Loose Change®

a penny saved is a penny earned

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Alison Brew
Account Manager
LTM Client Marketing
125 Wolf Road, Suite 407,
Albany, NY 12205

Tel: 518-870-1083
Toll Free: 1-800-243-5334 ext. 510
Fax: 1-800-720-0780
abrew@ltmclientmarketing.com
ltmclientmarketing.com

Year-End Investing Moves

As the New Year approaches, consider reviewing your investments to ensure your investment strategy continues to reflect your personal and financial goals. Here are six ideas to consider.

Contribute More

If you have a company 401(k) or other qualified retirement plan, now is a good time to make sure you contribute every tax-deferred dollar you can. Not only are your contributions tax-deferred, but potential growth is, too. If you can't contribute the maximum your plan allows, try to at least put in as much as your employer matches.

Leverage Your Losers

Consider selling some losers if your other investments performed well in 2018, and use tax-loss harvesting to deduct losses from your long-term capital gains (owned at least one year) or ordinary income (for shorter-term transactions). Deduct up to $3,000 annually by tax-loss harvesting like this, with the remainder carried forward to future tax years.

Reap Your Rewards

Conversely, consider selling investments with taxable gains when you have taxable losses to offset them.

Rebalance

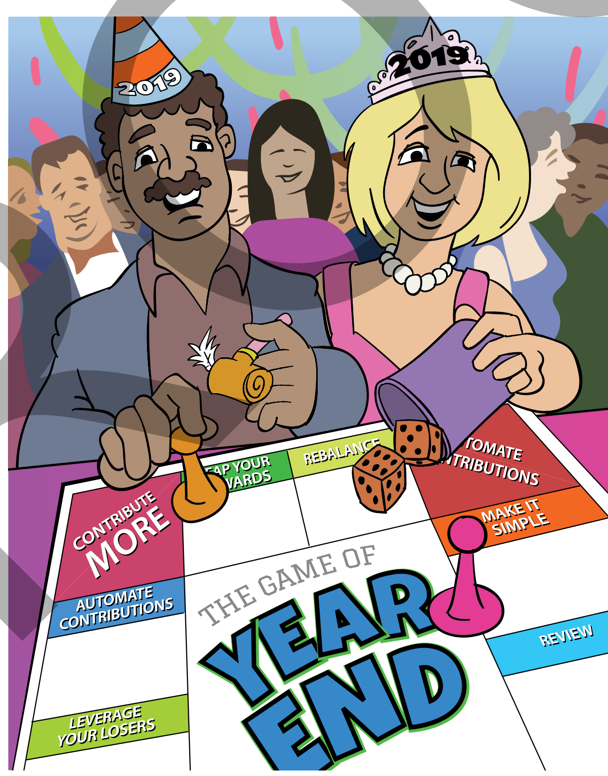
When one asset class outperforms others, your intended asset allocation* will likely change. Rebalance your portfolio to your original allocation strategy to help get your investment mix back in line.

Review

When life changes, your investment strategy may, too. Review your portfolio and personal financial goals with an advisor at least annually. This way, you consider marriage, divorce, family additions and new jobs when reviewing your strategy.

Make it Simple

Put your investing efforts on cruise control. Consider age-based or strategy-based mutual funds** meant for people with similar investment outlooks. If available, use the automatic contribution, contribution escalators and rebalancing features of your 401(k) plan.



**Asset allocation won't guarantee a profit or ensure against a loss, but may help reduce volatility in your portfolio.*

***You should consider the fund's investment objectives, charges, expenses and risks carefully before you invest. The fund's prospectus, which can be obtained from your financial representative, contains this and other information about the fund. Read the prospectus carefully before you invest or send money. Shares, when redeemed, may be worth more or less than their original cost.*

Save Automatically

If you're already saving for retirement through automatic payroll deductions, you know what an easy and convenient way it is to save for your future.

But, do you know that you can save that way for other goals as well? For example, if you're paid every other week, you could establish an automatic transfer of a set amount of money from checking to savings to coincide with this deposit. Just make sure you're aware of when the money will be deducted each month, or you may find yourself overdrawn. This method can help you accumulate money for different expenses, such as:

- Building an emergency fund
- Funding future college educations
- Saving for the holidays
- Setting aside money for a large purchase
- Planning a vacation

Set up your automatic savings plan and then leave the money alone to potentially grow. The idea is to learn to live without these funds so you'll meet your savings goal.

Ready, Set, Spend

After a lifetime of saving, you're ready to retire. Now it's time to do something some retirees find hard to do: Shift from a saving to a spending mindset.

Big Transition

If you're like most people, the idea of draining your retirement funds after spending years building them up can be an initially scary thought. This is understandable. Remember, though, this time of your life still involves planning—just a different type than before.

