

Morgan Stanley

THE VOLRATH CASTLE *View*

ISSUE 7 • MAY 2025



SECURE ACT FINAL REGULATIONS

AND HOW IT IMPACTS YOUR INHERITED IRA

Starting in 2025, if you inherited an IRA after January 1, 2020 and the original owner was already taking RMDs, you too will have to start taking annual RMDs. This is in addition to having the account fully liquidated by the end of the tenth year after the owner's passing.*

Morgan Stanley will have estimates for your RMDs (in which this situation applies) sometime second quarter.

If you are the spouse, minor child of the deceased, chronically ill, disabled, or not more than 10 years younger than decedent, these rules may not apply.

*<https://www.kiplinger.com/taxes/inherited-ira-four-things-beneficiaries-should-know>

THE VOLRATH CASTLE
GROUP AT MORGAN
STANLEY NEWSLETTER

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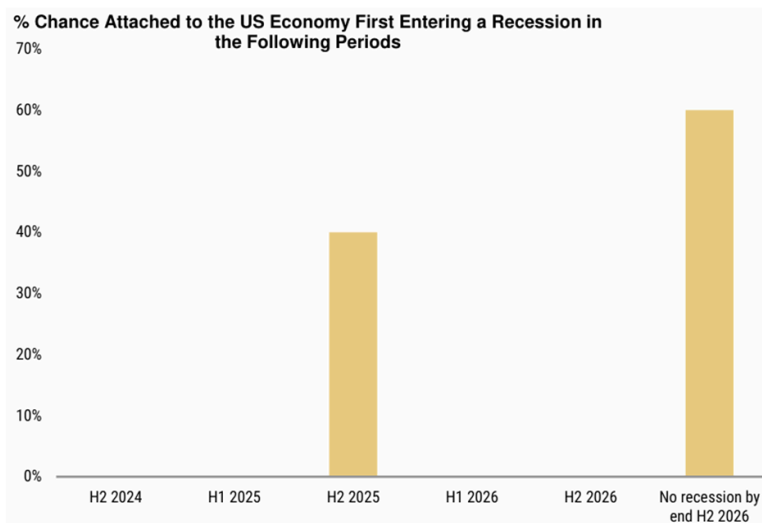
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Earlier this year, we published our quarterly Following the Fundamentals update that focused on “animal spirits” and the surge witnessed in the NFIB Small Business Optimism survey following the recent election in the US.

Since that quarterly update, the new administration has taken over and much of their focus has been on reduction of government spending, reducing immigration flows, and implementing tariffs causing an abrupt reversal of the positive sentiment immediately following the election.

When considering the weakening sentiment along with the current policy on tariffs, Morgan Stanley economists believe the odds of the US entering a recession before year end have raised materially in the last few months. In their most recent update, they updated the odds of entering a recession to essentially a coin flip. However, inputs into our thinking are changing quickly and we will be watching the data closely to determine the future direction of the economy and stock market.



For more information or any further questions, please reach out to your primary Volrath Castle Group advisor.

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IN-SERVICE WITHDRAWAL AT AGE 59 1/2

BY DREW VOLRATH

Client Question: I'm not retiring for a few years and I have a sizable retirement plan. Is there anyway I can move my retirement account to Morgan Stanley so your team can custom manage it?

That depends.

An In-service withdrawal can be a tactic best utilized after obtaining the age of 59 ½. It is a qualified plan provision that allows an employee to take a distribution from a plan, such as a 401k, while still being employed. Not every plan allows in-service withdrawals, but most U.S. retirement plans offer this option. Please check with your employer to determine details.

If this provision is allowed by the plan, this distribution can occur anytime penalty free once the employee has reached age 59 ½.

One primary reason employees look to this in-service withdrawal option once achieving 59 ½, is to rollover their 401k savings to a traditional IRA. This tactic can be done, to specifically pursue different investment options outside of their fund family that is available in the employer sponsored plan.* It is extremely important to understand what your plan allows and what it does not. Be sure to explore those options available before moving forward with a withdrawal.

