STAGE 2
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EYE ON MONEY

MAY
JUN
2020

Retirement Savings Tips By Age

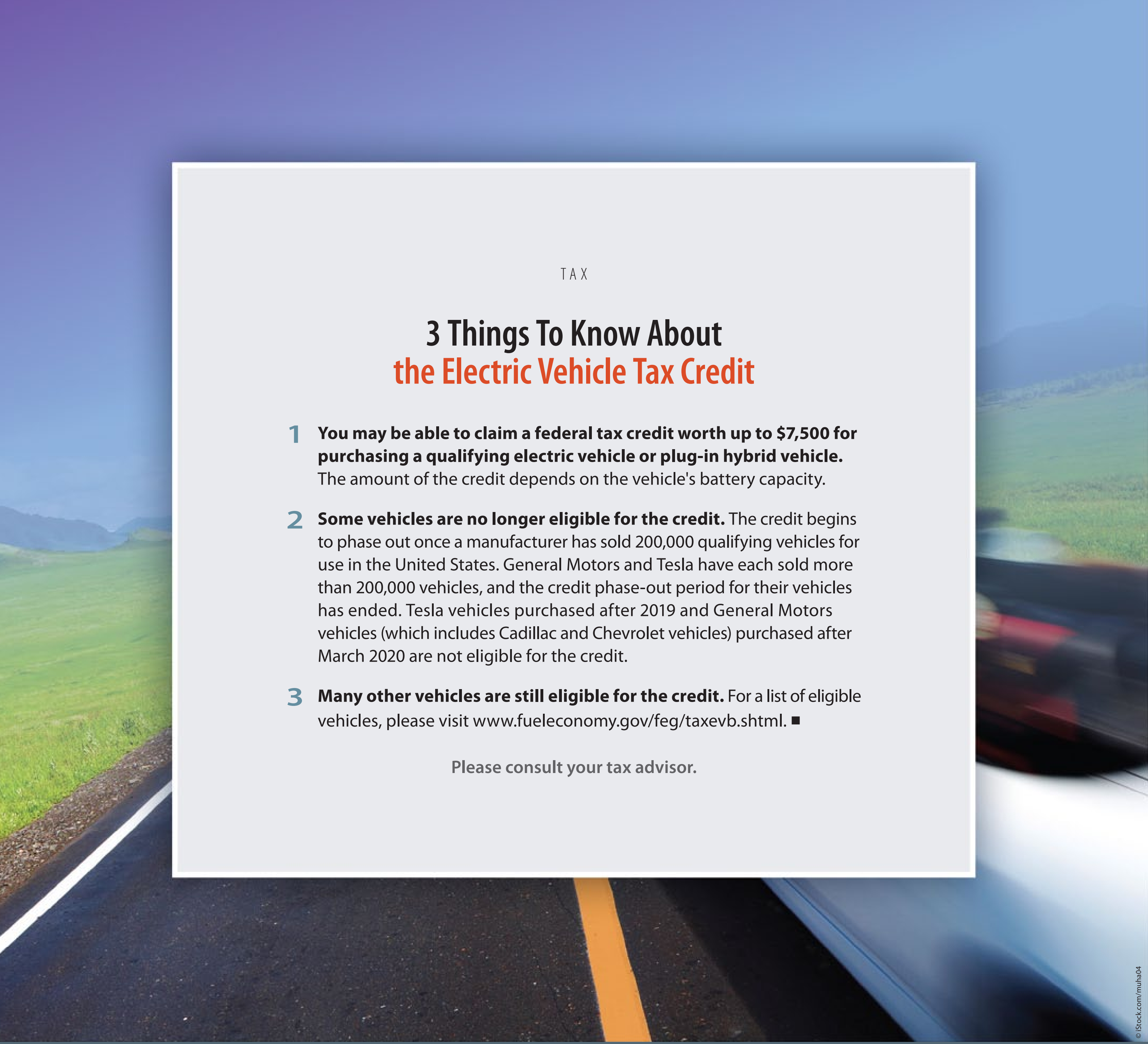
What to do in your 20s, 30s, 40s, 50s, and 60s to prepare for retirement

plus

CHANGES TO IRAS AND RETIREMENT PLANS: HOW THEY MAY AFFECT YOU

FINANCIAL TIPS FOR NEW PARENTS

NEW LAW EXPANDS USES FOR FUNDS IN 529 PLANS



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TAX

3 Things To Know About the Electric Vehicle Tax Credit

1 **You may be able to claim a federal tax credit worth up to $7,500 for purchasing a qualifying electric vehicle or plug-in hybrid vehicle.** The amount of the credit depends on the vehicle's battery capacity.

