



# NEWS

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First Quarter 2022

## DOES LOCAL STILL MATTER?

As we hear about big moves in the financial industry, it makes me stop to think if local ties still matter in our global economy.

I believe the answer is yes.

After moving to a remote work model during the pandemic, businesses and organizations proved that work doesn't necessarily have to happen in an office. You'll notice inside this quarter's spotlight article about Chief People Officer Lara Fleming that The Trust Company of Tennessee's workforce is expanding to states and regions that weren't anticipated just two years ago. Workers are joining us from across the country, and their contributions help our organization and clients without regard to being in one of our three office locations.

However, as we have moved from having employees and clients in East Tennessee, to now having people in



**Daniel K. Carter**  
*President*

several states across the country, we find it even more important to hold onto the concept of maintaining a local presence.

Both internally and for our clients, the concepts of cohesion, familiarity and personal and nimble decision making are focus areas. Many of us live in East Tennessee, and it is very important to have the familiarity of shared experiences and places – things that unite us. It helps us build the relationships and trust that are integral and at the heart of our business.

Another word that goes with “local” is “culture.” It is important to acknowledge our intrinsic and invaluable community and company cultures and stay true to the attitudes and behaviors we cherish. We are mindful of enhancing our excellent culture – even as we expand.

We remain committed to supporting our clients and local communities and fostering the relationships that help us build wealth for our clients. Thank you for allowing us to serve you. Reach out to me with questions or comments at [dcarter@thetrust.com](mailto:dcarter@thetrust.com).

## TAX TIPS & TAX-EFFICIENT INVESTING

Tax season is upon us. It's a great time to share a few things you should consider when filing your taxes to help minimize taxes and maximize returns. Also, even if you've already filed, it's always worth

considering a tax-efficient investment plan. Chat with your Relationship Manager to find the best path forward to help reduce your tax burden.

>> *Continued inside*



**Matt Prince, AIF®**  
*Vice President  
Wealth Management*

# In our communities



## EVENTS

### Akima Cabaret

Akima Club's major biannual, two-evening fundraiser was held on Feb. 18-19 at The Mill & Mine. The Trust Company of Tennessee, our retirement benefits consultant, Kevin Fillers, and his wife, Jody, supported the event. Guests enjoyed the Roaring 20s-themed show set in two different speakeasies, one in 1922 and the other in 2022. Akima is a women's service club providing volunteer hours and financial support to Knoxville agencies covering programs for arts, culture and science; children and youth; medical and social services; seniors; and other fields.



### L'Amour du Vin

L'Amour du Vin, the major annual fundraiser for the Knoxville Museum of Art, is a three-day event featuring fine food and wine. Along with Relais & Chateaux property Blackberry Farm, L'Amour du Vin celebrated its 19th year on March 5 with members of The Trust Company team in attendance. The event featured a silent auction, wine tasting, dinner and live auction. The featured vintners were Luc and Jodie Morlet of the Morlet Family Winery; chef Stephanie Izard of Chicago; and artist Gordon Cheung.



### Broadway at the Memorial Auditorium

On Feb. 22, just before the opening of "RENT" at the Memorial Auditorium in Chattanooga, The Trust Company of Tennessee and Elliott Davis sponsored a pre-show reception in support of the Broadway at the Memorial Auditorium series and the Tivoli Theatre Foundation.



## BRIEFS



### Pinnacle Business Awards

The 18th Annual Knoxville Chamber Pinnacle Business Awards were held on Feb. 28 and celebrated outstanding regional businesses and professionals for their impact on regional economic prosperity.

The Trust Company of Tennessee again sponsored the James A. Haslam II Leadership Award, which was presented to Hallerin Hilton Hill. Hill has been a staple of local media for years on both radio and television. The award is given to a long-standing business leader that exhibits strength in character, resolve, a commitment to the community and exemplary success in the regional business community. It was presented by Mr. Jim Haslam.

Our own founder and CEO, Sharon Pryse, received the James A. Haslam II Leadership Award from the Knoxville Chamber in 2018.

### Tennessee Bar Association

On Feb. 18, Chief Legal Officer Stacy Roettger shared her trust administration expertise at the TBA's Planning & Probate Forum in Nashville.



### Haslam College of Business

We were glad to meet University of Tennessee business students at a job fair in February.





## OUR GROWING TEAM

**Codi Brannan**

*RPS Daily Operations Manager*

Codi's skills in retirement plan recordkeeping and increasing process efficiency benefit our clients.



**Lauren Harvey**

*Operations System Analyst*

Lauren's systems experience allows us to provide clients information to help them reach financial goals.



