

LET'S TALK MONEY[®]

September/October 2022

Saving for Retirement in a Job-hopping World

You might change jobs for a variety of reasons—more responsibility, better pay and benefits, or relocation. When you change jobs, you'll have to decide what to do with your retirement funds, including money you contributed and vested company contributions. Vesting refers to the portion of any employer matching funds that you own. Leaving a job before you're vested in your employer's retirement plan can deprive you of contributions your employer made to your account.

Retirement Plan Choices

Here are some options that are typically available. Your financial and tax professionals can help you to make informed choices.

1. Cash Out Your Account

You can choose to withdraw your retirement savings when you leave a job. Your employer will send you a check for the balance, minus any required tax withholding. If you keep the cash, income taxes may be due—and if you're under age 59½, an additional 10% penalty may be due.

Alternatively, you'll have 60 days to put that money, including any tax withheld, into a new tax-qualified account.

2. Leave Money in Your Former Employer's Retirement Plan

You may be able to leave your money in your former employer's plan. This might be a good option if you have a substantial account balance and like the plan's investment

choices, or if your new employer does not offer a similar plan. Remember that leaving money in a previous employer's plan could make your account harder to manage.

3. Move Money to a New Employer's Plan

If your new employer permits rollovers, you may want to roll over your account balance to your new employer's plan. That way, you'll have all your retirement savings in one place, making it easier to manage your investments. By asking your former plan administrator to transfer the funds directly to your new account, you'll avoid

tax withholding and delay paying potential taxes and penalties.

4. Roll Over to an IRA

You can also ask your plan administrator to transfer funds directly to an individual retirement account (IRA) that you've set up. An IRA may give you a wider range of investment options than you have in an employer's plan, and you have full control.



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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.



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Retirement Version

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What Do You Know About Life Insurance?

According to research, 42% of households would face financial hardship within six months should a wage earner die; 25% would suffer hardship within one month.*

September is Life Insurance Awareness Month, an annual campaign to educate people about the importance of life insurance and its ability to provide financial security for families. LIMRA's* 2021 Life Insurance Misconceptions Barometer study looked at some of the myths people believe about purchasing life insurance.

It's Too Expensive

More than half of study respondents overestimated the price. The annual cost of a policy for a healthy 30-year-old is around \$160, but 44% of millennials estimated it to be \$1,000.

Workplace Life Insurance is Enough

29% of Americans believe they get enough coverage through their work. But median employer coverage is only \$20,000 or one-year's salary.**



I Won't Need it Until I'm Older

Life insurance is far less expensive when you're young and healthy. Nearly four in 10 people said they wished they had purchased a policy at a younger age.

*LIMRA is a worldwide research, consulting, and professional development organization. ** <https://www.trustage.com/learn/inside-insurance/>

FSA and HSA: Alike but Different

Health Care Flexible Spending Accounts (FSA) and Health Savings Accounts (HSA) allow you to pay qualified out-of-pocket medical expenses with tax-free dollars.

While both accounts offer tax benefits, they have some major differences.



Flexible Spending Account

A Flexible Spending Account (FSA) is a savings account established for you by your employer to pay healthcare expenses, such as doctor copays, vision and dental expenses, and prescription drug costs, for you and your dependents. Contributions are deducted from your pay throughout the year, but the full amount is available to use immediately. For 2022, the annual contribution limit is \$2,850. Any money left in the account at the end of the year is forfeited unless the plan has a grace period or a rollover feature. FSA funds don't earn interest, and, if you leave your job, any money remaining in your account is returned to your employer.

Health Savings Account

Like an FSA, HSAs let you make tax-free contributions and withdrawals to pay healthcare expenses. But, to contribute to an HSA, you must be covered under a high-deductible health plan (HDHP)* You can't spend more than you've contributed to the account, but you can ask for reimbursement later on. Contribution limits in 2022 are \$3,650 for individuals (\$3,850 in 2023) and \$7,300 for families (\$7,750 in 2023). Funds roll over from year to year, and the account may be portable if you change jobs. Some HSAs offer investment options but consider carefully before you decide to invest your healthcare savings.

*An HDHP is a plan with maximum out-of-pocket amounts of \$7,050 for individuals and \$14,100 for families.

Review Your Plan During Medicare Open Enrollment

Medicare's annual open enrollment period runs from October 15 through December 7. If you're covered under Medicare, open enrollment provides an opportunity to review your current healthcare coverage—preferably with a professional—and make changes, if warranted.

During open enrollment, some things you can do include:

- ❖ Switch to a different Medicare Advantage plan with lower premiums and copays or one with better coverage for your health concerns.
- ❖ Change from a Medicare Advantage plan to original Medicare, or vice versa. Keep in mind, though, that Advantage plans can offer drug, dental, and vision coverage that isn't included in original Medicare or Medigap plans. Advantage plans may also offer extra benefits, such as health and wellness services, hearing coverage, fitness programs, transportation to medical appointments, and custom plans for certain conditions.
- ❖ Switch from a Medicare Advantage plan to a Medigap plan. Medigap plans generally cover you throughout the U.S. and abroad and may be appropriate if you travel frequently within or outside the country. However, if you didn't enroll in a Medigap plan when you initially signed up for Medicare, any pre-existing condition may disqualify you now. Make sure your application is accepted by the insurer before you switch plans.
- ❖ Medicare Part D provides coverage for prescription drugs. If you aren't covered under a Medicare Advantage plan, you can add Part D coverage during open enrollment. You can also drop Part D coverage if you no longer need it.

