

Morgan Stanley

THE VOLRATH CASTLE *View*

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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.*

If you own an inherited IRA, your advisor will be in touch to discuss your RMD.

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.

RMD=Require Minimum Distribution

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

THE VOLRATH CASTLE
GROUP AT MORGAN
STANLEY NEWSLETTER

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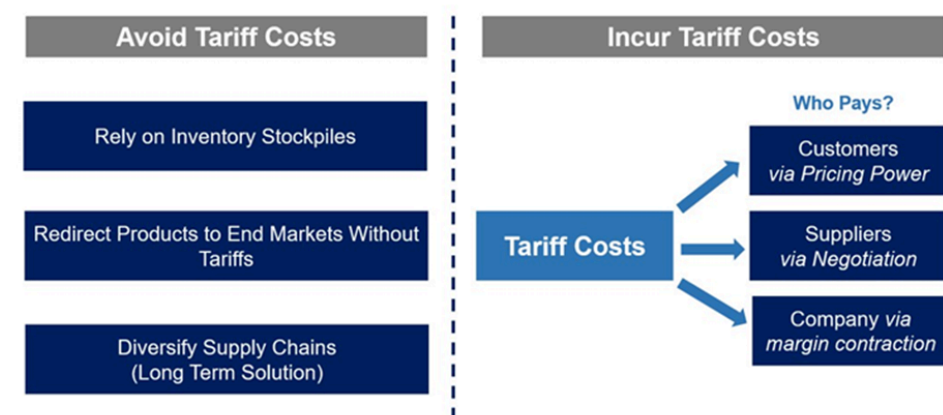
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Post the April 2nd “Liberation Day” earlier this year, economists and market strategists have done their best to anticipate the impact the change in tariff policy would have on the economy and corporate earnings in the US and abroad. Forecasts on what that impact would be have deviated significantly from the extreme to the benign and while no one knows exactly how it will play out, we believe we have a good framework on what we should be keeping an eye on.

We believe there are 3 primary players that will end up paying the brunt of the increased costs from tariffs. The end customer will pay the bill if companies choose to pass along the higher prices of their inputs, the international suppliers will suffer if domestic companies use their negotiating power to offset increased rates, or domestic companies will foot the bill if they are forced to reduce their profit margins. We believe that all 3 parties will likely incur some of the tariff costs but will be keeping a close eye on these developments as inventory stockpiles begin to dwindle and tariff avoidance becomes more difficult.

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



Source: Morgan Stanley Research

REFRESHER GUIDE ON RETIREMENT SAVINGS

BY DREW VOLRATH

When it comes to saving for retirement, one of the most important decisions you'll make is how you contribute to your retirement accounts. For most qualified account types, such as 401(k)s and IRAs, you generally have two options for how your contributions are taxed: pre-tax or Roth. Both options offer advantages, but which one is right for you depends on your current financial situation, future goals, and expectations about future and current tax rates.



What Are Pre-Tax Contributions?

Pre-tax contributions refer to money you contribute to your retirement before taxes are deducted from your income. These contributions help lower your taxable income in the year you make them, which can reduce your overall tax bill in the short term. These contributions, once invested, grow tax deferred, meaning you don't pay taxes on any gains, dividends, or interest until you withdraw the money.



What Are Roth Contributions?

Roth contributions are made with after-tax dollars. You contribute money to your qualified account, but unlike pre-tax contributions, the money is taxed in the year you make the contribution. The catch and major benefit here are that the qualified withdrawals in the future are tax-free. When you retire and begin taking withdrawals, you don't pay taxes on the money you withdraw (principal & earnings), if you meet certain requirements (the account must be open for at least five years and you must be 59 ½ or older).



What about RMDs?

-For pre-tax contributions, you must begin taking withdrawals at age 73. This means that from the time you retire until the age of 73, you can take withdrawals if needed, however, they are not required until the RMD age is met.

-For Roth contributions, you are not subject to an RMD! This means you can let your funds grow as long as you want, without being forced to withdrawal a minimum amount.

Investopedia.com



THE ONE BIG BEAUTIFUL BILL- WHAT IS NEW?