2 **Some vehicles are no longer eligible for the credit.** The credit begins to phase out once a manufacturer has sold 200,000 qualifying vehicles for use in the United States. General Motors and Tesla have each sold more than 200,000 vehicles, and the credit phase-out period for their vehicles has ended. Tesla vehicles purchased after 2019 and General Motors vehicles (which includes Cadillac and Chevrolet vehicles) purchased after March 2020 are not eligible for the credit.

3 **Many other vehicles are still eligible for the credit.** For a list of eligible vehicles, please visit www.fueleconomy.gov/feg/taxevb.shtml. ■

Please consult your tax advisor.

inside

529 Funds Can Now Be Used for Student Loan Repayment and Apprenticeships

Signed into law on December 20, 2019, the SECURE Act allows 529 plan funds to be withdrawn free from federal taxes for student loan repayment and certain apprenticeship programs. Here are a few of the details.

The SECURE Act expands the list of qualified expenses for which money can be withdrawn free from federal taxes, and perhaps state taxes also, from a 529 education savings plan.

Under the new law, money can now be withdrawn free from federal taxes to pay the interest and principal on qualified higher education loans for the beneficiary of the 529 account and the beneficiary's siblings. The amount that can be withdrawn tax-free is limited to $10,000 per individual.

Money can also be withdrawn free from federal taxes to pay for fees, books, supplies, and equipment required for participation in a registered apprenticeship program.

These changes to the 529 plan rules are retroactive and apply to withdrawals made after December 31, 2018.

It's up to each state to decide whether withdrawals for student loan repayments and apprenticeship programs will be free from state taxes. It's a good idea to find out how your state will treat withdrawals for these expenses before making the withdrawals. ■

__PLEASE NOTE:__ For more complete information about a 529 education savings plan, including investment objectives, risks, fees, and expenses associated with it, please carefully read the issuer's official statement before investing. It can be obtained from your financial advisor. Some states offer state residents additional benefits, such as a state tax deduction for contributions to the plan, reduced or waived program fees, matching grants, and scholarships to state colleges. Any state-based benefit offered with respect to a particular 529 education savings plan should be one of many appropriately weighted factors to be considered in making an investment decision. You should consult with your financial, tax, or other advisor to learn more about how state-based benefits (including any limitations) would apply to your specific circumstances. You also may wish to contact your home state or any other 529 education savings plan to learn more about the features, benefits, and limitations of that state's 529 education savings plan.

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Market Capitalization: What It Is and Why It Matters

Market capitalization is an important measurement to understand when selecting stocks and stock funds.

MARKET CAPITALIZATION, ALSO KNOWN AS MARKET CAP, is the total value of a company's outstanding shares of stock. It is calculated by multiplying the number of shares a company has issued by its current share price. For example, a company with 100 million shares outstanding and a share price of $50 has a market cap of $5 billion.

Companies and their stocks are generally divided by size into three groups—large cap, mid cap, and small cap. The boundaries of each group vary depending on who is doing the categorizing, but roughly speaking:

- Large-cap companies have a market cap of $10 billion or more.
- Mid-cap companies have a market cap between $2 billion and $10 billion.
- Small-cap companies have a market cap between $300 million and $2 billion.

The three market-cap groups have different levels of risk and potentials for growth so knowing the market cap of a stock or stock fund is useful when choosing investments for a diversified portfolio. Generally speaking, large-cap stocks tend to have less risk than stocks issued by smaller companies. Small-cap stocks tend to have the most risk of the three groups, but small-cap companies also generally offer greater potential for growth than larger companies.

Market capitalization is an important factor to consider when determining whether a stock or stock fund is a good fit for you. There are other factors to consider as well. Please seek advice from your financial advisor regarding your specific situation. ■

Please note: All investing involves risk including the possible loss of principal. Before investing in ETFs or mutual funds, investors should consider a fund's investment objectives, risks, charges, and expenses. Contact your financial advisor for a prospectus containing this information. Please read it carefully before investing. Diversification does not ensure a profit or protect against loss in declining markets.

Please consult your financial advisor for help developing and implementing an investment plan.

You may be able to contribute more money to your retirement plan and HSA for 2020.

The IRS increased the annual contribution limits for 401(k) plans, SIMPLE IRAs, and health savings accounts for 2020. Here are some of the key contribution limits.

2020 Contribution Limits

		MAXIMUM
Traditional and Roth IRAs	REGULAR CONTRIBUTIONS	$6,000
	CATCH-UP CONTRIBUTIONS IF AGE 50 OR OLDER	$1,000
401(k), 403(b), and most 457 Plans	REGULAR CONTRIBUTIONS	$19,500
	CATCH-UP CONTRIBUTIONS IF AGE 50 OR OLDER	$6,500
SIMPLE IRAs and SIMPLE 401(k)s	REGULAR CONTRIBUTIONS	$13,500
	CATCH-UP CONTRIBUTIONS IF AGE 50 OR OLDER	$3,000
Health Savings Accounts (HSAs)	CONTRIBUTIONS IF SELF-ONLY COVERAGE	$3,550
	CONTRIBUTIONS IF FAMILY COVERAGE	$7,100
	CATCH-UP CONTRIBUTIONS IF AGE 55 OR OLDER	$1,000

$500 INCREASE

$50 INCREASE

$100 INCREASE

[Please consult your financial advisor for advice about saving for retirement and your future health care expenses.]