FAFSA: The Sooner the Better

If your child will attend college in the fall of 2023, now is the time to get started with the process of applying for financial aid. The FAFSA—Free Application for Federal Student Aid—becomes available on October 1.

Although the federal filing deadline isn't until June 30, filling out the application early can prevent your child from missing out on aid that's already been awarded. Colleges and states may have their own FAFSA deadlines.

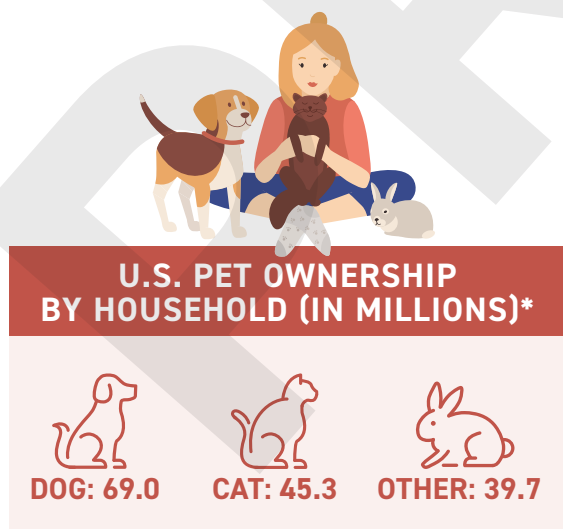
Documents to Gather Before You Start

- ❖ Student and parent Social Security numbers
- ❖ Alien registration number if you're not a U.S. citizen
- ❖ Student's driver's license number
- ❖ Parent and student federal tax returns
- ❖ Records of any untaxed income, such as child support
- ❖ Checking/savings account balances, investments, real estate (other than your home) and business or farm assets
- ❖ List of schools where the FAFSA should be sent


You can access the FAFSA at studentaid.gov.

Pet Insurance: Growing in Popularity


Although pet insurance started in Sweden a century ago, the first pet insurance policy in the U.S. was sold in 1982. By 2020, the U.S. pet health insurance sector reported written premiums totaling \$1.99 billion.*



BASIC ANNUAL VETERINARY EXPENSES*		
	DOG	CAT
ROUTINE	\$242	\$178
SURGICAL	\$458	\$201



PET INSURANCE ANNUAL PREMIUMS**		
	DOG	CAT
ACCIDENT ONLY:	\$218	\$134
ACCIDENT/ILLNESS:	\$594	\$342



*American Pet Products Association's 2021-2022 National Pet Owners Survey

**North American Pet Insurance Association

Fulfill Your Retirement Bucket List

The late president George H.W. Bush commemorated every fifth birthday between ages 75 and 90 by parachuting from a plane. While skydiving may not be on your bucket list, you probably can think of things you've always wanted to do. Looking forward to a secure retirement that includes trips and hobbies, which can help keep you young, may motivate you to plan and invest more for your retirement.

Make an Actual List

Writing down the activities you'd like to do can bring your ideas into focus. Your list might include places you'd like to travel, projects you'd like to do, or activities you want to try. Make your goals as specific as possible. You can prioritize your list by what is most important to you or by the activity that's the easiest for you to accomplish. Taking concrete steps, such as booking a cruise, buying airline tickets, or signing up for a class, can start the process of turning your bucket list dreams into reality.

Look for Inspiration

Reading articles and doing research on places and activities that interest you can inspire you to move forward. Talk to others about your ideas. Including friends and family members in your plans also makes it more likely that you'll follow through. They may also have suggestions that you haven't thought of that will make the activity even more enjoyable.

Consider Your Limitations

Health concerns or physical limitations may dictate what you can reasonably expect to accomplish, so take them into consideration when you're creating your list. That said,

challenging yourself to undertake activities that may be difficult for you can be especially rewarding. Don't underestimate your abilities if some items on your list take you out of your comfort zone.

Be Realistic About Your Finances

Financial concerns may also be factors to consider when you're creating your list. Be certain you understand the costs involved with the activities you've identified

and determine whether your budget will cover them. If you expect a shortfall, start setting aside funds to make up the difference or wait a little longer to tackle your list to avoid going into debt.

Living a fulfilled life is what creating a bucket list is all about. Don't allow yourself to get so mired in the issues of everyday life that you miss out.



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ADVERTISING REGULATION DEPARTMENT REVIEW LETTER

June 10, 2022

Reference: **FR2022-0519-0131/E**

Link Reference: FR2022-0330-0103

Org Id: 23568

1. LTM 2022 SeptOct - Retirement
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.

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