you will."

"We can rejoice, too, when we run into problems and trials, for we know that they help us develop endurance. And endurance develops strength of character, and character strengthens our confident hope of salvation." (ROMANS 5:3-4)

And from JAMES 1:2-4, "Dear brothers and sisters, when troubles of any kind come your way, consider it an opportunity for great joy. For you know that when your faith is tested,

your endurance has a chance to grow. So let it grow, for when your endurance is fully developed, you will be perfect and complete, needing nothing."

God reminds us of His authority and power at ISAIAH 46:10, "Only I can tell you the future before it even happens. Everything I plan will come to pass, for I do whatever I wish."

God reminds us of His great love and care for us at ISAIAH 41:10, "Don't be afraid, for I am with you. Don't be discouraged, for I am your God. I will strengthen you and help you. I will hold you up with my victorious right hand."

Let us trust and cooperate with God to bring out all the good that can be from this pandemic.

Hope you were able to at least give recognition to the greatest gift and event of all time - the birth of Christ Jesus, the Lord.

And, unless He sends Jesus back for us before January 1, 2021, God will grant us another year to show off His love for us and His power and authority He uses for our ultimate good.



Doug Johnson
PRESIDENT

What Will 2021 Bring?

We are entering a new year and hopefully we can put 2020 behind us. We had Covid lockdowns, disastrous weather events, insects, explosions, and everything you can imagine. The vaccines should be implemented shortly in the United States. My area had a spike in positive tests, and they seem to have slowed slightly. Hopefully, this means it has spread through the community and we have built an immunity to it for now.

In my recent reading, I came across five year-end steps that I believe every farmer should go through.

1. Record the highlights and lowlights of the year
2. Update your marketing plan
3. Plan out your input purchases
4. Think through ways to increase working capital
5. Open the lines of communication.

U.S. President-elect Joe Biden has said that he will not immediately act to remove the Phase 1 trade agreement, which President Donald Trump inked with China. Year to date, U.S. agricultural exports are the highest since 2014.

This is a big accomplishment and I hope the new president continues on this path of making China accountable. U.S. farmers' sentiment did weaken following the November 2020 elections.

President-elect Joe Biden nominated former Iowa Governor Tom Vilsack for agriculture secretary.



Vilsack, who led the U.S. Department of Agriculture (USDA) under former President Barack Obama, has a long relationship with Biden and served as a trusted adviser on rural issues during his campaign.

The USDA December report was about what was expected with little change other than wheat. The USDA did tighten both the U.S. and Global balance sheets. This helped wheat prices rise. Farmers are planting more total wheat acres for 2021 than they have over the past eight years. The USDA predicts 46 million total acres of wheat will be planted—a 1.7-million-acre increase over the 44.3 million acres of wheat planted in 2020. Projections on ending stocks for soybeans have lowered from 190 million bushels to 175 million bushels. If realized, ending stocks would be the lowest since 2014. This will likely create more soybean planted acres for 2021.

Hope everyone had a Merry Christmas and a Happy New Year!!!

Life is 10% what happens to you and 90% how you react to it.

Travis Ray
VICE PRESIDENT - LOANS - SMITH CENTER

