LET'S TALK MONEY®

September/October 2020

Retirement and the SECURE Act

The enactment of the Setting Every Community Up for Retirement Enhancement (SECURE) Act has created a handful of tax-advantaged features retirees may appreciate. The new law allows retirement plan participants to take penalty-free distributions for a new baby, and 529 plans to pay off college loans. But the major focus of the new law is on helping Americans become more secure in retirement, and the SECURE Act does that in big ways.

Older Workers Rejoice

If you don't want to begin taking required minimum distributions (RMDs) from an IRA at 70½, you don't have to anymore provided you turn age 70½ in 2020 or later. RMDs for these workers will begin at age 72.*

You can also contribute to an IRA at any age, as long as you have earned income to offset contributions. Previously, this became off limits once you reached age 70½. As before, you can still contribute to a company 401(k) plan at any age as long as you're working.

Another feature of the SECURE Act has the potential to affect an even larger group of workers: part-timers. Older workers often take seasonal or part-time work to supplement their retirement income. Effective 2021, if they worked 500 hours in each of three consecutive years, their employers can make them eligible to contribute to the retirement plan.

A Lifetime of Income

The later RMD age and the ability to continue putting money into an IRA may have a positive effect on savings in two ways. First, it gives you more time to grow your retirement accounts as contributions continue to add up if you continue working. Second, whether you work or not, balances potentially grow longer and tax-deferred if you delay RMDs until you must begin taking them.

The SECURE Act also requires plan sponsors to give employees lifetime income disclosures that estimate how much retirement income participants would receive if they put their balances in annuities, subject to final department of labor rules. The new law also gives employers a safe harbor when offering annuities, an option employees may prefer during volatile times.

**The CARES Act suspends the RMD requirement for 2020. Employer sponsored retirement plans may permit through plan amendment.*

FINRA Reference FR2020-0420-0305/E RETIR

Karen Petrucco
Account Manager

LTM Client Marketing
45 Prospect Ave
Albany, NY 12206

Tel: 800-243-5334
Fax: 800-720-0780
sales@ltmclientmarketing.com
www.ltmclientmarketing.com

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.

Retirement Version

LTM Client Marketing

Partners in your marketing success

Ways to Lower Your Auto Insurance Bill

If you drive, most states will require that you carry liability coverage. This can prove costly, especially if you are in a higher risk group or have a poor driving record. And if you have a newer car, you may want to carry additional collision and comprehensive insurance to cover your car. There are ways, however, to lower your total insurance costs.

Common Sense

Practice safer driving habits. Teens can't become older drivers overnight to qualify for lower rates, but they can become safer drivers. If you're in the market to buy a car, understand that some models will cost more to insure than others. If you're young, good grades may get you a better rate. If you're older, a defensive driving course could lower premiums.

Consider dropping collision insurance on older vehicles, since they will drop in value with age. Collision coverage won't pay more than fair value for a total loss. Bundle other insurance policies with the same insurer for a discount and, in some states, get an additional discount for good credit or improving it.

Newer Ways to Save

Anti-theft devices, low driving mileage and increased deductibles also lower premiums. And some insurers will now install safe-driving devices that can help you lower costs if they show you have good driving habits or drive fewer miles. Ultimately, do your homework when looking for auto insurance and shop around to lower your total expenses.

Ways to Lower Your Car Rental Costs

Renting a car can involve a labyrinth of extra fees and charges, which can raise rental costs dramatically. You may, though, refuse some of these safely to lower what you pay.

Limit the Extras

Ditch the extras if you can. From GPS devices to child safety seats, car rental companies charge a fortune for extras. Bring your own when you can. Learn how much tolls are and compare them to what car rental agencies charge to include an electronic toll pass or transponder.

Explore Alternatives

Compare timeframes. Some rental companies might offer a deal on a week that costs less than renting for four days. If there are no offsetting early return fees or penalties, take the deal and return early. Also check out rental fees for picking up and dropping off outside of airports. The difference can be substantial if you opt for a little less convenience.

Use Your Own

The daily insurance fees rental companies charge are steep, and they might duplicate what you already have. Check with your auto insurer to see what's covered, and consider using a credit card that may provide an extra measure of rental car insurance coverage.

How to Repair Poor Credit

Poor credit can raise your borrowing costs or eliminate your ability to borrow altogether, and it can even disqualify you from employment opportunities. If you have poor credit, take heart in knowing you can improve your credit score. Here's how to start the process:

Understand Your Problem

Why is your credit score low? Do you make late payments or carry too much debt compared to your overall credit limit? These are two of the more common reasons consumers are denied credit, but you can increase your score now. Start by making it your mission to pay every bill on time. A recent history of on-time payments will help improve your score. If you carry too much debt, stop spending and start paying some of it down. Creditors want to see responsible customers.

Change Your History

Creditors also want to see a history of good credit habits, so your mission to improve your credit score will take some time. If you have little or no previous credit, you'll also need to demonstrate at least a small history of good financial habits. You might start with a secured credit card.

Limit Inquiries

Credit card companies and other lenders may look at your credit without your intent to borrow. Don't worry about these affecting your scores, but don't add to your debt, either. Applying frequently for new cards or loans can also hurt your score.

Getting and Reading Your Credit Report

Your credit report affects everything from getting a charge card to getting a job, so it pays to know how to request and understand it.

