

LET'S TALK MONEY[®]

September/October 2021

Hiring When Your Budget's Tight

If your business's profits declined during the pandemic, you may be looking for ways to build momentum. And that may involve hiring new employees. The challenge is to obtain the expertise that your business needs in the most cost-efficient way possible. Hiring an older worker may be the answer.

The Stability Factor

Recruiting, hiring and training new workers is an expensive venture. An older candidate who has already spent many years in the workforce will tend to stay on the job longer than a younger employee whose goal is to follow the money. The experienced employee may be a more cost-effective hire, even though that person may earn a higher salary.

Experience Counts

Knowledge and critical thinking skills gained from many years on the job mean an older hire may need very little training to perform effectively at your business. The person may have had valuable experience working as part of a team and be willing to mentor younger staff, taking some of the burden off you and other managers and reduce the need for costly training programs.

Consider Flexibility

With their children grown, older workers may have fewer obligations, enabling them to focus more of their energy on the job. They may welcome flexible work hours and



have the ability to work overtime to finish a project.

Potential Benefits Savings

An older hire may not need health insurance. By hiring someone who is enrolled in Medicare, your business will save money on costly benefits.

The Advantages of Old School

Older workers began their careers before email and text messaging were part of the workplace landscape, so they often have superior communication and people skills and strong professional networks.

Their interpersonal skills may help build relationships with customers and vendors that will increase your business's revenue and improve the bottom line.

Need a Part-Timer?

An older worker may welcome the opportunity to work part time if your current budget won't support a full-time position. In addition to getting an experienced employee, your company will save money on benefits, for which part-time workers typically won't qualify.



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.

Small Business Version

LTM Client Marketing
helping financial professionals stay connected

The sender and LTM Marketing Specialists LLC are unrelated. This publication was prepared for the publication's provider by LTM Marketing Specialists LLC, an unrelated third party. Articles are not written or produced by the named representative.

No Place Like Home

Thinking about buying a house? Here's what you need to know before you start your search.

How Much House?

Your housing expenses, including principal and interest, property taxes and insurance, generally shouldn't be more than 28% of your total pre-tax income, while total debt (credit cards, car loans, personal loans and student loans) shouldn't exceed 36%. Shop for homes that keep you in this range.

The Down Payment

Saving enough money for a down payment and mortgage closing costs may take a few years and a lot of sacrifice. Figure out how much you'll need and establish a time frame for saving the money. Cut back on non-essentials like cable TV, gym memberships and dining out, and put any raises or bonuses you receive toward your goal.

15, 20, 30?

It's a no-brainer that the shorter the loan term, the less you'll pay in interest over the life of the mortgage. Putting down a minimum of 20% of the purchase price will reduce your loan amount and help you avoid paying private mortgage insurance (PMI) that protects the lender in case you default on the loan.



RMDs: Know the Rules

Whether you've already begun taking required minimum distributions (RMDs) from your retirement accounts, or you're just about to begin, understanding the rules that govern these accounts will help you avoid costly mistakes. Consult your financial and tax professionals before you take a withdrawal.

When: If you turned age 70½ in 2020, or later, you must take your first RMD by April 1 of the year after you turn age 72.

After that, RMDs must be taken by December 31 each year — potentially requiring you to take two RMDs in the year you took your first one. Taking two RMDs in one year could put you in a higher tax bracket.

Where: You must take RMDs from all tax-deferred retirement accounts, including 401(k) and 403(b) accounts, traditional individual retirement accounts (IRAs), SIMPLE IRAs and SEP IRAs. If you have multiple traditional IRAs, you'll calculate the RMD separately for each account; however, you can take the distribution from one IRA or any combination. With multiple 401(k) accounts, you

should calculate the RMD separately for each account and take a distribution from each one.



Taxes and penalties:

Distributions are taxed as ordinary income. If you fail to take your full RMD by the withdrawal deadline, you could face a penalty of 50% of the amount you were required to withdraw but didn't, plus income taxes.