Strategy Shift

One of the first things you should do even before retiring is to forecast all of your expected income from retirement plans, annuity payments, Social Security and other sources. You can expect Social Security and possibly annuity payments (if you have the lifetime income option) to last a lifetime, but your other income is finite and requires a distribution plan.

Working closely with your financial and tax professionals, determine how long your 401(k) and other investments need to last, and then create a distribution strategy that results in a regular income stream.

This strategy should also take taxes into account. For example, cashing in your retirement plan balance and not reinvesting it in a similar tax-qualified investment promptly can create a big one-time tax event, so plan accordingly.

Beyond budgeting living expenses, decide what is important to you so you can make wise decisions about spending discretionary funds.

Distribution Strategies

You must begin taking 401(k) and traditional IRA withdrawals in the year after reaching age 70 ½ or face a penalty on the required amount not withdrawn. These "required minimum distribution" rules don't affect Roth IRAs. Even in retirement, you may want to invest a portion of your portfolio for growth because annual inflation is likely. Talk to your advisor to learn more.

Giving Life Insurance

In this season of giving, some people want to give more to a favorite charity or organization, but don't have the funds to do so. Giving the gift of life insurance is a cost-efficient way to increase your charitable giving:

Your Choice

There are a few ways to give life insurance, some of which may include current or future tax advantages. Talk to your accounting professional to learn more about how you may best benefit a charity and potentially receive tax benefits in return.

Charitable Choices

One way is to rename a charity as beneficiary, which eventually removes this benefit from your state. Or you could donate the policy, but continue to pay the premiums.

Another way to make charitable use of life insurance is to ask your insurance company if it can issue a charitable rider, directing a percentage of the death benefit to a named charity. If, for example, you have a $500,000 policy and you acquire a rider of 10%, the charity would eventually receive $50,000, with your named beneficiaries receiving the remainder.

Big Hearts: Giving to Charity

Americans gave an estimated $390.05 billion to U.S. charities in 2016, according to Giving USA 2017: The Annual Report on Philanthropy for the Year 2016 (from the Giving USA Foundation, the Giving Institute and the Indiana University Lilly Family School of Philanthropy). The total includes charitable contributions made by individuals, estates, foundations and corporations.

How to Choose

If you want to give to an organization that makes the most of your charitable giving, learn how much of each dollar goes toward the charity and how much is spent elsewhere. You can find some organizations with websites that evaluate the legitimacy of charities and how they spend contributions. Also look for a charity's IRS Form 990 and ask to see the charity's audited financial statement to ensure it meets the standards you want.

Importantly, match your giving objectives with a charity's mission and demonstrated results. Look for charities that best match your values.

Some charities allow you to specify exactly how your gift is used so you control where your donation goes and whom it helps.

Get Help

If you make large charitable contributions, consider enlisting the aid of your advisor and an estate planning attorney. Although the federal estate tax exclusion is higher than in the past, some families may exceed it while also having to potentially deal with lower state estate and inheritance tax thresholds. Structured properly, charitable giving can both benefit your charity and reduce your estate taxes.

Cut Your Holiday Travel Costs

Americans usually travel during the holidays, which can cost more than a few dollars even with thoughtful planning. Here's how to save money on the ground and in the air.

On the Ground

If you'll spend some time in the family vehicle, consider ways to cut gasoline costs that always seem to rise during the holidays. Some wholesale buying clubs sell gasoline at discounts that can save you a couple of dollars. You can also look for apps that alert you to the lowest gas prices wherever you travel.

Pack some sandwiches, snacks and games to keep the kids occupied if you expect to travel for hours. If you'll need lodging, use rewards cards if the establishment offers lower prices for members. Also look for discount books, where you could find coupons for your favorite hotel, when using rest stops on major highways and interstates.

By Air

Look to fly during off-peak hours, including on the holiday itself, for some of the lowest airline fares you will find. Early morning and midnight flights are not only cheaper but easier as well, because the airports are less busy. The least expensive days of the week to fly are Tuesday to Thursday because there is normally high air traffic on the weekends and Mondays. Sometimes buying two one-way tickets will cost less than a round-trip ticket.

Also look to travel to and from secondary airports, which often costs less than flying to the big ones. To save on checked baggage charges, make sure everyone arrives at the airport with a fully packed carry-on bag or suitcase, as long as the airline doesn't charge for it.

Combo

Enlist family and friends to pick you up from the airport if you don't expect to need your own vehicle. Generally, hotel shuttle services are free while others can be costly. Hiring a cab or shuttle to take you to a residential address tends to be the most expensive. If you have to rent a car after flying to a destination, don't buy insurance from the rental company for the same coverage you may already have. Check with your auto insurer before traveling.