Other limitations may apply to the maximum amount you may contribute. Some workplace retirement plans may permit special contributions not listed here.

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Retirement Savings Tips by Age

The savings and investment decisions you make in the decades leading up to your retirement can have a big impact on your financial security in retirement. The following retirement savings tips are designed to help you make informed decisions. Of course, the tips are general in nature, so please seek personalized retirement planning advice from your financial advisor regarding your specific situation.

In your 20s

Start saving now. One of the smartest financial moves you can make in your twenties is to begin saving for your retirement. Why's that? The longer the earnings on your investments have to compound—that is potentially generate earnings themselves—the less income you may need to contribute to reach your savings goal.

To illustrate this point, let's look at two hypothetical investors: Jake and Alexa. Each contributes $10,000 a year to a tax-deferred retirement plan for 10 years and earns 6% annually, but Jake contributes from age 25 to 35 and Alexa contributes from age 35 to 45.

Despite contributing the same overall amount ($100,000) and earning the same annual rate, at age 65, Jake's savings amount to about $757,000 and Alexa's to about $423,000. Why the big difference? Jake's savings had an extra 10 years to compound.

Could Alexa have saved $757,000 by age 65? Potentially, yes. But because she started later than Jake, she'd need to contribute considerably more than Jake each year to reach the same savings goal by age 65. (This is a hypothetical example for illustrative purposes; your results will vary.)

Contribute to the retirement plan at work.

If your employer offers a retirement plan, take advantage of it. Here are a few reasons why.

- *The tax benefits.* Many retirement plans are tax-deferred, meaning that income tax is deferred on your contributions and investment earnings until you withdraw them from the retirement account. This tax deferral can benefit you two ways.

  First, your contributions reduce your current income taxes. For example, if you contribute $10,000 to a tax-deferred retirement plan this year, you will not have to pay income tax on that $10,000 this year. If you are in, let's say, the 25% federal income tax bracket, a $10,000 contribution will trim your current federal tax bill by $2,500, which may make it easier for you to afford to contribute to your retirement savings.

  Second, your investment earnings are not taxed while in the account, which can help your savings grow faster than if they were in a taxable account where earnings are generally taxed every year.

  Some types of retirement plans, such as 401(k) and 403(b) plans, may also offer Roth accounts. Unlike tax-deferred accounts, contributions to Roth accounts are made from income that has already been taxed, but both your contributions and earnings can be withdrawn tax-free in retirement.

- *Employer match.* Some employers may match a portion of the money you contribute to its retirement plan. For example, an employer may match your contributions, dollar-for-dollar, up to 6% of your pay. If your employer offers a match, it is generally a good idea to take them up on their offer. Over time, the matching contributions that your employer makes to your account can significantly boost your retirement savings.

- *Convenience.* When you enroll in a retirement plan at work, you'll generally choose how much of your pay you want to contribute and how you want your contributions invested. Your employer and the financial company that holds your account will take care of getting your contributions where you want them to go. This automation helps ensure that your contributions are made on schedule without you lifting a finger. Of course, you'll still need to review your account periodically to see if there are any changes you want to make.

Stash some cash for an emergency.

In addition to saving for retirement, it's also a good idea to save for emergencies by stashing enough cash in an interest-bearing account to cover at least 3 months of living expenses. Having a pool of cash to draw on in an emergency, such as a job loss, can help you deal with an emergency without having to dip into your retirement savings.

At any age

Fund a health savings account (HSA).

If you have a high-deductible health plan, consider opening an HSA and using it to save for your medical expenses in retirement. HSAs offer three tax advantages, which may help your savings grow faster than in other accounts.

1. Your contributions are tax-deductible or made with pre-tax dollars.
2. Earnings growth is tax-free.
3. Withdrawals for qualified medical expenses are tax-free.

Consider opening an individual retirement account (IRA).
An IRA is a type of retirement account that you can open and contribute to on your own—even if you already contribute to a retirement plan at work. And like workplace retirement plans, IRAs offer tax benefits.

There are two main types of IRAs: traditional and Roth. The main difference between the two is when you receive the tax benefits.

The traditional IRA offers tax benefits that you can take advantage of right away. Your contributions may be tax-deductible and your earnings grow tax-deferred. Your deductible contributions and your earnings will eventually be subject to income tax, but not until you withdraw them from the IRA.

