LET'S TALK MONEY®

May/June 2022

Giving to Charity with a Donor-Advised Fund

A donor-advised fund (DAF) is a charitable investment account established to manage charitable contributions from many different donors. When you contribute to a DAF, you generally can choose the charities you want to support and the time frame for distributing the assets. You're entitled to an immediate tax deduction for the full amount of your contribution in the year you donate the assets, even if the charity won't receive them right away. You don't have to be wealthy to contribute to a DAF. Some funds have relatively low contribution thresholds.

Making Contributions

You can contribute many kinds of assets to a DAF, including cash; stocks, bonds, and mutual funds; retirement account assets; cryptocurrency; life insurance; and other assets. You won't pay capital gains on any appreciated assets you donate to the fund, and you'll typically be entitled to a tax deduction based on the asset's current value.

Wealthy donors may be able to reduce the size of their estate for estate tax purposes by contributing to a DAF, because assets contributed to the fund aren't subject to estate tax.

Getting Started

There are several types of sponsoring organizations for DAF: community and faith-based organizations; public foundations, including national and international charities and university and hospital foundations; and national DAF organizations. Your first step should be to identify the type of fund that aligns with your giving strategy.

Although you can specify the organizations that you want to support, keep in mind that the fund makes the final decision on where your donations ultimately go.

A Word About Life Insurance

Gifting a life insurance policy that you no longer need to a DAF is one option to consider. The fund administrator then becomes the sole owner and beneficiary of the policy. A qualified appraiser will determine an accurate value for the deduction.

When Will it End?

You can make a bequest in your will to the DAF sponsor or make the sponsor a beneficiary of assets. Many sponsoring organizations also enable you to create a succession plan for your DAF—allowing you to pass the remaining funds in your account on to your heirs or to your favorite charities.

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.

Insurance Version

Planning for a Child with Special Needs

Ensuring that special-needs children have support and resources when parents are no longer around to care for them takes planning and being aware of the available options.

Special-Needs Trust

Setting up a special-needs trust can help preserve government benefits, such as Supplemental Security Income (SSI), guaranteeing the recipient a minimum income, and Medicaid. Because funds in the trust don't count when determining benefit eligibility, they can be used to supplement an employed child's income, pay for therapies not covered by Medicaid, or purchase extras your child wants.

A special-needs trust doesn't have to be funded immediately. Making the trust, rather than your child, the beneficiary of your estate ensures that your child won't lose government benefits. Choose someone as trustee who is close to your child, such as a sibling or other relative, to manage the trust on your child's behalf.

ABLE Accounts

ABLE (Achieving a Better Life Experience) accounts are tax-advantaged savings accounts. Money in the account can be used for any qualified disability expense. Accounts can be set up at any time in a disabled person's life if the disability occurred before age 26.

Money from a special-needs trust can be transferred into an ABLE account. Your child can manage the account, using a debit card to make purchases. If desired, you or the trustee of the special-needs trust can set spending limits.

Planning for a child with disabilities can be complex. Consult an estate-planning attorney who specializes in disability planning to ensure compliance with government regulations and safeguard your child's benefits.

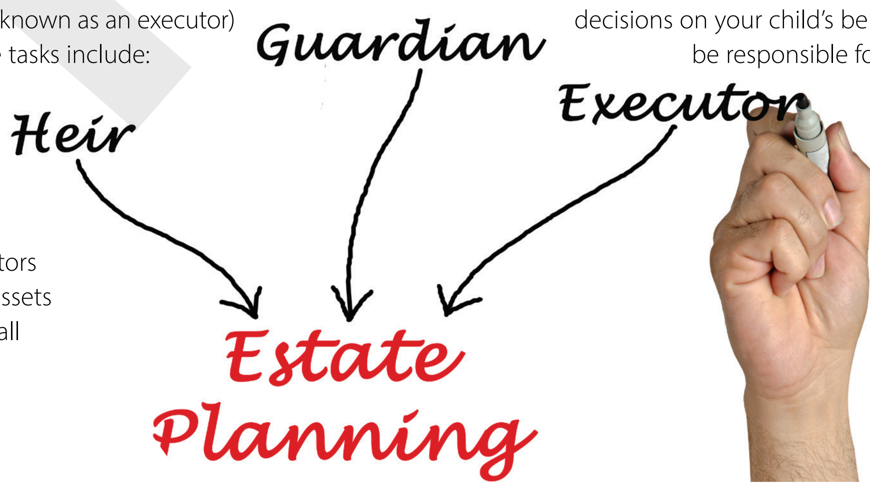
The Name Game

A will specifies who should receive your assets when you die. But that's not its only purpose. A will also names someone to settle your estate, as well as someone to care for any minor children you leave behind.