Save Big After the Holidays

If you want to score big on bargain-priced goodies, one of the best times to buy is right after the holidays. Here's how to rack up big money-savings.

When to Shop

While brick-and-mortar and internet stores typically offer sales for up to a week after Christmas, December 26 has historically been the best day to shop. It's first come, first served. Stores looking to rid themselves of excess inventory offer deals that may rival those of Black Friday, the day after Thanksgiving. Christmas decorations usually come with the biggest discounts, so think "next year."

Shop Second Generation

Look for second- and third-generation new and refurbished electronics. While others may stand in line waiting to buy the newest smartphone, you can find a previous version at a fraction of the price. Don't forget to shop for older computers, video games, televisions and other electronics, as manufacturers get ready to roll out new models.

Use Those Gift Cards

If you really like to save, consider using merchandise exchanges and gift cards you received this holiday to lower your out-of-pocket costs even more as you shop for the next holiday season.

How We Give

In 2016, Americans continued to give billions of dollars in charitable contributions to their favorite causes and organizations.* Here's the breakdown of who gave what:

INDIVIDUALS	FOUNDATIONS	BEQUESTS	CORPORATIONS
$281.86 BILLION	$59.28 BILLION	$30.36 BILLION	$18.55 BILLION

Source: Giving USA 2017: The Annual Report on Philanthropy for the Year 2016

Catching Up

Family life is expensive. Housing, medical, education, food, utilities all take a toll on your budget each month. So it's no surprise when your retirement savings fall short. The good news is that you may be able to boost your savings when your kids get older, especially if your retirement plan allows you to make catch-up savings once you reach age 50.

To be eligible for catch-up contributions in any given year, you first must meet the maximum annual contribution IRS limit, or that for your organization's retirement plan (if it includes a catch-up provision). For those who qualify, catch-up contributions may provide an opportunity to reduce their income tax burden and save more for retirement at the same time.

Generally, 401(k), 403(b), and most 457 plans may allow participants to make up to $18,500 in contributions in 2018, plus an additional $6,000 in catch-up contributions for those 50 and older. For SIMPLE IRA plans, the corresponding limits for 2017 are $12,500 and $3,000, respectively.

Catch-up contributions are also available to individual retirement account (IRA) owners. For 2018, IRA owners may generally contribute the lesser of their taxable compensation or $5,500, plus an additional $1,000 if they are 50 and older.

Year-End Tips for Business Owners

If you own a business, the end of any year is a good time to review your practices and examine ways to become more efficient and profitable. Check out these considerations:

The Taxman Cometh

If you are a sole entrepreneur or own an S corporation, you may want to shift income to 2019 if you expect lower income then. Companies that pay bonuses to employees may want to look at income projections to determine whether to give them in December or January.

Don't forget that you are not only an employer, but an employee, too. If you have a 401(k) or other deferred compensation plan, you might also want to contribute more tax-qualified dollars to the plan before year-end.

Also, don't forget your company may be responsible for filing IRS 1099 forms for independent contractors you've paid and employment taxes such as for federal unemployment insurance (FUTA). And, if you're self-employed, you'll have to pay self-employment tax.

Take Account

The end of year is a good time to take a long look at how you do business. Check your accounts receivable for laggards, and work out a system to get paid more quickly if you find late payments are a problem.

Avoid IRS penalties for payment mistakes and late filings, and review the compensation and benefits you offer employees, including life and health insurance. By now, you should be in the middle or toward the end of completing your financial reports and gathering any receipts you'll need.

Take Action

If your end-of-year accounting shows some flaws, act to correct them. Consider taking a big-picture look at your company to look at the financial, sales, marketing and other aspects of business.

Review your tax strategy. If you need more tax deductions, this is a fertile time of year to find them. Check your tax strategy to ensure you put away the proper amount. Look at your sales and marketing efforts and put more money into them if your review of them indicates this will help.

Talk to your advisor and tax professional to learn more.

ABC Company
1234 Main Street
New York City, NY 10001

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Standard Mail
U.S. Postage Paid
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Permit No. 37

YOUR CLIENT'S NAME
123 MAIN STREET
CITY, STATE 11111

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The material submitted appears consistent with applicable standards.

Reviewed by,

Wayne L. Louviere
Manager

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NOTE: *This review is limited to the communication that was filed. We assume that the communication does not omit material facts, contain statements that are not factual, or offer opinions that do not have a reasonable basis. This communication may be described as "Reviewed by FINRA" or "FINRA Reviewed"; however, there must be no statement or implication that this communication has been approved by FINRA.*

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