The Roth IRA offers future tax benefits. Contributions are not deductible, but you can withdraw them tax-free at any time. Plus, earnings grow tax-free in a Roth IRA and can be withdrawn tax-free in retirement.

If you are in your twenties, a Roth IRA may be an especially good fit. This type of IRA tends to be well-suited for individuals who expect to be in a higher tax bracket in retirement than they are now, which may be the case for you if you are just starting out in your career. Although you will not receive a tax deduction for the money you contribute to a Roth IRA, you will avoid income tax on your withdrawals in retirement when you may be in a higher tax bracket, which may be more advantageous.

Invest for growth.
The younger you are, the more stocks you may want to hold. The reason? Stocks offer greater growth potential over the long term than bonds or cash investments. And although stocks are also more volatile, meaning their prices tend to move up and down more dramatically, investors with decades to go before they will need their money may have time to ride out market downturns and benefit from stocks' greater growth potential.

Please note that all investing involves risk, including the possible loss of principal. Past performance is no guarantee of future results.

In your 30s and 40s

Prioritize saving for retirement.
In your thirties and forties, you may have competing goals for your money, such as retirement and your children's college educations. Generally speaking, saving for retirement should take priority over saving or paying for your children's college educations. The reason is simple. Your children have more options for paying for college than you have for paying for retirement.

Talk to your financial advisor about how to prioritize your competing goals and how you can work toward more than one goal at a time.

Increase your savings pace.
As your salary increases, consider increasing the amount that you contribute to retirement accounts each year.

Bumping up the amount you save from, say, $500 per month to $600 per month may add up to about an additional $94,870 in savings after thirty years, assuming a 6% annual rate of return.

Of course, this is a hypothetical example for illustrative purposes only, but the point remains that even a small increase in the amount you save every month or year has the potential to really add up over time due to the power of compounding. In this example, you contributed an extra $36,000 over 30 years, resulting in an additional $94,870 in savings—$58,870 of which was the result of compounding.

Don't forget your retirement accounts when you change jobs.
By the time you are in your thirties or forties, you may have changed jobs a few times and have money in former employers' retirement plans. Although leaving your money in a former employer's retirement plan can be a good option, managing several retirement accounts can be a hassle. You may find it easier to manage your savings if you consolidate your old accounts into either your current employer's retirement plan (if the plan permits it) or an IRA. Both options preserve the tax benefits associated with your savings and may make it easier for you to manage your retirement savings. There are differences between the options, which you may want to explore with your financial advisor.

Don't dip into your retirement accounts when you change jobs.
Although you can withdraw money from your retirement account when you change employers, it is rarely your best option. Why's that? The tax cost and the opportunity cost can be enormous.

When you withdraw money from a retirement account, the taxable portion of your withdrawal, which may be all of it, will be subject to income tax. Withdraw $10,000, for example, and you may owe $2,500 in federal income tax alone, assuming you are in the 25% tax bracket. You may also owe state income tax. And you may owe an additional 10% early withdrawal tax penalty if you are not yet age 59½ and an exception to the penalty does not apply. That's the tax cost.

The opportunity cost is that you give up the potential for that $10,000 to compound tax-deferred or tax-free for decades to come. Your $10,000 may amount to about $57,000 if left in a tax-deferred or tax-free account to compound for the next 30 years, assuming a 6% annual rate of return. And if your investments happen to earn 8% annually, your $10,000 will grow to more than $100,000 in 30 years. (This is a hypothetical example for illustrative purposes.)

Before moving your retirement savings, be sure to consider all of your available options, including their investment choices, fees and expenses, services, withdrawal rules, protection from creditors, and tax implications.

At any age

Review your investment mix periodically.
Choosing the proportions of stocks, bonds, and cash (also known as your asset allocation) for your retirement accounts is not a set-it-and-forget-it proposition. Things change over time—and generally so should your investment mix.

For example, as you draw closer to the time when you'll need your money, you may want to reduce volatility in your portfolio because less time remains to potentially ride out market downturns. This is typically done by reducing the proportion of stocks in your portfolio and increasing the proportion of bonds and cash investments.

Please consult your financial advisor for advice on your investment mix.

Please note that asset allocation does not ensure a profit or protect against loss in declining markets.

In your 50s

Take advantage of catch-up contributions. Beginning the year you reach age 50, you can generally contribute additional amounts each year to your IRA and workplace retirement plan. These additional amounts are known as catch-up contributions, and they can help you do exactly that: catch up on your retirement savings if necessary.

For 2020, you may be able to contribute up to an additional $1,000 to your traditional or Roth IRA, $6,500 to your 401(k), 403(b), or 457 retirement plan, and $3,000 to your SIMPLE IRA.