Your Personal Representative

The person (family member or professional) who serves as your personal representative (formerly known as an executor) has a time-consuming job. Some tasks include:

- Executing your will
- Obtaining copies of the death certificate and distributing as needed
- Identifying and paying creditors
- Collecting and distributing assets
- Keeping records for heirs of all payments, deposits, and distributions
- Filing final tax returns



Your Child's Guardian

The person you choose as guardian will make legal and other decisions on your child's behalf. He or she will be responsible for your child's personal care, medical and financial needs, and education. When naming a guardian, consider your child's feelings and his/her relationship with the person.

It's Never Too Early

Hey, millennials, you still have time to save for retirement. Start by establishing good money habits that will help you throughout your lifetime. These ideas may help.

Keep a Spending Journal

To see where your money is going, take the two-week challenge. Write down everything you buy over the next 14 days — even that pack of gum. Once you add it all up, you might be surprised at how much money you're spending on small or impulsive purchases.

Know What You Owe

It's easy to lose track of how much you've charged to your credit card. If you're charging more than you can pay off each month, your purchases are accruing interest on top of interest. Make a plan to pay off the balances. The money you're paying in interest could make a good start on saving for your future.

Create a Spending Plan

Create a budget that lists all your expenses — mortgage or rent, utilities, insurance, car payment, — and include a category for savings. Subtract those expenses from your take-home pay to see what's left for food, entertainment, clothing, and other items.

Make Saving Automatic

You can arrange to have money from each paycheck deposited automatically in your retirement plan or other savings account. Because you won't see that money in your checking account, you won't be tempted to spend it.

Pay with Cash

Use cash or your debit card for all your purchases. That way, you can spend only as much as you have in your bank account.

Pay Off, Not Down

U.S. consumer debt—including money owed on credit cards and student and auto loans — reached $4.37 trillion in September 2021, according to the Federal Reserve. If you're carrying balances on high-interest credit cards, choose one of these strategies to get out of debt.

Pay off the card with the highest interest rate or the largest balance.

Pay as much as you can toward one card, while paying the minimum on your other cards. When the first card is paid off, put the same amount toward the card with the next highest rate/ biggest balance.

Pay off cards with low balances first.

Eliminating several small balances may give you a psychological boost and help you continue the momentum with your higher balance cards.

Consolidate debt. A debt consolidation loan allows you to pay off your cards and have a single monthly payment, often at a lower interest rate.

Millennials and Debt

As a group, millennials (ages 25-40) are carrying too much debt and may need to make major changes to feel secure about their future finances.

76% carry some type of debt[1]

16% of those who carry debt owe $50,000 or more (excludes mortgage debt)[1]

$4,712 average credit card debt[2]

76% believe they won't achieve personal and financial goals due to debt[1]

73% are not optimistic about their financial future[1]

[1] *Bank of America Better Money Habits® — Millennial Report 2020*

[2] *Experian®*

Estate Planning: The Basics and Beyond

Like most people, you'd probably rather not think about a time when you're no longer around. Still, it's important to have a plan in place that relays your final wishes and gives directions for carrying them out. You may already have a will that describes how your possessions should be distributed and names a guardian for any minor children. However, that's only one piece of an estate plan.

Advance Directives

An advance directive is a legal document that specifies what actions should be taken if you aren't able to make healthcare decisions yourself. A living will outlines the type of medical treatment you would or wouldn't want at the end of life. A health care power of attorney (or health care proxy) appoints someone to make health care decisions on your behalf. It's also important to designate a financial power of attorney who can conduct your financial affairs if you're incapacitated.

Beneficiary Designations

Some assets, such as retirement plan accounts and life insurance, are distributed to beneficiaries you list. Beneficiary designations supersede your will, so it's essential that you review them periodically to make sure they're up to date.

Digital Assets

Without careful planning, photos, email accounts, and other online assets may be lost after your death. In addition to making sure passwords to all online accounts are stored offline, talk to your estate-planning attorney about the steps you may need to take to preserve digital assets.

Your Pets

If you have pets, appointing a caregiver you trust for them in your will ensures that they'll be taken care of after you're gone. Caring for a pet is a big responsibility, so make sure the person you choose is willing.

Letter of Instruction

A letter of instruction helps your executor or personal representative with the process of settling your estate. At a minimum, your letter should include: a list of your assets, account numbers and passwords; contact information for friends, relatives, legal and other professionals; bequests that aren't part of your will, such as gifts of heirlooms; funeral preferences; and anything else you feel is important.

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.

FINRA

ADVERTISING REGULATION DEPARTMENT REVIEW LETTER

January 11, 2022

Reference: **FR2021-1221-0264/E**
Link Reference: FR2021-1122-0158

Org Id: 23568

1. LTM MayJun 2022 - Insurance

   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.