



NEWS

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Third Quarter 2021

BUILDING BENCH STRENGTH

I hope you are enjoying the first signs of fall. It's nice to have a respite from the heat and enjoy all the activities this time of year brings. Here at The Trust Company of Tennessee, we're gearing up to finish the year strong.

We have longstanding commitments to serve our clients well, develop our great employees and support our community.

Several processes exist so that we may properly serve each of those commitments, including a long-term strategy plan that lays the foundation and sets benchmark goals so that we always know where we stand – and we have big goals.

One way to fulfill our commitment to clients is by expanding our team. We're building bench strength to add expertise across our services to develop experts who are available to help each client achieve personalized financial goals.



Daniel K. Carter
President

You'll see some new faces (read about Our Growing Team inside) as we strive to hire for the right fit. If you know someone interested in joining a great team, point the person to our open positions at thetrust.com/careers.

I could endlessly promote our team and all the ways they invest their time and expertise to serve our clients and community. However, I believe that a recent recognition provides confirmation that our culture, commitments and team are properly focused to position us for the future: the U.S. Chamber of Commerce recently selected our firm as a national woman-owned business award finalist in its annual Dream Big Awards. We do not know quite yet if we are a winner but being chosen from 1,000+ applicants as a finalist is an honor.

I send a hearty congratulations to our team and look forward to seeing the great things that our existing team, our new faces and our clients can accomplish together. Thank you for the continued trust you put in us. Feel free to reach out to me any time if you have questions or comments at dcarter@thetrust.com.

U.S. Chamber selects The Trust Company of Tennessee as Dream Big finalist

The U.S. Chamber of Commerce announced The Trust Company of Tennessee as a finalist in its annual Dream Big Awards in the woman-owned business category. The awards celebrate the achievements of small businesses and honor their contributions to America's economic growth.

"We pursue success by helping our clients reach their financial goals, developing great talent and supporting our community and regional economy by sharing our time and expertise," said Sharon J. Pryse, CEO and founder of The Trust Company of Tennessee. "To be among the finalists in the Dream

Big Awards is humbling and a confirmation that our priorities are in the right places."

Finalists were chosen from a record-setting 1,000-plus applications submitted from across the country. Winners will be announced during a virtual ceremony on Oct. 21.

In our communities



EVENTS

Knoxville Museum of Art Kick-off to Summer

The Trust Company of Tennessee was a benefactor-level sponsor of the Knoxville Museum of Art Kick-off to Summer event on June 18. Funds raised benefit the museum's operations and educational programs. It always delivers the best mix of friends, art, music and fun.



Museum of Appalachia Barn Dance

Friends, guests and staff members of The Trust Company of Tennessee joined the cause to raise funds for the Museum of Appalachia at its Barn Dance on June 25. The museum is a Smithsonian Affiliate and seeks to preserve the past for the future. We welcomed the opportunity to sponsor the annual event and encourage everyone to visit this regional treasure for a self-guided tour.



Russell Biven Clayfest benefiting McNabb Center

The traps were set as members of our team participated in the Russell Biven Clayfest on Aug. 6. The event was presented by Cherokee Distributing Company in memory of Herb Ogle, and The Trust Company of Tennessee was a gold sponsor. The 28th tournament raised funds in support of McNabb Center, a premier, nonprofit provider of behavioral health care in East Tennessee. The support enables the organization to continue the mission of improving the lives of the people it serves, including helping children, adults and families with addiction, mental illness and social challenges.



Ijams Hummingbird Festival

The Trust Company of Tennessee was a presenting sponsor of the 2021 Ijams Hummingbird Festival: Celebration of Wings on Aug. 28. Attendees had a day full of interactive experiences aimed to educate about winged creatures from ruby-throated hummingbirds and other backyard birds to moths, butterflies, bees, bats and more. Through guided nature walks, sessions, demonstrations and vendor exhibits, the event offered a day of education and fun with the experts at Ijams Nature Center.



Shoot for Scouting Sporting Clays Classic

On Sept. 10 our company supported the Great Smoky Mountains Council of Boy Scouts of America at the Shoot for Scouting Sporting Clays Classic at Chilhowee Sportsman's Club in Maryville. The tournament supports more than 10,000 young men and women in East Tennessee developing character, citizenship and personal fitness through the fundraiser.

Twilight at Ijams

Twilight at Ijams, a fundraiser focused on all the things that make Ijams Nature Center special, brought attendees together for a special evening on Sept. 13 that included a performance by Melony Dodson and Friends. The Trust Company of Tennessee is a proud supporter of Ijams and was a corporate sponsor of the event.



Congratulations!

We celebrate Chris' Rotary of Knoxville Rotarian of the Year award, Denise's acceptance to the Leadership Knoxville class of 2022 and the entire Trust Company team on again being named a Top Workplace by the Knoxville News Sentinel.