And beginning the year you reach age 55, you can generally contribute up to an additional $1,000 per year to your health savings account.

Fine tune your financial plan.
By the time you reach age 50, you may have a much clearer idea than when you first began saving of how much income you may need to live comfortably in retirement. You may also have a clearer idea of how much income you can expect from Social Security, pensions, your savings, and other sources of retirement income.

Use this knowledge to fine-tune your financial plan. Your financial advisor can help you check whether you are on track to meet your income needs in retirement, as well as help you adjust your financial plan if changes are needed. Checking your progress and reviewing your financial plan periodically gives you the opportunity to make changes to your plan if necessary.

Plan for the possibility of long-term care.
The odds of needing long-term care (LTC) services are not in your favor. The U.S. Department of Health and Human Services estimates that more than half of the people turning age 65 today will need LTC services at some point in their lives. These services can be expensive, and Medicare and regular health insurance generally do not cover them except in very limited situations. For these reasons, it's important to consider potential LTC costs when planning for retirement.

If you have accumulated substantial wealth, you may be able to comfortably pay all of your LTC costs out of your own pocket. However, if you are concerned that paying for everything yourself may prematurely deplete your retirement savings, consider supplementing the amount you can afford to pay with insurance.

Your insurance options will typically include traditional LTC insurance policies and hybrid LTC/life insurance policies. Hybrid policies generally pay benefits if you require LTC services, as well as a death benefit to your beneficiary after your death, reduced by any LTC benefits you received. Your financial advisor can help you determine which insurance option may suit you best.

If you decide that some form of LTC insurance makes sense for you, consider purchasing it in your fifties or sixties while your health is still good.

Watch out for the 10% early withdrawal tax penalty.
If you plan to retire before age 59½, keep in mind that withdrawals from retirement plans and IRAs before that age are generally subject to a 10% early withdrawal tax penalty. However, there are exceptions to what is known as the "age 59½ rule" that will let you withdraw money without penalty before age 59½.

Please consider your tax advisor about the exceptions if you plan to make withdrawals from your retirement accounts before age 59½.

At any age

Rebalance your retirement portfolio when necessary.
Over time, differences in performance can cause the actual proportions of stocks, bonds, and cash in your portfolio to stray from your intended proportions. For example, after an especially strong year for stocks, stocks may account for a significantly larger portion of your portfolio than you intended. And although strong stock returns are a good thing, an increase in the proportion of stocks in your portfolio indicates that your portfolio may have more risk than you intended.

Restoring your investment mix back to your chosen proportions can help you manage risk in your portfolio. The process of restoring your investment mix is known as rebalancing. Please consult your financial advisor for advice about it.

In your 60s

Decide when you will begin receiving Social Security benefits.
Although you can begin receiving Social Security retirement benefits at age 62, the longer you wait to begin—up until age 70—the larger your monthly benefit will be. To learn how much you may receive each month if you begin benefits at age 62, full retirement age, or age 70, check out your Social Security Statement, which you can review online at www.ssa.gov.

Sign up for Medicare.
Most people become eligible for Medicare at age 65 and if you do not enroll when you are first eligible, you may have to pay a late enrollment penalty.

If you (or your spouse) are still employed and you have group health insurance from an employer or union based on that employment, check with your benefits administrator before your 65th birthday to find out how your current health insurance works with Medicare and what steps you may need to take to avoid any penalties.

Design a retirement income plan.
Before you retire, it's a good idea to plan how you will turn your retirement savings and other retirement assets into income.

Which accounts should you draw on first? How much can you withdraw each year and still have a good chance of your nest egg lasting thirty or more years? Should you convert some tax-deferred savings to a Roth IRA to help minimize the tax on your required minimum distributions later on?

Your financial advisor can help you design a retirement income plan that addresses these questions and others so that you know from day one of your retirement how to draw on your retirement assets in a potentially sustainable manner. ■

Please consult your financial advisor.

The savings and investment decisions you make in the decades leading up to your retirement can have a big impact on your financial security in retirement. Please seek advice from your financial advisor regarding how to plan for your retirement.

The SECURE Act Makes Changes to IRAs and Retirement Plans

Signed into law on December 20, 2019, the Setting Every Community Up for Retirement Enhancement (SECURE) Act makes major changes to IRAs and retirement plans. Here are a few changes that may affect your retirement planning.

The age limit for contributing to a traditional IRA is repealed.
Prior to 2020, individuals age 70½ or older were not allowed to contribute to traditional IRAs. The new law removes the age limit, making it possible for individuals in their seventies and beyond who work and earn taxable compensation (or who file jointly and have a spouse who works) to contribute to traditional IRAs.