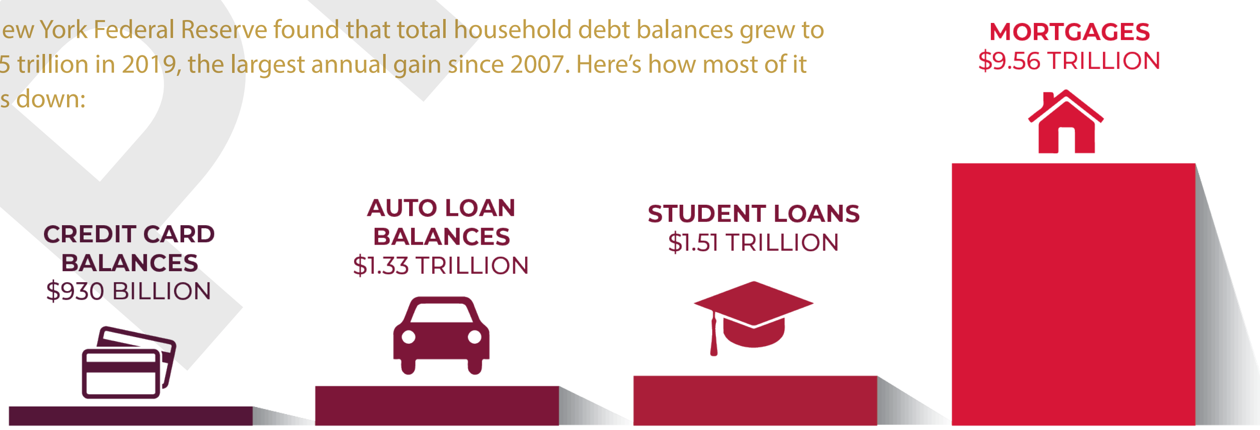
Your Rights- Normally you have a right to see a free credit report once every 12 months—more often if you are refused credit during this time. But, due to the pandemic, the three credit reporting bureaus — Experian, Equifax, and TransUnion— are allowing Americans to access their credit reports for free once per week until April 21, 2021. Get it online at https://www.annualcreditreport.com. You'll need to provide personal information, including your date of birth and social security number, to receive the report.

What's There - Once you receive the report, you'll want to check for the accuracy of your personal information, credit accounts (including mortgages, loans and card balances), status (either negative or positive) and inquiries. It may also include any bankruptcies and liens. Make sure every account belongs to you and that the information for every account on each report is accurate.

If you find an error, the credit bureau and creditor that reported the error must correct it. Each credit reporting agency posts the steps you need to take to correct any mistake, but they usually start with putting your complaint and the specifics in writing.

Debt on the Rise

The New York Federal Reserve found that total household debt balances grew to $14.15 trillion in 2019, the largest annual gain since 2007. Here's how most of it breaks down:



www.newyorkfed.org/newsevents/news/research/2020/20200211

Find Extra Cash for Retirement

If you're younger than 40, you can probably name a half-dozen reasons why you don't have to worry now about saving for retirement. Yet, blink and you will find yourself 20 years older and staring retirement in the face.

No More Excuses

The earlier you begin saving regularly—think "today"—the better your chances are that you will reach your financial goals in retirement. But, for many people, finding the extra cash that can eventually become retirement income is difficult. You can take a bundle of small steps to save a little more at a time and watch it grow slowly, but who has the discipline to follow through? Or you can make big changes that will add up more quickly.

Start by figuring out how and where you spend your money. Are you a willing victim of self-induced lifestyle inflation? This fancy term is little more than a new way to say, "keeping up with the Joneses," but it causes the same damage: You spend more and save less.

Next, talk to your spouse to determine how much money you need to put away for retirement. Pick a big number—say, 20% of income. This amounts to paying yourself. You may be able to invest that much money in tax-advantaged work and individual retirement accounts. Find an online calculator and figure how much that amount would grow to when you want to retire.

Lifestyle Deflation

Now sit down with your family and talk about how you will bring your lifestyle back to Earth to find more money. Do you really need to buy a 10-passenger SUV for your family of three every two years when a smaller SUV can cut your costs in half, especially after factoring in fuel? Do you need to upgrade your home constantly or can you save $50,000 in kitchen renovation costs and make do?

The kids don't need the most expensive sneakers and you don't need to eat at high-end restaurants regularly. The list goes on and on. Then, when your paycheck increases, keep your lifestyle at bay and pay yourself more. Stay the course and the retired you will be grateful.

We Value Your Input...

Your feedback is very important to us. If you have any questions about any of the subjects covered here, or suggestions for future issues, please don't hesitate to call. You'll find our number on the front of this newsletter. It's always a pleasure to hear from you.

Recyclable
RETIR

Financial Industry Regulatory Authority

ADVERTISING REGULATION DEPARTMENT REVIEW LETTER

May 13, 2020

Reference: **FR2020-0420-0305/E**
Link Reference : FR2020-0221-0257

Org Id: 23568

1. Lets Talk Money Newsletter Sept - Oct 2020 Retirement
   Rule: FIN 2210

The communication submitted appears consistent with applicable standards.

Reviewed by,

Natlyn D. Murrain
Associate Principal Analyst

hrm

Please send any communications related to filing reviews to this Department through the Advertising Regulation Electronic Filing (AREF) system or by facsimile or hard copy mail service. We request that you do not send documents or other communications via email.

NOTE: *We assume that your filed communication doesn't omit or misstate any fact, nor does it offer an opinion without reasonable basis. While you may say that the communication was "reviewed by FINRA" or "FINRA reviewed," you may not say that we approved it.*

Advertising Regulation
9509 Key West Avenue
Rockville, MD
20850
t 240 386 4500
f 240 386 4568