The "One Big Beautiful Bill Act" makes the individual and corporate tax cuts from the Tax Cuts and Jobs Act of 2017 permanent, introduces new individual and business tax cuts, reduces spending on clean energy credits and Medicaid, and increases the debt limit by \$5 trillion. What is new in the bill? Lets learn more about three provisions we think could impact our clients:

BY SHEILA VOLRATH



Enhanced Senior Deduction: The BBB creates a new bonus deduction of \$6,000 for taxpayers age 65 and older, effective for tax years 2025 through 2028. The bonus deduction is available to taxpayers who itemize deductions and those who utilize the standard deduction. The taxpayer must supply their social security number on their tax return and if married, must file jointly to be eligible for the deduction. The deduction is reduced (but not below zero) by 6% of modified adjusted gross income exceeding \$75,000 (\$150,000 married filing jointly). For a married couple, the deduction is reduced to zero if the couple's modified adjusted gross income is equal to or greater than \$250,000.



Gain on Sale of Farmland - The BBB adds a new provision to the Internal Revenue Code that allows a taxpayer to defer payment of the tax due on the sale of qualified farmland to a qualified farmer in four equal installments over a four-year period. Qualified farmland is real property located in the United States that has been used by the taxpayer for farming purposes or leased by the taxpayer for farming purposes for substantially all of the 10-year holding period and is subject to a covenant that requires the property be used for farming purposes for 10 years from the date of the sale. The provision is applicable starting in the 2026 tax year.



Personal Auto Loan Interest Deduction-Effective for tax years 2025 through 2028, the BBB creates a new deduction of up to \$10,000 for interest paid on personal auto loan indebtedness incurred after December 31, 2024 to purchase new, specified vehicles for personal use. Indebtedness owed to a related party does not qualify. The deduction is available to taxpayers who itemize deductions and those who utilize the standard deduction, but the taxpayer must furnish the vehicle identification number on their federal income tax return. The interest deduction is phased out by \$200 for every \$1,000 of modified adjusted gross income that exceeds \$100,000 for single taxpayers (\$200,000 married filing jointly).

The provisions outlined are just a small piece of the new legislation. If you would like to know more, please reach out to the Volrath Castle Group at Morgan Stanley

TRAVEL: AN INVESTMENT IN YOUR HEALTH AND LONGEVITY

When we think about investing, we often picture stocks, bonds, or retirement accounts. But recent research reminds us that one of the most valuable investments we can make as we age is in experiences—particularly travel.

BY KELLEY GIRARDIN, RICP

As an avid world traveler, you can imagine my merriment when I stumbled across a few articles this summer discussing the immense benefits, both physical and mental, that travel has on a person. Especially as we age. After my dad's unexpected death a few years ago (at the young age of 64), my mom, sister and I started a new tradition of going on one international trip together a year, in lieu of exchanging Christmas gifts. The joy it brings us, from the brainstorming to the planning to the actual trip itself has been life-changing for our relationship. While sailing along the crystal clear waters of the Dalmatian Coast or drinking wine in the Douro Valley is good for our souls, turns out it's also good for our minds.

Studies show that regular travel is associated with a 36% lower risk of death and may reduce the risk of Alzheimer's disease by nearly 47%. Beyond these striking numbers, traveling provides cognitive stimulation, encourages physical activity, and fosters social connection—all key ingredients for living not just longer, but better.

From a financial perspective, this raises an important question: Are you budgeting for the kind of lifestyle that promotes both wealth and well-being? Just as you diversify your portfolio for growth and protection, building in the resources—both time and money—to travel can be part of a broader longevity strategy.

Think of travel as more than a vacation. It's an opportunity to invest in your brain health, emotional resilience, and overall vitality. And, like any investment, planning ahead matters. Aligning your financial plan with the experiences you value most ensures that when opportunities to travel arise—whether it's a family trip abroad or a cultural tour closer to home—you can say yes with confidence.

At the Volrath Castle Group, we believe financial planning isn't just about preparing for the future; it's about living fully along the way. That means making space for the adventures that enrich your life while keeping your long-term goals on track.

<https://nypost.com/2025/08/12/health/your-summer-travel-could-be-helping-you-prevent-dementia-heres-how/>
<https://www.psychologytoday.com/us/blog/changeempower/202506/many-older-adults-stop-traveling-do-this-instead>

EXPLORING THE TECHNOLOGICAL INNOVATIONS AT MORGAN STANLEY

As of August 2025, Morgan Stanley continues to be at the forefront of technological innovation in the financial services industry. The firm leverages cutting-edge technology to enhance client experiences, streamline operations, and maintain its competitive edge in a rapidly evolving market. Here, we explore some of the key technological offerings and initiatives that Morgan Stanley has implemented to drive its success.