The RMD start age is increased to 72.
Owners of most types of retirement accounts, such as traditional IRAs and 401(k) accounts, generally must take required minimum distributions (RMDs) every year starting at a certain age. The SECURE Act increases the age when RMDs must start from 70½ to 72. The change applies to individuals who reach age 70½ after December 31, 2019.

Keep in mind that your employer's non-IRA retirement plan may allow you to delay the start of RMDs past age 72 if you are still working.

Penalty-free withdrawals for the birth or adoption of a child.
Withdrawals from an IRA or a retirement plan, such as a 401(k) plan, before age 59½ are generally subject to a 10% early withdrawal penalty unless an exception to the penalty applies. The SECURE Act creates a new exception that allows you to withdraw up to $5,000 penalty-free upon the birth or adoption of a child. The Act also gives you the option to recontribute the amount.

The distribution period for inherited retirement accounts is shortened for non-spouse beneficiaries.
The SECURE Act shortens the distribution period for inherited IRAs, 401(k) plans, and other defined contribution plans to 10 years for most non-spouse beneficiaries. Prior to the new law, a non-spouse beneficiary generally had the option to stretch annual distributions from the inherited account over their life expectancy. Now, if the account owner passes away after December 31, 2019, the entire account generally must be distributed within 10 years of the death.

Not everyone is subject to the new 10-year distribution requirement. The requirement does not apply to:

- Surviving spouses
- Minor children until they reach the age of majority
- Disabled or chronically ill individuals
- Individuals who are not more than 10 years younger than the deceased account owner

For any other beneficiary who inherits an account from someone who dies after 2019, the account must be emptied within 10 years. This means that the inherited assets have 10 years at most to potentially compound tax-deferred, or tax-free in the case of a Roth account, before they must be withdrawn. It may also mean higher taxes for the beneficiary in some situations.

Remember, money from a tax-deferred account is generally subject to income tax when it is withdrawn. If you were planning to withdraw the money over your lifetime and now have to withdraw it within 10 years, your withdrawals will be larger, perhaps large enough to push you into a higher tax bracket where you'll pay tax at a higher rate than you otherwise would have.

The new 10-year distribution period for non-spouse beneficiaries curtails the estate planning strategy known as the "stretch IRA". This strategy typically involves naming a younger person, such as a child or grandchild, as the IRA's beneficiary in order to maximize the time that the assets remaining in the IRA have to potentially compound tax-deferred or tax-free.

If your estate plan includes the stretch IRA strategy, you may want to review your plan with your estate planning advisor in light of the shortened distribution period for non-spouse beneficiaries. ■

Please consult your financial advisor for advice regarding planning for retirement.

COMING SOON

Long-term, part-time employees can contribute to 401(k) plans.

Currently, employees who work less than 1,000 hours per year can be excluded from participating in 401(k) plans.

The SECURE Act requires 401(k) plans to allow employees who work between 500 and 1,000 hours per year for three consecutive years to participate in the plan.

However, years worked prior to 2021 do not count toward the three-year requirement so part-time employees will generally need to wait until 2024 at the earliest to start making contributions. Some employers may choose to allow participation sooner than the law requires.


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Financial and Legal Tips for New Parents

Tips to help you provide a solid financial foundation for your child.

AFTER THE BIRTH OR ADOPTION OF A CHILD, there are three financial and legal things that generally should be taken care of nearly immediately.

One, get your child a Social Security number. You'll need it to claim your child as a dependent on your tax return. The easiest time to apply for the number is at the hospital when you are providing information for the birth certificate.

Two, add your child to your health insurance plan. Check the plan documents to find out how much time you have after the birth or adoption to enroll your child.

Three, name a guardian for your child in your will. If you do not name a guardian and both parents die, a court will choose someone to raise your child.

While you are amending or creating your will, talk to your estate planning advisor about other legal measures or changes to your estate plan that can help protect your child's financial future. For example, you may want to address how any assets you leave your child are to be managed if you die before the child is an adult.

Speaking of your child's financial future, if your child would suffer financially without your income, consider purchasing life insurance in case you die before the child reaches adulthood. For many young families, term life insurance is a good choice, enabling them to purchase coverage for just those years while they are raising children or paying a mortgage.

The addition of a new child may also change your tax picture. The Child Tax Credit alone may reduce your federal income taxes by up to $2,000 per child per year if you are eligible to claim it. In light of the potential tax breaks, it's a good idea to review how much tax is being withheld from your pay and perhaps supply your employer with a new IRS Form W-4 so that less tax is withheld. ■

Please consult your financial advisor about planning for your child's future and your tax advisor for advice regarding tax breaks for dependents.

A "To Do" List for Parents

The items on this list are general in nature so please seek advice from your tax and financial advisors about your specific situation.

NEWBORN

- Get a Social Security number for your child so that you can claim your child as your dependent on your tax return.
- Add your child to your health insurance plan.
- Name a guardian for your child in your will.
- Check with your estate planning advisor to see if other changes are needed.
- Consider increasing your life insurance coverage now that another person depends on you financially.

