

LET'S TALK MONEY[®]

January/February 2019

Check Your Insurance

It's the New Year and, if you're like many people, you may look at various areas of your life to see where there is room for improvement. One area many people don't explore is their insurance. Are you and your family covered? Consider this three-pronged approach to insurance.

Health Insurance

If there is one type of insurance that's on most people's minds, it's health insurance. Despite its increasing cost, health insurance typically covers expenses that far outweigh the cost of premiums. One way you might reduce your health care expenses is through a Health Savings Account (HSA).

If you have a high deductible health plan, you qualify to make contributions to an HSA. Contributions are tax-deferred, potential growth is also tax-deferred and qualified distributions are tax-free.

Life Insurance

While the need for health insurance is only an accident away, we hope the need for life insurance is in the distant future. However, hope doesn't always equal reality and having life insurance can help provide the future financial security you want for your family.

As with health insurance, you'll probably want to take advantage of any group life insurance your

employer offers. If you change jobs, though, this coverage could end. Buying an individual life insurance policy outside of the workplace may make sense, especially given the price and design alternatives from which you can choose. Term life insurance provides basic protection at a cost that starts out low, but typically rises with age. Whole life insurance is permanent and its premium payments never go up as long as you pay them on time.

Disability Insurance

Of the three types of insurance, disability income (DI) insurance is the one type of coverage most often misunderstood. Many people get short-term DI insurance for free from their employers, who may also

offer group long-term DI insurance paid for by employees. The latter is vital coverage that replaces a portion of what is the largest asset of many people: their ability to earn a living.

Your financial professional can help you compare DI and other types of insurance as part of a comprehensive look at your financial protection.



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I am committed to helping my clients achieve their financial goals for themselves, their families and their businesses by providing them with strategies for asset accumulation, preservation and transfer.

Insurance Version

LTM Client Marketing

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Financial Fitness: Challenge Yourself

This New Year, legions of people will pledge to overhaul their lives by eating right, exercising regularly, learning new job skills and more. What you don't hear a lot about are people who make the ultimate New Year's resolution — to organize every aspect of their financial lives.

We've organized the steps everyone needs to take to help get their financial lives in peak condition. It's not so hard when you take it one step each month. We are here to help coach you through each monthly challenge.

January – Assess

You might work with a nutritionist to eat better, a trainer to get in shape and a mentor to learn new job skills. Why not work with a financial professional to assess your current financial situation and the work ahead of you?



February – Plan

Write down your short-term goals. Marriage or a first home? And then intermediate goals – maybe a bigger home or a child's college costs. Next, ask yourself what you want to achieve 25 or 30 years from now. A comfortable retirement? Leaving loved ones a financial legacy?



March – Budget

Now figure out a financial path to achieve your goals. Start with a budget. Add your debts and income sources separately. Subtract your debt from income to get disposable income. Then make a budget and stick to it.



April – Reduce

As spring arrives, spring into action by preparing to better your current finances. Cut your debt where possible, particularly high-interest revolving credit. Add to your income, especially if you have a skill that lends itself to part-time work.



May – Save

Put the money you save from reducing debt and earn from side jobs, raises and bonuses into accounts designated for each goal. Never forget that you cannot borrow for retirement, so this long-term savings goal should be a priority.



June – Protect

You don't think twice about protecting the value of your home and car with insurance. Why not do the same for your income? Buy life insurance* to protect your loved ones financially and disability income insurance to protect your earning power in the event a long-term disability prevents you from working.



July – Invest

Put your money where it can help you best meet particular goals. Understand what you invest in. Take advantage of investment options that offer tax benefits.



August – Retire

The steps you take now will influence your financial readiness in retirement. Don't put off saving for this important goal because using time to your advantage may help your money grow. And don't forget to contribute at least whatever your employer matches to your 401(k) plan.



September – Graduate

This will probably come before retirement, but remember that while you can always borrow for a child's college expenses, you can't for your retirement. Use the tax advantages of 529 plans and Coverdell Education Savings Accounts to save specifically for school costs.



October – Enroll

This is the time of year to review and select the benefits your employer offers during open enrollment. Check out life, health and disability insurance offerings, as well as any retirement plan.



November – Give

Contribute to charitable organizations. It feels good and you may get tax advantages for it. Also, you can benefit loved ones with an annual gifting strategy during your lifetime.



December – Review

Life happens. For example, your priorities might change and insurance needs generally change with age. Make sure to review your financial strategy regularly with your financial and tax professionals.

