

# Quarterly Portfolio Review

March 31, 2021

“The hardest thing to understand in the world is the income tax”

— Albert Einstein

## Year in Review

- COVID Vaccinations are underway across the United States. FEMA, local pharmacies, and County sites are available for those who are eligible. Check your local county or state web-sites for information.
- Equity markets continue to be strong due to a reopening of the economy, stimulus payments, and communication from the Federal reserve that interest rates will remain low until the effects of the pandemic have materially passed.
- Home refinancing continues to be strong across all areas of the country. IF you are considering refinancing your home and would like to discuss how this might affect your retirement or financial plans, please contact our offices.
- Check your beneficiaries! Many new IRAs are opened during tax season. This is an excellent time to review all your retirement account beneficiaries.

## BENCHMARKS YTD THROUGH 3/31/2021

FTSE World Gov't Bond Index 3-7 Yr. Hedged	-1.29%
Russell 2000 (US Small Cap index)	12.44%
S&P 500 (US Large Cap index)	5.77%
Wilshire 5000 (US Total Market index)	5.79%
MSCI EAFE (International Stock index)	2.83%

## 2021 INTERNAL REVENUE SERVICE ISSUES

The Internal Revenue Service is overwhelmed. IRS Commissioner Charles Rettig has informed Congress that due to various factors, tax refunds may be delayed by several weeks or possibly into the summer months.

In 2020, the IRS was faced with providing multiple stimulus payments, completing the 2020 tax return season, layoffs, old software, and employees working from home due to COVID. This led to serious delays in many 2020 returns. This issue has not only not gone away but has gotten worse with the start of the 2021 tax season.

In March of 2021, Congress approved additional \$1,400 stimulus payments to those tax payers who are eligible. This of course fell during the start of the 2021 tax season. An estimated \$350 billion in stimulus payments are to be made during this tax season. These payments are slowing down the IRS tax processing system. According to some preliminary figures, the IRS is behind in processing on almost 12 million tax returns as of mid March.

If you have filed your return, you can go to the IRS's Where's My Refund webpage to find out the status on your return. There is also an app called IRS2Go. Both of these perform the same service. The IRS states that 9 out of 10 refunds are completed within 21 days from receipt of a tax return. However, for many this is not the case in 2021. Remember that the IRS will never call or email you for information. They work with taxpayers through the US Mail system.

The IRS can also be contacted at 1-800-829-1040 between the hours of 7am to 7pm Monday through Friday. There have been reports that there are very long waits to speak to a representative. Lastly, the IRS offers a transcript of current and prior year tax returns through the IRS system. The main IRS website is [www.irs.gov](http://www.irs.gov)

## QUARTERLY CLIENT WEBINAR

Date: Thursday , April 22nd, Starting time: 12:30 pm, Eastern Standard Time

Meeting Number: 132 076 3165 Password is 1234 if asked

Website link: <https://afadvisorsevents.webex.com/afadvisorsevents/onstage/g.php?MTID=c3f1ea87d21d12bab886fb16518056221>

To join the teleconference only: US TOLL: +1-415-655-0002 Access code: 132 076 3165

If you cannot join us for this important webinar, we will post a recording of the entire presentation on our website at [www.afadvisors.com](http://www.afadvisors.com).