AGE 0–5

- Start saving for college. Consider opening a 529 education savings account.
- Keep track of your child care expenses. You may be eligible to claim the Child and Dependent Care Tax Credit.
- If your employer offers Dependent Care Flexible Spending Accounts (FSAs), consider opening one if it provides you with a larger tax benefit than the tax credit mentioned above.
- If you hire a nanny, brush up on the rules for paying employment taxes for household employees.

AGE 6–14

- Introduce the concept of saving by having your child set aside money for what he or she wants.
- Have your child open a savings account, either through school or your bank.
- Review your life insurance coverage. As your income grows so may the amount of life insurance needed to help maintain your family's financial security.
- Consider increasing the amount you save each year for college.

AGE 15–18

- Discuss college and career choices with your child.
- Review your financial situation to see if you are on track for paying for college.
- Explore your child's financial aid options, such as scholarships, grants, and student loans.
- If your child plans to attend college, file the Free Application for Federal Student Aid (FAFSA) as soon as possible on or after October 1 of your child's senior year in high school.

KYOTO CALM | Kyoto, Japan

BY BRIAN JOHNSTON

Historical capital Kyoto is rightly the most visited destination in Japan, but beyond its most famous sights you can still get off the tourist trail and find tranquility.

THERE ARE TWO WAYS of visiting Kyoto. Rush through its most famous temples and sights, and you'll soon see why the ancient capital has hit the news recently for overcrowding. Do more than World Heritage stops, however, and you'll have quite another Kyoto experience. For every shrine and temple with its surge of Instagrammers, there are a dozen others wedged peacefully into hillsides, where locals consult fortune sticks and monks chant.

In a city crammed with important historical sights—Kyoto was Japan's capital from 794 to 1868—it's easy to become entangled in bucket-list busyness. Slow down and even its busy places reveal their delicate charms, though. Sightseers rush the famed Philosopher's Path in an hour, but take time to sit on a bench, contemplate the clouds from a temple veranda, or listen to birds twitter in bamboo and you'll appreciate the essence of Kyoto. A slower pace also allows you to stray away from beaten tracks. There are reputedly 1,500 temples and shrines in this city, and some sidestepping will unearth many an overlooked treasure.

Take Nanzen-ji Temple, one of Kyoto's busiest, as an example. Tourists flock towards the main hall, mostly oblivious to the compound's many dainty subtemples, the best of which is Tenju-an for its gorgeous garden. Wander away from Nanzen-ji Temple altogether and, just nearby, you'll find silent Nanzen Okunoin grotto tucked into a wooded hillside in one direction and the mossy gates of Hoen-in Temple in the other. This temple, magically overlooked, has leafy pond gardens and one of the city's most beautiful Buddha images. Also nearby is Murin-an Villa, built for a nineteenth-century prime minister, where you can sometimes have the teahouse entirely to yourself.

Even in the middle of the downtown geisha district Gion, you might find Kennin-ji Temple, overlooked behind high walls. It's Kyoto's oldest Zen temple, founded in 1202 and rich in painted scenes depicting dragons and the gods of storms and thunder. The tiny Zen garden at its heart—raked gravel, a single tree, a circle of moss—is superb in its simplicity.

The Arashiyama Bamboo Grove (left), on the outskirts of Kyoto, is a popular destination for tourists. Built in the 15th century, the Sanmon Gate (below) is part of the Tofuku-ji Temple complex and is considered to be one of Japan's national treasures.

There are tranquil treasures everywhere if you only look. While the best-known sights are crammed, around the corner just as delightful destinations have scarcely a visitor. Off the busy Philosopher's Path, tranquil Otoyo-jinja Shrine pushes up against forested hillside and is notable for its statues of guardian mice. Nearby at the twelfth-century Nyakuoji-Jinja Shrine, you're likely to encounter only locals, who come to write their wishes on wooden *ema* boards and quietly clap their hands in front of the altar to attract the attention of the Shinto gods.

Similarly, you can stroll beyond the gates of Tofuku-ji Temple, especially famous for its autumn foliage, and find the rarely-visited Komyo-in Temple, which has a petite but wonderfully presented Zen garden below a sheltering hillside of azaleas and maple trees. Although it isn't a famous destination, sometimes the best garden is the quietest garden. Sit on a tatami mat and contemplate the upright stones amid the gravel that represent Buddha preaching to his disciples, and the only thing that might disturb you is the croaking of frogs. It's in such places, over the horizon from the tour-coach trail, that you can really appreciate the apparent simplicity and restrained elegance of Japanese garden design.