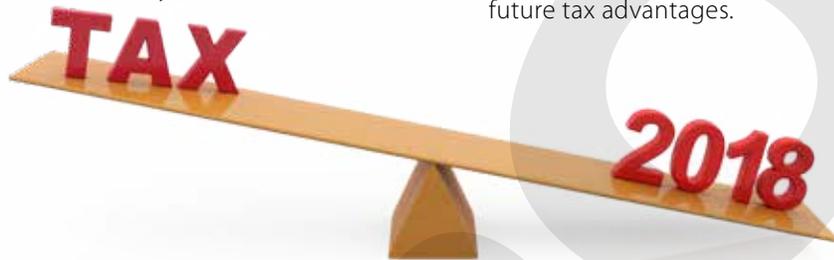


*Applications for life insurance are subject to underwriting. No insurance coverage exists unless a policy is issued and the required premium to put it in force is paid.

Major 2018 Tax Changes

As the New Year begins, tax filing time beckons. This year brings new federal tax regulations, so you'll want to know what deductions and credits are available to you for the 2018 tax year. Consider these tax features:

- 1. Lower Rates** – Tax rates are lower and brackets expanded for most taxpayers. Check with your tax professional to learn how this affects you.
- 2. Bigger Standard Deduction** – This deduction almost doubled for most taxpayers. If you're married and filing jointly, you will see the standard deduction rise to \$24,000. Single taxpayers have a \$12,000 standard deduction.
- 3. Personal Exemptions Gone** – If you have many dependents, you might miss the personal exemption, which is now history.
- 4. Fewer And Lower Deductions** – Taxpayers in high-tax states won't like the state and local tax (SALT) cap of \$10,000 on combined local income and property tax deductions. Mortgage interest and the child tax credit are two other areas of change.
- 5. Retirement Account Breaks Live On** – It's good news that the deduction for qualified retirement plan contributions and tax-deferral of growth of most retirement accounts continue. IRAs and 401(k) plans are two good ways to find current and future tax advantages.



Debt Can Hurt Your Retirement



How much debt is too much? When it comes to non-mortgage debt, six in 10 workers with non-mortgage debt believe this type of debt will negatively impact saving for retirement. This is according to the 2018 survey *Danger Ahead? The Impact of Debt on Retirement Savings*, which also notes that seven in 10 American workers have non-mortgage debt.



7 Ways to Find More Money to



Ever wish you could find extra money to put toward your child's college expenses or your own retirement? Maybe you would like to take a bucket list vacation or buy a larger home. Whatever your financial goals may be, finding the money to help pursue them can be challenging, but not impossible. Here are some ways to find more money:

1. Eliminate one designer cup of coffee per week. At \$3 per cup, you'll save over \$150 for the year.
2. Skip one monthly \$70 restaurant outing and save more than \$800 annually.
3. Clean out your basement or garage and sell unwanted items online, through an app or in a yard sale.
4. Keep your car or SUV an extra year or two. When your car loan payments end, why not save thousands and spend a year or two driving your vehicle without having a car payment.
5. Go through your television and smartphone bills and eliminate paid services and features you don't use. For that matter, you might stream rather than watch TV through more traditional outlets. Save a bunch.
6. Find ways to exercise at home and cancel your gym membership. Save hundreds.
7. Find money in these and countless other ways and establish an emergency fund to ensure surprise expenses don't get in the way of your plans.

Cut Funeral Costs by Planning Ahead

Shopping for the best deal on funeral services is the last thing anyone wants to do when grieving. That's why you may want to spare loved ones this task by planning ahead, saving potentially thousands of dollars in the process.

Shop Ahead

To start the process, discuss with your family the type of services you want, realizing that funerals are as much for survivors as for the deceased. To compare apples to apples, decide how many days you will give friends and loved ones to pay last respects at a funeral home. Also compare prices on plots and gravestones, including engraving on the latter.

The Federal Trade Commission (FTC) has a funeral rule that gives consumers rights, including the right to learn of casket prices before seeing them, to refuse embalming, and to receive price information by phone and an itemized price list in person.

Shop Now

If you have to plan a funeral in which arrangements were not made in advance, the FTC recommends that you compare the costs of at least two funeral homes and get an itemized price list from each. Know that you have a right to refuse items or services you don't want.

The FTC offers this and other valuable information at www.consumer.ftc.gov. Also check out the Funeral Consumers Alliance

at www.funerals.org and click on local FCA, where you can find contact information for an FCA in your area. The FCA offers tips and, in some locations, price surveys you can download.

Life Matters

Whether planning ahead or not, it is important to let loved ones know where they can access any life insurance policies and related contact information. Life insurance that has been in force at least two years is usually accepted as promise of payment for funeral home services via what's known as a life insurance assignment. Don't sign the policy over or divulge the benefit amount; the funeral home need only verify that the policy is big enough to pay funeral costs.

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ADVERTISING REGULATION DEPARTMENT REVIEW LETTER

October 2, 2018

Reference: **FR2018-0905-0107/E**

Org Id: 8408

1. 2019 Let's Talk Money Jan/Feb Insurance with optional cover letter
Rule: FIN 2210
5 Pages

The communication submitted appears consistent with applicable standards.

Reviewed by,

David Y. Kim
Senior Analyst

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