*<https://www.investopedia.com/terms/i/in servicewithdrawal.asp>

THE IMPACT OF INTEREST RATES ON THE REAL ESTATE MARKET

BY SHEILA VOLRATH

As we move through 2025, the real estate market remains dynamic, with various factors influencing both buyers and sellers. One of the most significant factors shaping the market today is the level of interest rates. The relationship between interest rates and real estate can be complex, but understanding it is crucial for anyone involved in property transactions, whether you're buying, selling, or investing.

In recent years, interest rates have fluctuated significantly, particularly in response to shifts in economic conditions. Central banks, such as the Federal Reserve in the US, adjust interest rates in an effort to control inflation and stabilize the economy. As of early 2025, we are seeing a period of relatively high interest rates compared to the lows seen during the pandemic. The Federal Reserve has been raising interest rates to combat inflation, which has caused mortgage rates to rise as well. Currently, the 30-year fixed mortgage rate is hovering around 6-7%, depending on various factors like credit score and loan type. While this is a decrease from the peak rates of over 7% in recent years, it's still significantly higher than the near-historic lows of 2-3% that many buyers enjoyed just a few years ago.

How interest rates can affect the real estate market:

- Higher mortgage rates can slow down demand
- Refinancing becomes less attractive
- Investor activity shifts
- Buyers are more cautious

The real estate market is expected to continue adapting to the current interest rate environment. While we may see rates level out or even decrease slightly in the coming months, the overall trend will likely depend on broader economic factors, including inflation and employment rates. As interest rates remain a key driver of the market, staying informed about economic developments and working with the Volrath Castle Group and Justin Konkol, our Morgan Stanley Private Banker, will be essential for making the best decisions in the current landscape.

Source: Bankrate.com

TEAM RESOURCES

HAVE YOU MET JUSTIN KONKOL? *IF NOT, YOU SHOULD!*

Did you know an additional perk of working with The Volrath Castle Group is having access to your very own designated Private Banker?

Justin Konkol has been an integral part of our team's process as we've seen the increasing benefits Morgan Stanley's Private Bank has to offer our clients. Whether it's cash management or lending solutions, Justin's experience has allowed us to advise our clients in even more aspects of their financial lives.

Justin has been with Morgan Stanley since 2014, and in the banking industry for almost two decades. His industry knowledge, genuine approach, and prompt communication style has proven to be a great fit assisting our team.

Justin resides in Wisconsin with his wife and three children. When he's not working or spending time with friends and family, you can find him playing soccer, snowmobiling, or...wait for it...competing in Ultramarathon obstacle Course Races..for fun!



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ADD 10 HEALTHY YEARS TO YOUR LIFE

3 SCIENCE-BACKED HABITS THAT PAY HEALTH DIVIDENDS

What if I told you there are three simple, no-cost habits that could add up to 10 healthy years to your life?

BY KELLEY GIRARDIN, RICP

In a recent episode of The Mel Robbins Podcast, globally renowned physician and researcher Dr. Eric Topol shares three powerful practices that don't just boost how you feel—they significantly reduce your risk of chronic illness and help you stay healthier longer. For those of us focused on long-term planning—whether that's retirement, legacy, or simply quality of life—these tips are a goldmine.

Let's break them down by the numbers:

1. Move More: Reduce Mortality Risk by 30–40%

According to Dr. Topol, regular exercise is the #1 evidence-based intervention for slowing biological aging. Just 150 minutes of moderate physical activity per week—around 20 minutes per day—can lower your risk of early death by up to 40%.

That's not marathon training. It's walking, light strength training, or even gardening. Research also shows physically active people have 30% lower risk of cardiovascular disease and up to 50% lower risk of Alzheimer's.

Think of it like compounding interest: consistent daily investment leads to massive long-term gains.