There are many famous gardens in Kyoto, and some of the best go almost completely overlooked by visitors. If you have a particular interest in Japanese gardens then consider Shugaku-in Villa. This is an imperial property, and arrangements must be made in advance through the Imperial Household Agency to tour the garden, but it is worth the effort. The garden is designed for strolling and centers on a freeform lake nestled in hills that are especially spectacular in fall. Think of any Japanese garden as a sanctuary in which to ponder life's meaning and beauty, and it will reward you.

If the weather takes a turn, head indoors. Kyoto has some excellent museums that are perplexingly under-visited. Kyoto Railway Museum is one of the best

transport museums in the world. You can take vintage steam-train rides, admire train-related memorabilia, and try your skills as a bullet-train driver on a simulator. The museum displays numerous shinkansen bullet trains, including one of the sleek originals from the 1960s.

On the cultural side, Hosomi Museum presents a superb private collection of Buddhist and Shinto art, as well as ceramics and lacquer bowls. Kyoto National Museum displays the sculptures, paintings, and lacquerware seldom seen in the often-empty rooms of the city's temples and palaces. The textile collection features elaborate robes and kimonos embroidered with birds and flowers.

Kyoto Museum of Traditional Crafts explains how these various arts—from kimono making to ceramics and enamelware—were honed to near-perfection over centuries. Don't miss the section devoted to *karuta* playing cards; Nintendo got its start in Kyoto as a *karuta* manufacturer.

Follow the craft trail and you get away from mainstream tourists to experience Kyoto's living culture. You might find a store selling superb *hina* dolls arrayed in shimmering silk clothing embroidered with gold and platinum thread. You can take classes in mother-of-pearl inlay with a family that makes both utensils for tea ceremonies and contemporary jewelry. You can even have your own custom incense sticks made by a sixth-generation master who supplies many of Kyoto's temples. The scent of agar and sandalwood floats around his back-alley shop, seemingly barely changed in a hundred years. Get retro in Kyoto and it's as if you've slipped through a looking glass into another world that has never heard of mass tourism.

Perhaps the greatest experience of living culture is a meal at a traditional restaurant in which guests are served elaborately presented *kaiseki* meals, a form of meditation as well as a feast. *Kaiseki* refers to the ornate, beautifully plated, multicourse set menus that are derived from the imperial and samurai cuisines of Kyoto. Hospitality and presentation are an important aspect of this elegant and ritualized dining experience, which won't just titillate your palate but your eyes and mind as well.

Count on the meal lasting a couple of hours, and become meditative. *Kaiseki* doesn't just present various cooking techniques and the fresh flavors of seasonal ingredients, but is a whole experience. It's performance art with flavor. Admire the different bowls in which each dish is served; some restaurants will use ceramics handed down for generations. Appreciate the shimmer of the hostess's kimono, listen to the gurgle of sake as it's poured into your ceramic cup. You'll feel as if the mad rush of the world has stilled for a while, and that Kyoto has unfurled its true delights. ■

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This virtual gateway lets you explore many of the museum's permanent, current, and past exhibits online. Click on the 1st floor of the museum diagram to tour the recently renovated Hall of Fossils with its menagerie of fossilized dinosaurs. Wander a bit further on that floor to view the Ocean Hall and Mammal Hall exhibits. On the 2nd floor, you'll find the Objects of Wonder, Bones, Geology, Gems, and Minerals exhibits. ■

QUIZ

Where in the world are you?

1. If you are angling for the perfect sunrise picture at the Angkor Wat temple complex (photo 1), you are in:

A. Cambodia
B. India

2. If you are standing in the shadow of the massive statue of Ramses II (photo 2) at Karnak, you are in:

A. Jordan
B. Egypt

3. If you are crossing the bridge that straddles Multnomah Falls (photo 3), you are in:

A. Colorado
B. Oregon

4. If you are walking along a white-sand beach, ankle-deep in the Arabian Sea (main photo), you are in the:

A. Maldives
B. Canary Islands

5. If you are exploring Castillo San Cristóbal, the largest Spanish-built fortification in the New World, you are in:

A. Florida
B. Puerto Rico

6. If you are heli-skiing within sight of the Matterhorn, you are in:

A. Switzerland
B. New Zealand

7. If you are traveling by rail from Vancouver to Halifax, you are in:

A. Canada
B. Australia

8. If you are driving among multi-colored buttes and spires on the Badlands Loop State Scenic Byway, you are in:

A. Utah
B. South Dakota

9. If you are picnicking on the lawn at Tanglewood as the orchestra performs on stage, you are in:

A. Massachusetts
B. New York

10. If you are cycling through the vineyards between Calistoga and Healdsburg, you are in:

A. California
B. Germany

ANSWERS: 1-A, 2–B, 3–B, 4–A, 5–B, 6–A, 7–A, 8–B, 9–A, 10–A

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