BY GREG POTERACK

1. Advanced Data Analytics and AI Integration

Morgan Stanley has significantly invested in advanced data analytics and artificial intelligence (AI) to provide deeper insights and more personalized services to its clients. By harnessing big data, the firm can better understand market trends, client behaviors, and risk factors, enabling more informed decision-making. AI-driven tools are also employed to automate routine tasks, enhance trading strategies, and improve operational efficiency.

2. Cybersecurity and Risk Management

In an era where cyber threats are increasingly sophisticated, Morgan Stanley prioritizes robust cybersecurity measures to protect client data and maintain trust. The firm employs state-of-the-art security technologies and

protocols to safeguard its digital infrastructure. Continuous monitoring and risk assessment ensure that potential vulnerabilities are identified and addressed promptly.

3. Digital Platforms and Client Experience

Morgan Stanley's digital platforms are designed to offer seamless and intuitive experiences for clients. The firm provides a suite of online tools and mobile applications that allow clients to manage their portfolios, access research, and execute trades with ease. These platforms are continually updated to incorporate the latest technological advancements and user feedback, ensuring they meet the evolving needs of clients.

4. Innovation Labs and Partnerships

Morgan Stanley fosters a culture of innovation through its dedicated labs and strategic partnerships with fintech companies and academic institutions. These collaborations enable the firm to stay ahead of technological trends and integrate innovative solutions into its offerings. By nurturing a dynamic ecosystem, Morgan Stanley can rapidly adapt to changes in the financial landscape.

Morgan Stanley's commitment to technological advancement is evident in its comprehensive approach to integrating technology across its operations. By focusing on data analytics, cybersecurity, digital platforms, and fostering innovation, the firm is well-positioned to meet the challenges and opportunities of the future.

[Source: Cybersecurity & Fraud Prevention How Morgan Stanley Helps Protect You CRC 4206073 3/25](#)

THE PSYCHOLOGY OF INVESTING WHY OUR MINDS MATTER AS MUCH AS THE MARKETS

BY ALLIE GIRARDIN

I've always heard our advisors say "we help clients take emotion out of market decisions," but what exactly do they mean?

Emotions and Money Don't Always Mix

Money is personal, and that means emotions often sneak into financial choices. Fear and greed are two of the strongest emotions investors face. For example, when markets drop, fear can make people want to sell quickly to avoid losing more. On the other hand, when markets rise, greed can push people to buy in at the top, hoping to chase quick gains. Both reactions may feel natural, but they can lead to costly mistakes.

The Danger of Short-Term Thinking

Our brains are wired to focus on the present. That can make it difficult to stay patient with long-term investments. Checking account balances too often, reacting to every headline, or comparing results to friends can all create unnecessary stress. Successful investors know that wealth building is a marathon, not a sprint.

A Partner in the Process

One of the best ways to manage the psychology of investing is to work with a trusted advisor. Having someone to provide perspective, keep goals in focus, and offer steady guidance can help investors avoid emotional decision-making.

The Bottom Line

Markets will always have ups and downs. What often matters more is how we react to them. By understanding the role psychology plays in investing, we can make more thoughtful decisions, reduce stress, and build confidence in our financial future.

IN OTHER (NON-HEADLINE) NEWS...

Sheila: The past six months have been all about family for me. We have a new addition to the Volrath clan. Our daughter Karlee and her hubby Keenan welcomed Monroe Jay into the world in June! We are head over heels in love with this new granddaughter. Before Monroe arrived we took a quick weekend trip with the whole family to Omaha where we enjoyed the amazing Omaha Zoo. It was so fun watching Ava and Cayde ooh and ahh over the animals! In August the Volrath Family reunion was a blast allowing us to reconnect with over 150 family members. Our family is growing quickly and we want to soak up every minute we can squeeze in!



Left: The Volrath family ready to attend their family reunion
Right: Sheila and Jay welcoming their newest grandbaby



Aaron: Summer flew by again this year! The highlight of our summer was a family adventure visiting the Pacific Northwest. A few weeks before school started, we flew into Portland, Oregon and drove up the coast to Olympic National Park. After roughing it for a few days, we were happy to get back to hotels and electricity and took a ferry to Victoria, British Colombia and then finished our trip in Seattle, Washington. It was a great way to end our summer and follow-up from last summer's trip to Yellowstone. Our kids are excited to start 1st and 4th grade this fall in the newly built St Joan of Arc School in Bettendorf.



Left: The Castles enjoying all the best stops on their Pacific Northwest road trip
Right: Like father, like son(s) soaking up the sunny views in Washington

Drew: For the Volrath household, the Spring and Summer has been nothing short of amazing...and CRAZY. To start things off, Cayde enjoyed his first birthday in May, and he even surprised us by starting to walk about the same time as his party! We took a family trip to the Omaha Zoo and spent the long hot summer days swimming in the pool. It's truly hard to believe that Summer is about over, but we are sure excited for the Fall.