2. Cut Ultra-Processed Foods: Slash Chronic Disease Risk by 60%

Over 70% of the average American's diet is made up of ultra-processed foods—think packaged snacks, sugary cereals, fast food, and soda. Dr. Topol warns that these foods are not just unhealthy—they actively accelerate aging and fuel inflammation.

In fact, people who consume diets high in ultra-processed foods are at 60% higher risk of Type 2 diabetes and have a 30% increased risk of early death.

Swapping even 20% of your processed intake for whole foods like vegetables, lean proteins, and legumes can have a measurable impact. This isn't a trendy diet—this is long-term health insurance.

3. Prioritize Sleep and Mental Health: Add 7–10 Years of Healthspan

Poor sleep and unmanaged stress are silent saboteurs of longevity. Studies show that consistently getting fewer than six hours of sleep increases your risk of dementia by 33% and can reduce immune function by over 50%.

Meanwhile, unmanaged chronic stress contributes to everything from heart disease to reduced cognitive function. Dr. Topol recommends prioritizing 7–8 hours of quality sleep and finding sustainable strategies for mental health—whether that's mindfulness, therapy, or simply unplugging for a daily walk.

The payoff? People with strong mental well-being and good sleep habits live, on average, 7–10 years longer without chronic disease.

Why This Matters for Financial Planning

As your advisor, I help you plan for decades into the future. But what good is a well-funded retirement if you don't feel well enough to enjoy it?

The habits above don't just add years to your life—they add life to your years. And the best part? You don't have to spend a dime.

Consider this your longevity investment plan—and just like financial investing, the earlier you start, the greater the reward.

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2025 TAX TABLES

Income Tax Rate Schedule

BY GREG POTERACK

Single filer tax rate	Taxable Income	Married filing jointly	Taxable Income
10%	\$0 - \$11,925	10%	\$0 - \$23,850
12%	\$11,926 - \$48,475	12%	\$23,851 - \$96,950
22%	\$48,476 - \$103,350	22%	\$96,951 - \$206,700
24%	\$103,351 - \$197,300	24%	\$206,701 - \$394,600
32%	\$197,301 - \$250,525	32%	\$394,600 - \$501,050
35%	\$250,526 - \$626,350	35%	\$501,050 - \$751,600
37%	\$626,351 and up	37%	\$751,601 and up

Retirement Plan Contribution Limits

Retirement Plan Type	Maximum Contribution Limit
IRA	\$7,000 +\$1,000 Catch Up (over 50)
Roth	\$7,000 +\$1,000 Catch Up (over 50)
SEP IRAS	The lesser of 25% of compensation or \$70,000
SIMPLE IRA	\$16,500 +\$3,500 Catch Up (over 50)
Defined Benefit Plan	The lesser of: 100% of average compensation in highest 3 consecutive calendar years or \$280,000
401(k)	\$23,500 +\$7,500 Catch Up (over 50)
403(b, 457(b), Roth 401(k)	\$23,500 +\$7,500 Catch Up (over 50)

Standard Deduction

Filing Status	Standard Deduction
Single	\$15,000
Head of Household	\$22,500
Married filing jointly	\$30,000

Long-Term Capital Gains & Qualified Dividends

Long-term Capital Gain Rate	Single Filers	Married Filing Jointly
0%	\$48,350 or less	\$96,700 or less
15%	\$48,350 - \$533,400	\$96,700 - \$566,700
20%	\$533,400	\$600,050 or more

MARKET TERMINOLOGY 101

BY ALLIE GIRARDIN

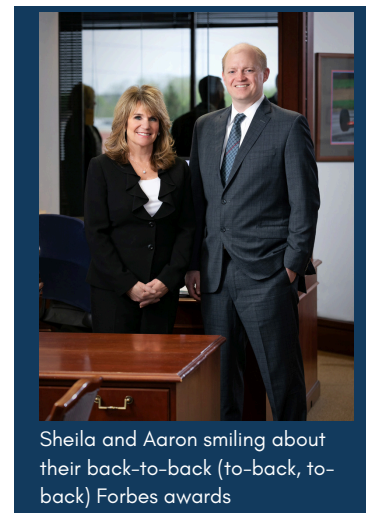
As some of you know, I was an accountant for several years before making the career change to Wealth Management in 2021. All industries have their own lingo, but when you're not used to it, it can feel like a translator is needed for even the most basic of conversations. Four years in and I'm still learning new terminology on a weekly basis. Let's look at some of the most common words and phrases to make your next market conversation an easier one to understand.

