LET'S TALK MONEY®

March/April 2023

Life Insurance and the Single Life

If you're a single parent or just plain single, you might not have given a lot of thought to life insurance.* But there are some very good reasons why you should. Life insurance benefits can provide for loved ones, pay off debt, or finance a child's education if something were to happen to you.

The Single Parent

As a single parent, you may be the sole provider for your child. But if you weren't around, where would the money come from to provide for your child until adulthood? Life insurance offers a safety net that can pay for a child's everyday expenses, college tuition and future care if a parent dies unexpectedly. In addition, life insurance benefits can cover your end-of-life expenses.

How Much Do You Need?

The answer varies with every individual's situation. Generally, your policy's death benefit should be 10-15 times your annual income — more if there are multiple beneficiaries. A term life policy that covers you for a set number of years is typically the most affordable option. Your financial professional can help you determine the type and size of policy that is best for your needs.

When the Beneficiary Is a Minor

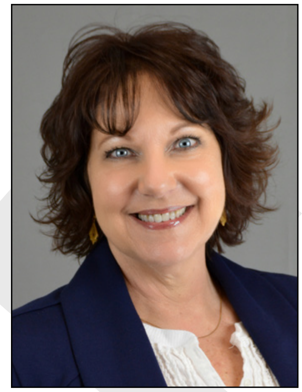
A minor cannot receive life insurance proceeds, so you may want to set up a trust as the beneficiary of your policy. When you establish the trust, you'll specify how the funds will be distributed and name a trustee to oversee the distribution. Because money in a trust can sometimes lower a child's eligibility for financial aid, work with a financial professional to come up with a plan for your child's future.

Single, No Children

A single person with no children may still have a need for life insurance. Policy proceeds can cover funeral costs, pay off debt, provide support to a parent or disabled sibling, or fund a legacy.

**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. Accessing cash values may result in surrender fees and charges and may require additional premium payments to maintain coverage and will reduce the death benefit and policy values. Guarantees are based on the claims paying ability of the issuer.*

FINRA Reference FR2022-1107-0149/E   INS



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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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Targeting Seniors

Criminals find new ways to defraud their victims all the time. While anyone can become a victim of fraud, seniors age 60 or older seem to be the population most often targeted by scammers. Consider warning parents and older relatives about these five common scams.

Grandparent Scam. The scammer poses as a grandchild or other relative or as someone calling on behalf of that individual, such as law enforcement or an attorney. The "grandchild" says he or she is in trouble and asks the grandparent to wire money for bail, hospital bills, or another fake expense.

Government Impersonation Scam. The scammer claims to be a government employee, often from the Social Security Administration or the IRS, and threatens arrest or prosecution unless the victim provides funds or other payments.

Sweepstakes or Lottery Scam. The scammer tells victims they've won a sweepstakes or lottery and asks for money to pay fees and taxes on their winnings.

Tech Support Scam. Scammers call or text the victim, offering to "fix" a non-existent computer issue. The scammer asks the victim to call a toll-free number or click on a link, thereby gaining remote access to the victim's computer or phone and their personal information.

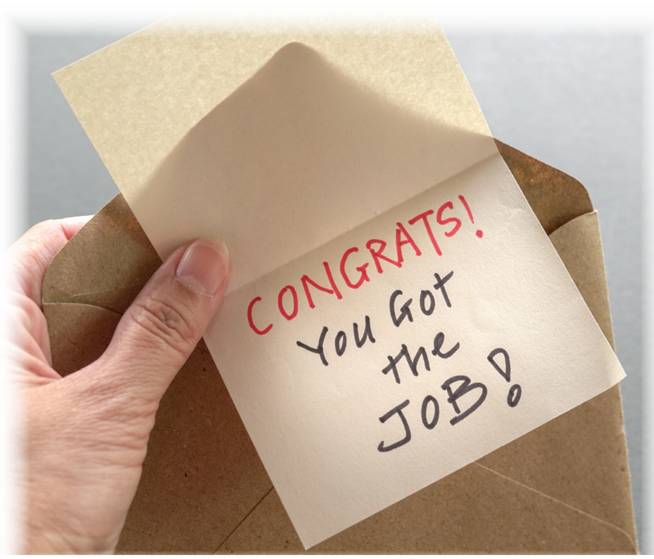
Romance Scam. The victim meets a person online who quickly expresses deep feelings and gains the victim's trust. The "relationship" often goes on for many months before the scammer creates a story about needing funds and asks the victim for money or bank account information. The scammer then disappears with the victim's money, sometimes thousands — or even hundreds of thousands — of dollars.

Caution older family members to be alert for phone and email scams that ask for money or personal information. Report fraud to the National Elder Fraud Hotline at 833-372-8311.

Is a New Employer in Your Future?

Starting a job at a new company can be an exciting opportunity. Before you clean out your desk and say good-bye to your coworkers, review the items on the checklist below.

Your retirement account. You can (1) leave the money in your former employer's plan, if the employer allows; (2) have funds directly transferred to your new employer's plan or an IRA. Consider rolling over HSA funds to your new plan as well; (3) cash out of the plan. However, if you opt for cash, you will need to pay income taxes at your ordinary rate and if you are younger than 59½, you will pay a 10% penalty.