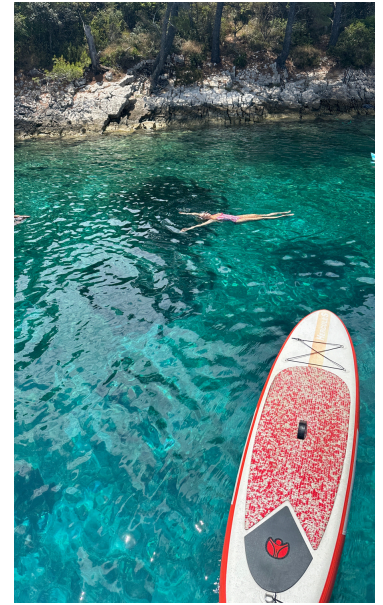
Left: Drew and his family enjoying a hot summer day at the Omaha Zoo
Right: Precious family photos of the Volraths, party of 4

IN OTHER (NON-HEADLINE) NEWS...

Kelley:: If you read my article on page 4, you'll understand that I've been busy fighting those Alzheimer's statistics. In March I traveled to Iceland and climbed glaciers, trekked through ice caves, walked on black sand beaches, swam in the blue lagoon and learned a lot about volcanos. In July, my mom, sister, and I traveled to Croatia. We traveled along the Dalmatian coast, visiting a new island everyday and stopping to enjoy swim spots as we sailed. We explored old towns, visited Yugoslavian submarine bunkers, drank local wine, visited an oyster farm, and met the best, most interesting people. Life's too short and the world is smaller than we think...my current mantra is "Not all those who wander are lost."



Left: Kelley standing in front of a glacier in Iceland, right before going snowmobiling



Right: Kelley floating in the Adriatic Sea off the coast of Croatia

Greg:: Well, a pretty good 2025 in the Poterack household this year so far; however, we unfortunately had to put down our beloved dog Thunder recently, which is always tough, but our crazy Kitty Stormy has softened the blow. The summer as always seems to be flying by, but me and Tonia have enjoyed plenty of live music out and about. My son Mitchell is going into his 3rd year of school and always enjoy him staying with us during the Summer (but I won't miss the midweek late-night friends over for a game when Dad must work at 7:30). A few vacations all went well including another great trip with my longtime friends to the Boundary Waters for some beautiful Walleye catching and eating. All healthy and happy and hope the same to all of you.



Left: Greg catching a fish so big it looks photoshopped

Right: Greg lovingly remembering his dog Thunder, and being thankful for his cat Stormy

Allie:: I bought my first house! I am now the proud owner of an almost 100 year old craftsman style house. Let the fun (and painting) begin! I've also enjoyed traveling. Weekend trips to Chicago and Milwaukee with my boyfriend. A weekend spent with two of my best girlfriends in DC. Between the two of them, they have three boys under three. It was loud and chaotic, but so great. To round out the exciting and jam-packed update, the Globe-Trotting-Girardins explored the Dalmatian Coast of Croatia this summer. We spent a week on a super yacht (total of 25 guests) exploring several incredible islands. There are too many words to even try to recap everything in this small update, but I will leave it at this - I would do it 100x all over, and plan to go back.



Left: Allie enjoying a magnificent meal in Croatia with her mom and sister
Right: New house celebrations must come with champagne



THE VOLRATH CASTLE GROUP AT MORGAN STANLEY

4300 E. 53RD STREET, STE 300

DAVENPORT, IA 52807

563-344-4327

[HTTPS://ADVISOR.MORGANSTANLEY.COM/THE-VOLRATH-CASTLE-GROUP](https://advisor.morganstanley.com/the-volrath-castle-group)

[HTTPS://WWW.FACEBOOK.COM/THEVOLRATHCASTLEGROUPMS/](https://www.facebook.com/thevolrathcastlegroupms/)



SHEILA VOLRATH
Financial Advisor
Executive Director
Senior Portfolio
Management Director



AARON CASTLE
Financial Advisor
Senior Vice President
Senior Portfolio
Management Director



DREW VOLRATH
Financial Advisor
Vice President
Financial Planning
Specialist



KELLEY GIRARDIN
Financial Advisor
Associate Vice President
Financial Planning
Specialist



GREG POTERACK
Portfolio Associate



ALLIE GIRARDIN
Registered Client
Service Associate

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.

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