- Bear Market – *A market moving down. Used as a visual reminder of market volatility over a period of time. Bears swipe down when fighting – downward trend*
- Bull Market – *A market moving up. Used as a visual reminder of market volatility over a period of time. Bulls thrust their horns upward when fighting – upward trend*
- Diversification – *spreading investments across different assets, industries or markets to reduce exposure to any single risk. This can be achieved by investing in different types of assets, industries or sectors, geography, and investment style.*
- Hawkish – *an approach to monetary policy that focuses on low inflation by having tighter monetary conditions with the goal of preventing inflation with higher interest rates*
- Dovish – *an approach to monetary policy that focuses on low unemployment by having looser monetary conditions with the goal of boosting economic growth with lower interest rates*
- Ticker Symbol – *These are the unique, alphabetic codes that are used to identity public-traded companies and securities. They usually are one to five letters. IE: DE = Deere*
- Stocks – *ownership in a public or private company. When you own stock in a company, you become a shareholder and may receive dividends (a company's profits) if they are distributed. Stocks = Equity.*
- Bonds – *When you buy a bond, you are lending an entity, usually a government or corporation, money. You may receive periodic interest payments, which is income to you, the investor. The borrower will then repay you the original amount loaned at the agreed upon time. Bond = Fixed Income*
- Cost basis – *the original value of an asset at time of purchase*
- Capital Gain – *it's the difference between the cost basis and the asset's current market value*

TEAM NEWS AWARDS, DESIGNATIONS, & OTHER GOOD THINGS

Sheila Volrath named to Forbes America's Top Women Wealth Advisors Best-in-State 2025

The Volrath Castle Group named to Forbes Top Wealth Management Team Best-in-State 2025



Sheila and Aaron smiling about their back-to-back (to-back, to-back) Forbes awards

2025 Forbes Best-In-State Wealth Management Teams Source: Forbes.com (Awarded Jan 2025). Data compiled by SHOOK Research LLC based for the period 3/31/23-3/31/24.
2025 Forbes America's Top Women Wealth Advisors & Forbes Top Women Wealth Advisors Best-In-State (formerly referred to as Forbes Top Women Wealth Advisors, Forbes America's Top Women Wealth Advisors) Source: Forbes.com (Awarded 2025). Data compiled by SHOOK Research LLC based on 12-month time period concluding in Sept of year prior to the issuance of the award.

IN OTHER (NON-HEADLINE) NEWS...

Sheila:: Another exciting 6 months for the Volraths! Jay and I gained a son-in-law as our daughter Karlee married her best friend, Keenan Riedesel in November. The wedding was so magical and beautiful! If that wasn't excitement enough, after they returned from their honeymoon we learned they are having a baby in July! Our family is growing and that warms my heart. Drew and Jordan continue to stay busy with their two little ones, Ava and Cayde. I have forgotten how quickly they grow up and I am trying to take it all in and not miss anything! Being a grandparent is such a blessing.



Left: Sheila and the beautiful bride-to-be!
Above: Sheila's family welcoming the new addition

Aaron:: As we finished another Christmas season this past year, I was forced to face the reality that my kids are getting older. This reality hit me hard as I was struggling to put together their new air hockey table at midnight on Christmas Eve. It's nice that they are getting fewer gifts, but unfortunately the gifts are getting much bigger and complex! After we celebrated, we also had the chance to take a quick road trip before the end of the year. The first stop was in Louisville and included the Louisville Slugger Museum and Churchill Downs, followed by a stop at Monmouth Caves, and finished with a stop in Nashville to watch the Iowa Football Bowl Game. Even with a Hawkeye loss, it was a great time spent together!