Exceptions: You won't have to take an RMD from your current employer's plan if you're still working

beyond age 72 and don't own 5% or more of the company. You will have to take RMDs from a 401(k) with a former employer unless you're able to roll over the balance(s) to your current plan.

Make the Most of a 529 PLAN

A 529 plan* is a tax-advantaged savings plan that enables parents and others to save for a child's future education costs. Section 529 plans, also called "qualified tuition plans," are sponsored by states, state agencies or educational institutions. All fifty states and the District of Columbia sponsor at least one type of plan.

Choosing a 529 Plan

Education Savings Plans help you to save for a child's future qualified higher education expenses including tuition, mandatory fees, room and board, books, equipment and other expenses. Withdrawals from education savings plan accounts can generally be used at any college or university.

Prepaid Tuition Plans let savers purchase units or credits at participating colleges and universities (usually public and in-state) at the school's current prices to pay future tuition and mandatory fees.

Contributions to a 529 plan are made with after-tax dollars. However, earnings in a 529 account are not subject to federal income tax and, in many cases, state income tax, if withdrawals are used to pay qualified higher education expenses.

Tips and Guidelines

Compare several different 529 plans before you choose one. Review the fees and expenses of the plan you're considering because they can lower your returns. Set up direct payments from the plan to the school to avoid withdrawing too much.

**Certain requirements may apply. Before investing, consider the investment objectives, risks, charges and expenses associated with 529 plans. Read the program offering statement before investing. 529 Plans are not guaranteed by any state or federal agency. Consider whether the investor's or beneficiary's home state offers any state tax or other benefits available only from that state's 529 Plan. Discuss 529 tax rules with your tax professional.*

Plan for Emergencies

Developing a family emergency plan can help you navigate a potentially life-threatening situation. These guidelines can get you started.

You Could Be Separated

Make sure you know how to contact each other. Remind family members to keep important contact information with them even when there's no emergency. You don't know when you might need it.

Designate a Meeting Place

Choose a spot to reunite in your yard, your neighborhood, or even out of town in case you must evacuate.

Give Everyone a Job

Designate a different family member to be responsible for the care of pets, children, elderly family members or medical equipment.

Learn Your Schools' Emergency Plan

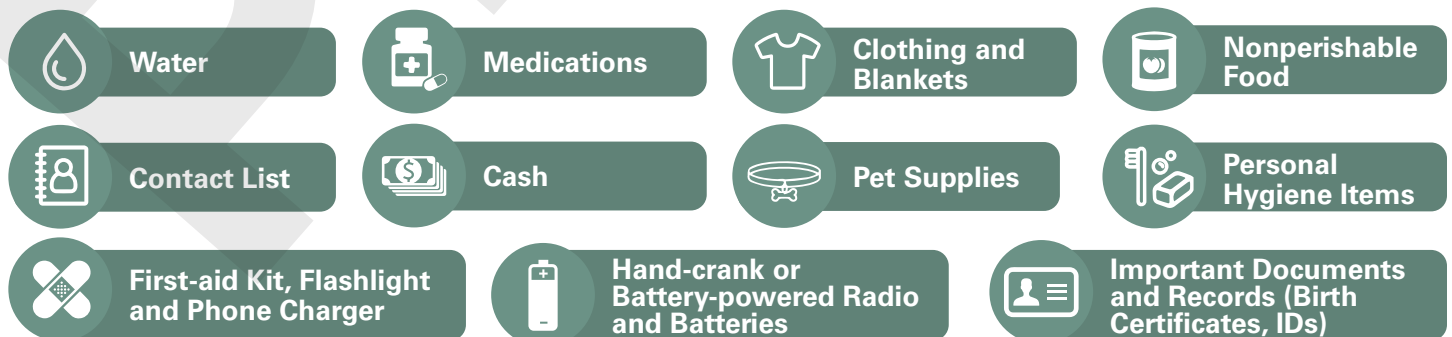
Let your kids and the school know who can pick up children in an emergency.