Christopher Lambert
*Relationship
Manager*



Denise Ledden
*Chief Operating
Officer*



**Entire
Trust Company
Team**

SERVICE MILESTONES

We appreciate the dedication of our employees and want to recognize the following team members who are achieving milestone anniversaries this quarter.

15 YEARS



Elisabeth Scott
*Tax and Unique
Asset Specialist*

28 YEARS



Jeanne Kidd
*Administrative
Assistant & Special
Events Coordinator*

35 YEARS



Sharon J. Pryse
CEO and Founder

CONTINUING EDUCATION

For more information and to register, visit thetrust.com/events.



Oct. 28:
**Supercharge
Retirement with
Non-Qualified Plans**

Nov. 18:
**2021 Retirement
Plan Recap**



Oct. 26:
**Avoiding the
Future Disruption
of an Estate Plan**

Nov. 16:
**Dealing
with a "Bad"
Trustee**

Dec. 14:
**Ethics Issues for Estate
Planners Before the
Engagement Begins**

OUR GROWING TEAM



**Connor Cox, Client
Specialist, Knoxville**

Connor's primary role is to provide peace of mind for our clients as they chart their financial future.



**William Probasco, Client
Specialist, Chattanooga**

William provides financial planning guidance to help clients make better financial decisions and reach their goals.



**Caid Kear, Portfolio
Analyst, Knoxville**

Caid assists our clients by focusing on account reviews to ensure holdings are aligned with individual needs.



**Taryn Higgins, Trust
Operations Specialist,
Knoxville**

Taryn's attention to detail and experience supports our full team as we help clients make sound financial decisions.



**Catherine Carter,
Client Specialist, Knoxville**

Catherine helps empower clients to build long-lasting wealth while handling assets with care, responsibility and expertise.

CONSIDER CHANGES NOW FOR A MORE BENEFICIAL TAX SITUATION IN RETIREMENT

The professionals at The Trust Company of Tennessee are always keeping tabs on factors that can impact our clients, and we're here to share what we see and how we think changes could impact investments. Right now, tax rates are historically favorable. Current proposals in Congress could mean that changes are coming, however. Now is the time to consider some options to create a more favorable tax situation when you retire.

A quick look back, a long look ahead

The current top tax rate is 37%. If we look at top tax rates over the course of history, we see periods where top tax rates were in the 90% range with a peak of 94% in 1944 for income that exceeded \$200,000 at that time.

While we certainly don't foresee returning to those extreme highs, experts also believe that with current conditions in the economic climate and proposals that impact tax structure and retirement accounts, investors should consider additional options.

Investors often are focused on future retirement goals while saving taxes now through traditional IRA, 401(k) and 403(b) plans funded with pre-tax contributions.

By considering retirement tools based on after-tax contributions, investors can take advantage of today's lower tax rates and enjoy tax-free distributions in the future, when there may be higher tax rates.

Have you saved too much in a tax-deferred account?

Take an example of a person who has saved around \$1 million in a tax-deferred account by age 52, never contributes another dollar and gets a decent rate of return. At age 72, the government will require that person to take out around 4% annually as a required minimum distribution. If the account is worth \$4 million, that person would have \$160,000 in annual taxable income in retirement. If today's historically low rates increase, a similar scenario could push some investors into a higher tax bracket in retirement than they had while they worked.

While it doesn't seem too shabby to think about having that much annual income in retirement, there are other consequences to consider, including what the tax rate will



Matt Prince, AIF®
*Vice President
Wealth
Management*

be when you turn 72 and that Medicare premiums could at least double in a higher bracket. If that's more income than you or your family will need, it may be a good time to reconsider.

Should you consider a Roth account?

With a Roth IRA, you pay taxes on money going into your account, and then all future withdrawals are tax-free as long as you own the account for at least five years and are over age 59.5. This could provide a good solution if you think taxes will be higher when you retire than they are right now. If you can contribute to a Roth account, it's worth considering.

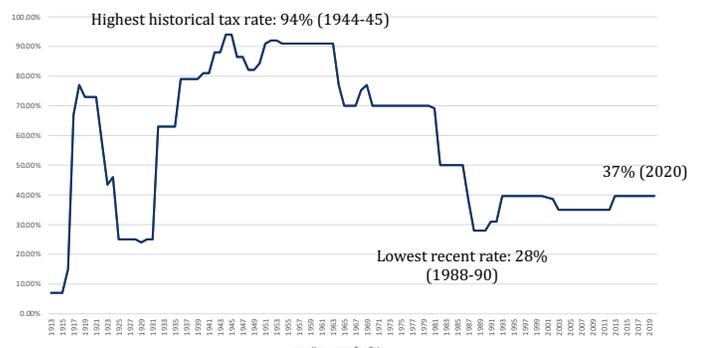
There are limitations on who can contribute to a Roth IRA account as well as ways to navigate around some of those limitations. Those earning more than \$208,000 in annual joint income or \$140,000 in annual single income in 2021 may still be eligible. By utilizing possible options through an employer-sponsored account or a backdoor Roth contribution, high wage earners can invest post-tax dollars. There are no income limitations to making Roth 401(k)/403(b) contributions if your employer allows them as part of your qualified retirement plan.