Left: The Castles cheering on Iowa at the Iowa Football Bowl Game in Nashville
Right: Aaron teaching his boys a thing or two at the Louisville Slugger Museum

Drew:: It almost makes me sick thinking about how fast the past six months or so have flown by, literally....SICK! The four of us can't seem to catch a break from this cold and flu season! Spring and warmer weather can't come soon enough. After wrapping up two weddings in back-to-back weekends this fall, much of our weekend time has been spent making COSTCO trips and spending time as a family. We are all looking forward to warmer days ahead, playing on the swing set and laying by the pool. Cayde is now crawling, and keeping track of that little explorer is already a tough task, we can't imagine what it'll be like when he starts walking. Luckily, Ava has been a big help keeping track of him!



Left: In between bouts of sickness, Drew and his family looking picture perfect (with no traces of flu in sight!)
Right: Bundled up ready to face the Iowa winter

IN OTHER (NON-HEADLINE) NEWS...

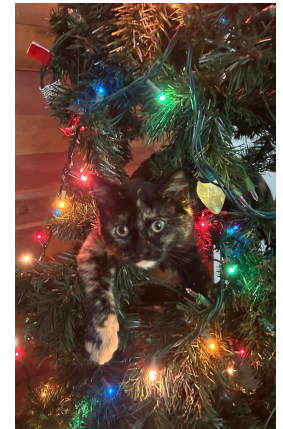
Kelley:: My 6 month highlight was definitely traveling to Portugal with my mom and sister. The older I get, the more valuable *quality time* over *quantity of time* is to me. Exploring a new place and culture with those I love most is my ultimate goal in life. It expands my mindset, fine tunes my taste buds, makes me feel closer and more connected to those I love, and just makes me feel *alive*. I return feeling refocused, reinvigorated and inspired.

When I wasn't working, traveling, or planning travel, I was masked up, paint brush or power drill in hand, renovating our 100 year old home. I recently found out I'm pretty great at framing walls and drywall mudding. (Who would have thought?) But don't worry, I don't see a career change anytime soon! (Also, for those of you who have been following my progress, our kitchen is still not finished and it's a bit of a sore subject 😞)



Left: Kelley enjoying Madeira, Portugal with her mom and sister
Above: How Kelley looks 95% of the time she's not working or traveling

Greg:: The Poteracks had another wonderful Holiday Season with Thanksgiving and Christmas Day at my Parents house here in Bettendorf. We also visited my wife Tonia's side of the family over Christmas with trips to Marion and Waterloo. I took another fishing trip to Belize with my Dad and met up with my brothers for a Miami golf foursome in January. My wife was jealous of the warm weather guys trip but said she really enjoyed the one on one time she got to spend with our son Mitchell. Not to mention apparently allowing Mitchell to pick whatever restaurant he wanted to go to daily with maybe an occasional "Dads in Belize we can eat out every night" comment LOL. We also have a new addition to the family, a new kitty named Stormy. She is bringing us a lot of Joy this year but she sure loves to stir things up also with her boundless energy. Our 13 year old dog, Thunder, mostly ignores her but she likes to take a swat at him from time to time just to see if he will play with her...he won't. So all in all rolling along with everyone healthy, Mitchell in college and no family trip booked yet for this year to report on. Have a great 2025.



Left: Greg enjoying a Vikings Game with his son Mitchell
Right: Stormy getting in the Christmas Spirit

Allie:: 2024 was a great travel year for me. This past September, The Globe-Trotting- Girardins (my mom, sister, and I) went to Portugal. We spent a couple days exploring Lisbon, then the better part of a week exploring the island of Maderia and rounded out the trip with a couple days in Porto. Portugal's people, food, wine, views, hikes, architecture, museums - everything was just incredible, I *HIGHLY* recommend. 2025 has also started strong! I was able to get away for a weekend to Chicago. (Who doesn't love a good speakeasy?) At the time of writing this update, The Globe-Trotting-Girardins' haven't figured out where we are going for our 2025 mother/daughter trip, so stay tuned.