Have Emergency Services Numbers

Include doctors, veterinarians, your insurance company, and service providers. Once you've created your plan, give everyone in your household a copy. Then prepare a "Go Kit" using suggestions from the graphic below.

Prepare a "Go Kit"

If you're forced to evacuate your home quickly, having everything you need packed can save precious minutes.



*Find more information at www.ready.gov

Reward Employees for Their Hard Work

Employees who enjoy their work and are motivated to perform at their peak are important to the success of your business. Employee incentive programs encourage excellence and promote worker loyalty that can help your company reach its business goals.

Advantages of an Incentive Plan

Employee incentive programs reward employees for excellent job performance and keep them invested in the company's success. Offering incentives can help your company retain talented employees, reduce turnover and foster teamwork. Incentives also boost morale and increase job satisfaction. Employees are motivated because they know they're working toward a goal. And higher job satisfaction typically means lower absenteeism.

- ❖ Merit-based raises for meeting performance objectives
- ❖ Annual bonuses to reward excellent performance
- ❖ Holiday bonuses
- ❖ Small cash awards to recognize initiative
- ❖ Referral bonuses for recommending a job candidate who is subsequently hired
- ❖ Profit-sharing, wherein the company distributes a percentage of its profits to employees, frequently as a contribution to a retirement plan

Implementing an Incentive Program

Defining priorities and goals for your business should be your first step in setting up an incentive program. If you're just getting started, request feedback from employees on the kinds of incentives that would appeal to them. Then develop a plan that takes into account their responses and your company's budgetary constraints. As a small business, you may have to limit the number of incentives you offer, so it's important to know what employees value most.



Non-financial incentives vary widely but might include perks such as:

- ❖ Paid time off (PTO)
- ❖ Professional development opportunities
- ❖ Health and wellness initiatives
- ❖ Flexible schedules
- ❖ Tuition reimbursement
- ❖ Team-building activities (team lunches, yoga sessions, outdoor events)
- ❖ Annual holiday parties or picnics
- ❖ Company-branded items (clothing, mugs, water bottles, etc.)

Acknowledging Contributions

Employees appreciate monetary rewards, but they may not be the only factor in motivating employees. Recognition for their accomplishments makes employees feel valued as integral members of the team. Recognizing employees for their work is an incentive that costs the employer nothing but reaps huge benefits in the form of employee satisfaction and company loyalty.

Incentives: What Kinds?

Incentives can be monetary, non-monetary or a combination of the two. Financial incentives might include:

This publication is not intended as legal or tax advice. All individuals, including those involved in the estate planning process, are advised to meet with their tax and legal professionals. The individual-sponsor of this newsletter will work with your tax and legal advisors to help select appropriate product solutions. We do not endorse or guarantee the content or services of any website mentioned in this newsletter. We encourage you to review the privacy policy of each website you visit. Limitations, restrictions and other rules and regulations apply to many of the financial and insurance products and concepts presented in this newsletter, and they may differ according to individual situations. The publisher and sponsor do not assume liability for financial decisions based on the newsletter's contents. Great care has been taken to ensure the accuracy of the newsletter copy at press time; however, markets and tax information can change suddenly. Whole or partial reproduction of Let's Talk Money® without the written permission of the publisher is forbidden.

©2021, LTM Marketing Specialists LLC

We Value Your Input...

Your feedback is very important to us. If you have any questions about 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.

ADVERTISING REGULATION DEPARTMENT REVIEW LETTER

June 09, 2021

Reference: **FR2021-0518-0149/E**

Link Reference: FR2021-0301-0262

Org Id: 2358

1. LTM SeptOct 2021 - Business

Rule: FIN 2210

The communication submitted appears consistent with applicable standards.

Reviewed by,

Jeffrey R. Salisbury
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*