**Jaylene Baisley**

*Client Service Associate*

Jaylene is committed to client success through professional and personal service.



**Laura Beeler**

*Client Specialist*

Laura is skilled at fostering meaningful relationships, which are key parts of our culture.



**Grace Mead**

*Relationship Manager*

Grace forms deep relationships to understand and anticipate client needs.



**Todd "TK" Kelly Jr.**

*Wealth Management Associate*

TK is focused on helping clients achieve wealth goals.



# IRA TAX DEADLINE REMINDERS

The deadline for 2021 tax returns is April 18. Here are some retirement account reminders and actions to review and consider before the deadline.

**Make a contribution:** If you worked in 2021, check with your tax advisor to determine eligibility to make a prior year traditional or Roth IRA contribution. You can make 2021 IRA contributions until April 18. Work closely with your tax advisor to be sure that you don't overcontribute since any excess contributions are subject to a 6% tax!

**Report your contributions:** If you made a deductible contribution for 2021, claim the deduction on your tax return. Non-deductible contributions must be reported on Form 8606 instead. Interestingly, Roth contributions are not reported with your return. However, you should work with your tax advisor to keep track of Roth contributions. You will need the total of those contributions down the road when you start taking distributions.

**Backdoor Roth contributions:** The backdoor Roth contribution has historically been a great tool for high earners to take advantage of Roth IRAs even after exceeding the income limits for standard contributions. There have been some moves made in Congress to eliminate this option via the Build Back Better Act. As of the print date for this newsletter, the act has not passed. Like all bills that go through the House and Senate, we can't be certain when and if it will pass or how it will apply. Until that bill passes, however, the backdoor Roth contribution is still a viable option.

If the backdoor Roth contribution is an option you would like to pursue, take these steps:

1. Make a non-deductible IRA contribution to a traditional IRA.
2. Convert that contribution to a Roth IRA.
3. Report both sides of the transaction, the non-deductible contribution and the conversion, on Form 8606 to file with your taxes. Form 8606 will calculate any taxable amount of the conversion that may be necessary to report with your return.

Although the steps are simple, the reporting is decidedly complicated! When you do a backdoor Roth contribution, it is crucial that you coordinate with your tax advisor to ensure that you understand the potential tax ramifications and are reporting in the correct years.

**Report your Qualified Charitable Distributions (QCDs):** To report a QCD on your Form 1040 tax return, it's typical to report the full amount of the distribution on the line for IRA distributions (4a) and the amount not rolled over (total distributions minus the QCDs) on line 4b, indicating the letters "QCD" next to line 4b. Consult your tax advisor, as your circumstances might be different.

## >> TAX TIPS, continued

- Backdoor Roth contributions can still be made for the 2021 tax year until the filing deadline of April 18, 2022.
- If you turned 72 last year and delayed your first round of required minimum distributions (RMDs) you have until April 1 to take the first one and will still need to take the next RMD before Dec. 31, 2022. Work with your tax professional on what to do with that money. You can spend it, reinvest it, or – if you're charitably inclined – a donation could offset some taxes.
- If you're considering retiring early in 2022, you may want to maximize deferrals earlier in the year. You may be able to make Roth contributions through your employer's plan and, if you're over age 50, you can save up to \$27,000 this year in your qualified retirement plan.

## Tax-efficient investing

The Trust Company of Tennessee considers tax-efficiency in our portfolios. Investment selection and asset allocation are important factors; minimizing the amount of taxes generated in an account also has a significant effect in allowing you to keep more money.

We believe it makes sense to have a diversified investment strategy to manage risk. It also makes sense

More  
Tax-Efficient



Less  
Tax-Efficient

<b>Municipal Bonds</b>	Income is federally tax-exempt and may be state tax-exempt
<b>Energy-Infrastructure MLPs</b>	Higher yields but mixture of return of principal and qualified dividends
<b>Equities, Low-Turnover</b>	Qualified dividends with limited capital gains
<b>Equities, High-Turnover</b>	Qualified dividends but may produce higher capital gains
<b>Taxable Bonds, Low Yields</b> (TIPS, Int'l Bonds, Core U.S. Bonds)	Lower yields but taxed as ordinary income
<b>REITs</b>	Non-qualified dividends with capital gains
<b>Taxable Bonds, High Yields</b> (High Yield and Emerging Markets Bonds)	Higher yields and taxed as ordinary income

to have tax diversification in your investment accounts. It is important to consider where it is appropriate to invest in both taxable and tax-advantaged accounts.