Left: Tallulah's ready for Santa
Below: Allie and her family exploring Portugal on their new annual girls vacation



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Indices are unmanaged. An investor cannot invest directly in an index.

For index, indicator and survey definitions referenced in this report please visit the following:
<https://www.morganstanley.com/wealth-investmentsolutions/wmir-definitions>

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Source: Forbes.com (February 2024) 2024 Forbes America's Top Women Wealth Advisors & Forbes Top Women Wealth Advisors Best-In-State rankings awarded in 2024. This ranking was determined based on an evaluation process conducted by SHOOK Research LLC (the research company) in partnership with Forbes (the publisher) for the period from 9/30/22-9/30/23. Neither Morgan Stanley Smith Barney LLC nor its Financial Advisors or Private Wealth Advisors paid a fee to SHOOK Research LLC for placement on its rankings. This ranking is based on in-person and telephone due diligence meetings to evaluate each Financial Advisor qualitatively, a major component of a ranking algorithm that includes client retention, industry experience, review of compliance records, firm nominations, and quantitative criteria, including assets under management and revenue generated for their firms. Investment performance is not a criterion. Rankings are based on the opinions of SHOOK Research LLC and may not be representative of any one client's experience; investors must carefully choose the right Financial Advisor or team for their own situation and perform their own due diligence. This ranking is not indicative of the Financial Advisor's future performance. Morgan Stanley Smith Barney LLC is not affiliated with SHOOK Research LLC or Forbes. For more information, see www.SHOOKresearch.com.
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Source: Forbes.com (April 2025) 2024 Forbes America's Top Wealth Advisors and Best-In- State Wealth Advisors rankings awarded in 2025. This ranking was determined based on an evaluation process conducted by SHOOK Research LLC (the research company) in partnership with Forbes (the publisher) for the period from 6/30/23-6/30/24. Neither Morgan Stanley Smith Barney LLC nor its Financial Advisors or Private Wealth Advisors paid a fee to SHOOK Research LLC for placement on its rankings. This ranking is based on in-person and telephone due diligence meetings to evaluate each Financial Advisor qualitatively, a major component of a ranking algorithm that includes client retention, industry experience, review of compliance records, firm nominations, and quantitative criteria, including assets under management and revenue generated for their firms. Investment performance is not a criterion. Rankings are based on the opinions of SHOOK Research LLC and may not be representative of any one client's experience; investors must carefully choose the right Financial Advisor or team for their own situation and perform their own due diligence. This ranking is not indicative of the Financial Advisor's future performance. Morgan Stanley Smith Barney LLC is not affiliated with SHOOK Research LLC, or Forbes. For more information, see www.SHOOKresearch.com.

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Typically, a retirement plan participant leaving an employer's plan has the following four options (and may be able to use a combination of these options depending on their employment status, age and the availability of the particular option):

1. Cash out the account value and take a lump sum distribution from the current plan subject to mandatory 20% federal income tax withholding, as well as potential income taxes and 10% early withdrawal penalty tax, or continue tax deferred growth potential by doing one of the following:
2. Leave the assets in the former employer's plan (if permitted)
3. Roll over the retirement assets into the new employer's qualified plan, if one is available and rollovers are permitted, or
4. Roll over the retirement savings into an IRA

Other factors to consider when making a rollover decision include (among other things) the differences in: (1) investment options, (2) fees and expenses, (3) services, (4) penalty-free withdrawals, (5) creditor protection in bankruptcy and from legal judgments, (6) required minimum distributions or "RMDs," (7) the Tax Treatment of Employer Stock, and (8) borrowing privileges.

The decision of which option to select is a complicated one and must take into consideration your total financial picture. To reach an informed decision, you should discuss the matter with your own independent legal and tax advisor and carefully consider and compare the differences in your options.

Photo disclaimers: CRC4377449, CRC4377414, CRC4377479

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