Stock Options. If stock ownership is part of your compensation, find out the stock type, tax implications, vesting schedule, and what will happen to the stock if you leave the company.

Benefits. Review your new employer's insurance and benefit plans to determine if benefits match what you currently have.

Flexible Spending Account Use any money left in your FSA before you leave the company so you don't lose it.

Managing Finances After a Divorce

Divorce often entails going from two incomes to a single income. That can be hard on both spouses, but it can be especially difficult for women who are over the age of 50 when the divorce occurs.

A Look at Statistics

According to the U.S. Government Accountability Office (GAO), women over age 50 will see their incomes drop by an average of 41% following divorce, compared with 23% for men. Divorced women in this age group typically experience a 73% drop in their standard of living. Conversely, statistics show that men's standard of living improves by an average of 42% after they divorce.

The Impact on Savings

Women generally earn less than men throughout their careers, often taking time away from their jobs to raise children, which may result in less money saved in retirement accounts with few years to catch up.

Time to Plan

Divorce may mean a new living situation. Suddenly, all living expenses are the responsibility of one person. Women (and men) facing divorce should create a post-divorce spending plan. The plan should include setting aside three to six months' worth of living expenses in an emergency fund.

Striving to contribute the maximum amount to a 401(k) plan account, or at least enough to get an employer match, can increase the amount saved for retirement.

When divorce seems imminent, it's important to engage a trusted financial professional who can help with making sound financial decisions.

Tax Breaks for the Recently Divorced

Divorce can negatively affect the finances of both spouses, so it's helpful to work with your tax and financial professionals so you are aware of tax breaks that may lessen the financial burden.

Filing Status

If you're still married as of December 31, it may be advantageous to file a joint income tax return. Alternatively, if you've lived apart for at least six months, file a separate return, and have a dependent living with you for more than half the year, you may qualify to file as head of household.

Home Sale

Individuals can exclude $250,000 of gain ($500,000 for couples) on the sale of a home owned and lived in for at least two of the last five years. Sales after a divorce can still qualify for a reduced exclusion even if the two-year test hasn't been met.

Alimony

You can deduct alimony you pay to an ex-spouse if the divorce agreement was in place and not changed before December 31, 2018. Otherwise, it's not deductible (or taxable to the recipient).

Working with a tax professional can help ensure that you are paying only the taxes you owe.

Post-divorce Checklist

Keeping up with the many tasks you'll need to complete after a divorce can be daunting. A checklist may help.

- ☐ Divide property according to the divorce agreement.
- ☐ Review beneficiaries on retirement plans, insurance policies and payable-on-death accounts.
- ☐ Change titles to vehicles, deeds and other property.
- ☐ Remove your name from debts that aren't yours.
- ☐ Create a post-divorce budget.
- ☐ Make a will and create medical and financial directives.
- ☐ Change passwords on accounts.
- ☐ Arrange for health insurance for you and dependents.
- ☐ Pay off and close joint credit accounts.
- ☐ Ensure any qualified domestic relations order (QDRO) is entered and implemented.
- ☐ Notify insurers, creditors and healthcare providers of a change of address.

Estate Planning: Beyond the Documents

Your will is a basic estate planning document that specifies how you want your assets distributed when you die and names a guardian for any minor children. Additional essential documents most people should have include: a financial power of attorney, which gives someone the ability to make financial decisions for you, and a health care proxy, which designates another person to make health care decisions on your behalf, when you are not able to do so yourself.

Your Personal Representative

You will have to name a personal representative (formerly called executor) in your will to carry out your final wishes. The person you choose will be responsible for cataloging assets, paying final bills, settling debts, overseeing your financial and investment accounts, and distributing property. Settling an estate can be complex and time consuming, so you want to be sure the person you name is willing and able to undertake this task.

Making a Choice

What are some things you should consider when naming a personal representative? Think about whether the person you want to name will have the time to devote to settling your affairs. Someone with a young family or a demanding work schedule may not be a good choice. And, if cataloging items in your home and arranging for their disposal or distribution would be necessary, you might want to select someone who lives close to you.

Avoid Arbitrary Choices

Choosing your personal representative based on arbitrary factors, such as the age or gender of one of your children, may not be a wise decision. Consider more than birth order if you plan to appoint a child. While you can name multiple children to serve as co-representatives, doing so can lead to disagreements and delays in settling your estate.

Naming an Institution

If you don't have family members or friends who are experienced enough in financial matters to undertake the tasks of a personal representative, you might consider naming an institution as representative, or as co-representative with a loved one. However, most institutions charge a hefty fee for this service and may not accept the position unless your estate is fairly large.

An estate planning attorney can help you explore all your options.

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ADVERTISING REGULATION DEPARTMENT REVIEW LETTER

November 21, 2022

Reference: **FR2022-1107-0149/E**
Link Reference : FR2022-0726-0117

Org Id: 23568

1. LTD Mar Apr 2023 Insurance
   Rule: FIN 2210

This review is based on your representation that this communication will include disclosure of the firm's FINRA member name, pursuant to FINRA Rule 2210(d)(3).

The communication generally appears consistent with applicable standards.

Reviewed by,

Jeffrey R. Salisbury
Principal Analyst

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