Taxable accounts, such as Investment Management Accounts and brokerage accounts, offer great flexibility, such as being able to withdraw at any time without penalty. Tax-advantaged accounts offer tax benefits such as tax-deferred or tax-free growth.

Depending on your income, tax-efficient options, including municipal bonds and funds with low-turnover/low capital gain distributions, may be more appropriate in taxable accounts.

One of the cornerstones of your financial plan, whether you want to save for retirement or generate cash, is to minimize taxes. There are always exceptions, so consult with your Relationship Manager and tax advisor to choose the best tax strategy for your situation and goals for retirement. As always, we're here to help you navigate your financial decisions to help you live confidently.

# Congratulations!

We celebrate Lindsay on her selection for the latest Knox.biz 40 Under 40 class.



**Lindsay Cates**  
Vice President, Marketing

## 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



**Leslie Napier**  
Trust Operations Specialist

### 20 YEARS



**Chad Schollaert, AIF®**  
Chief Development Officer



# Staff Spotlight

## LARA FLEMING, CHIEF PEOPLE OFFICER

Lara Fleming was employee number 49 when she started at The Trust Company in December 2009. Today, as the chief people officer, Lara has played an integral role in building the staff to 95 and counting while also helping to maintain the company's culture as its footprint expands.

With nearly three decades of experience in benefits and human resources administration, Lara has witnessed many evolutions in her field, but remains committed to exploring and utilizing new technology and tools and ensuring that employees find the best fit for the company, person and role.

### Happy, healthy and productive

A common mantra at The Trust Company is the desire to foster happy, healthy and productive employees, and Lara greatly impacts that goal. "Lara's enthusiasm for building The Trust Company's culture is contagious," President Daniel Carter said.

"I'm responsible for the organizational health of our firm, which includes hiring the right people, onboarding them and finding ways to keep them engaged and serve their needs, so they in turn can serve our clients," Lara shares.

### Managing change and embracing growth

The past two years have brought a couple of huge shifts that have kept her and her team busy: having a dispersed workforce and keeping up with business growth.

"We've hired 24 people since January 2021. Finding and



onboarding that many people – including some we've never met in person – is a feat," Lara said. The company also has gained insight into the different work needs for employees and are embracing that model. "We have discovered that some people work better in office, some at home and others in a hybrid model, so we're working to

meet those needs while keeping teams connected," Lara shares.

Daniel touts her drive to help grow the workforce. "Lara has learned about all areas of our business which helps her evaluate candidates. This, along with her analytical nature, has helped her become a great interviewer – she can identify traits in potential employees that will be positive for our culture. She works hard and cares immensely about doing the right thing for business and the people at The Trust Company."

And, how does she know when she's successful? "When we've taken the time to understand employee needs, put them in the right roles to fulfill those needs and see growth along the way. I love watching people grow."

Lara earned a bachelor's degree in business administration from East Tennessee State University and loves hiking – she should accomplish her goal of completing all the trails in the Smoky Mountains this year. She camps there in her R-Pod camper named Jazzie. She loves spending time with her extended family and camping friends and is the mom to one adult son, Noah, and one terrier/boxer mix, Pepper.

## Join our team

We have open positions and are looking for great people to join our team of wealth management, trust, estate administration and corporate retirement plan professionals. Visit [thetrust.com/careers](https://thetrust.com/careers) to learn more.

## CONTINUING EDUCATION

For more information and to register, visit [thetrust.com/events](https://thetrust.com/events).



**April 28:** Department of Labor Best Practices for Target Date Funds

**May 26:** Are Your 401(k) Plan Fees Competitive?

Tastes of the season:

# MISSISSIPPI ROAST

*If you've never tried this versatile and delicious dish, or if it's just been a while, get out the slow cooker and plan to make this soon. It's great served on ciabiatta rolls for sandwiches, over mashed potatoes, rice or egg noodles or even in Mexican street tacos.*



## Ingredients

1 3-4 lb. beef chuck roast

¼ cup butter

¼ to ½ cup sliced jarred  
pepperoncini peppers  
and juice

1 packet ranch dressing  
mix

1 packet brown gravy or  
au jus mix

## Instructions

Place roast in slow cooker, add pepperoncini peppers and some of the juice from the jar (optional), then top with dry ranch and gravy mixes. Slice the half stick of butter and lay on top of meat.

Cook on low for about 8 hours, then shred the meat, discarding fat.

Make sandwiches with horseradish and mayo on a sturdy roll, serve over your favorite starch, or put the meat in small corn tortillas with diced onions, cotija cheese and a splash of lime juice for tacos.

*Adapted from allrecipes.com*