Make a plan and take action

With historically favorable tax rates that are currently slated to end at the end of 2025, with no changes, the top tax rate will revert from 37% to 39.6% after Jan. 1, 2026. Current proposals in Congress could change the rates even sooner.

Now is a good time to reach out to your Trust Company financial advisor to create a financial plan that considers potential future rate increases and Roth strategies. We're here to help you navigate and anticipate changes with steady, sound, informed plans to help you live confidently.

Top Marginal U.S. Tax Rates: 1913-2020



This chart ignores a number of factors, including standard and itemized deductions, capital gains rates and the amount of income subject to the top rates. Federal income taxes were first allowed by the 16th Amendment in 1913 at 7%.

Staff Spotlight

CHARLES PURKEY, VICE PRESIDENT, PERSONAL TRUST

Charles Purkey has dedicated 37 years of his career to managing trusts, which he believes starts with fostering relationships. “We’re here to take care of people,” he shares. “I love to serve, extend compassion and grace and solve problems, and we get a lot of chances to do that. We take the pressure of investing off individuals by allowing them to be good at what they do in their professions while we help them be successful from the investment side.”



and that Charles is a guiding force for not overlooking relationships when making advancements. “Charles embodies the steady and honest pursuit of the deep personal client relationships that set us apart and – even when we implement changes – we never want to lose that heart for clients.”

A job well done

Charles will retire at the end of 2021. Jack shares, “He has made many personal introductions to the team with his clients, ensuring that those who take over understand the nuts and bolts of each account.”

As Charles reflects on his time with the company, he gives keen insight. “This is a special place. We have opportunities every day to excel for our clients and that’s important. We care for our clients, and it shows, that’s why our business has grown.”

Looking ahead, Charles is excited to welcome his first grandbaby very soon, continue his work with Fellowship of Christian Athletes and United Way of Greater Knoxville and travel more – including a visit with his wife, Janet, to London to see his daughter who lives there. He hopes to play a little golf and oversee some projects at home.

At The Trust Company, the team will miss his humor and legendary stories of wacky ways he’s helped his clients – including removing a snake from a client’s home and crawling under a client’s home to check a leaky pipe. “He’ll do whatever it takes to take care of clients, but he’s not a plumber, so we don’t charge for that,” Jack quips, then reflects, “In retirement, many more people will be able to benefit from his personality as we have. I look forward to seeing all the ways he’ll find to share his heart.”

Defining success

Charles notes that people often experience fear and confusion about investing money and that The Trust Company of Tennessee helps by creating a formulated, consistent strategy that removes the emotions associated with investing. “We want to have excellent returns and strive to deliver excellent customer service,” he says. “We do that by earning the trust of our clients and making sure they know that we care about them.”

Leading by example

“Charles is the standard-bearer – protecting and helping his clients,” Chief Strategy Officer Jack S. Davidson said. “He knows how to assemble the right people to protect his clients from nefarious behavior, nosey neighbors or other influences.”

Jack notes that in his role he’s always looking for ways to remain relevant and on top of changes and technology,

Work for The Trust Company of Tennessee

We have several open positions and are seeking great people to join our team of wealth management, trust, estate administration and corporate retirement plan professionals who help our clients live confidently and achieve their goals. Visit [thetrust.com/careers](https://www.thetrust.com/careers) to learn more.

Tastes of the season: **COCONUT MACAROON**

A macaroon is not a macaron, but it is delicious nonetheless. These addictive bites are reminiscent of Almond Joy candy bars but with an oven-baked crispiness. They're easy to make, store, share and eat!



Ingredients

- ¾ cup sweetened condensed milk
- 14-oz. package of shredded, sweetened coconut
- ½ tsp. almond extract
- Dash of salt – 1/8 tsp.
- Whole almonds
- ½ to 1 cup of semisweet, dark or milk chocolate chips

Instructions

Heat oven to 350 degrees and stir together condensed milk, coconut, salt and extract until combined.

Use a small cookie scoop or tablespoon to drop dough on large baking sheets lined with nonstick parchment paper.

Press a whole almond in the top of each cookie, leaving the top of the almond exposed.

Bake for 15-17 minutes or until lightly golden around the edges.

Melt the chocolate in the microwave and, using a spoon or a zip top bag with the corner snipped out, top the cooled cookies with zigzag streams of chocolate.

Let chocolate set and store leftovers between waxed paper in an airtight container.

Recipe and photo source: allrecipes.com