Loose Change®

a penny saved is a penny earned

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I am committed to helping my clients pursue their financial goals for themselves, their families and their businesses by providing them with strategies for asset accumulation, preservation and transfer.

Securities and investment advisory services offered through ABC Company, member FINRA/SIPC.

LTM Client Marketing
helping financial professionals stay connected

A Layer of Protection

Stable value funds* contain a diversified portfolio of fixed-income securities designed to help reduce overall portfolio risk while earning returns that mirror those of an intermediate-term bond fund. They offer minimal volatility and low correlation to other asset classes.

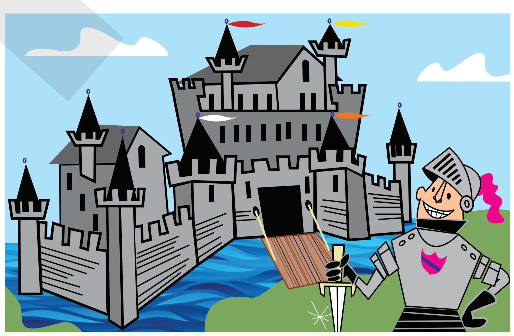
The Benefits

Stable value funds typically invest in high-quality short-term and intermediate-term government and corporate bonds. Investors receive specified interest payments. Although the bonds in the fund probably won't increase dramatically over time, the expectation is that they won't lose principal.

Stable value funds can be used to help reduce the volatility of a portfolio. They represent a possible alternative to lower yielding investments, such as money market funds since stable value funds tend to offer higher returns.

Two Components

Stable value funds are composed of two parts: bonds and insurance contracts issued by insurance companies and banks. The insurance component offers the potential that the value of the fund won't decline, no matter what interest rates are doing. Funds may spread insurance contracts among multiple insurers or banks to add diversification.



Four Types

There are four types of stable value funds.

- Individually managed accounts are offered by an investment manager and managed for a specific plan's participants.
- Pooled funds are offered by an investment manager and combine the assets of unaffiliated plans into one fund.
- General account products are guaranteed by a single insurance company and backed by their general fund.
- Separate account products are offered and guaranteed by a single insurance company from a separate account.

The Downsides

Funds may come with extra management costs and fees, reducing yields. They generally are available only to participants in certain 401(k) and other defined contribution retirement plans. Some college savings plans may also offer stable value funds as an option.

Stable value funds in your 401(k) plan may have names such as principal preservation, capital accumulation, or guaranteed income funds. Talk to your financial professional before you invest.

**A stable value investment is neither insured nor guaranteed by the U.S. government. Diversification does not ensure a profit or protect against a loss.*

Secure Act 2.0: Boosting Retirement Readiness

The Secure 2.0 Act of 2022 expands some provisions contained in previous versions of the Act and adds some new ones. The goal is to make saving for the future easier. As with all new legislation, the Secure Act 2.0 includes many requirements and variations, so be sure to consult your financial and tax professionals.

New Age for RMDs

The Act raises the age for taking required minimum distributions (RMDs) from qualified retirement plan accounts. As of January 2023, the age for beginning withdrawals from 401(k) and similar plans is 73, increasing to age 75 in 2033. Delaying RMDs allows more time for money to remain in retirement accounts tax deferred.

Disadvantages of Later Withdrawals

RMD amounts are based on the account balance at the end of the prior year and the account owner's life expectancy. Delaying RMDs may mean a retiree will have to take larger distributions based on a larger account balance, potentially moving the retiree into a higher tax bracket. The additional income could also increase Medicare Parts B and D premiums and subject more of a person's Social Security benefits to taxation.

Lower Penalties

Penalties for failing to take an RMD are reduced from 50% to 25% of the amount not taken. The penalty is further reduced to 10% if the failure to take the required amount is corrected in a timely manner.

Catch-up Changes

After December 2023, catch-up contributions for plan participants ages 50 and older will be indexed to IRS cost-of-living adjustments (COLA). In 2025, catch-up limits for 401(k) participants ages 60 to 63 will increase to the greater of $10,000 or 150% of the regular catch-up amount. After 2025, the catch-up amount will be indexed for inflation.

Emergency Withdrawals

Beginning in 2025, participants can access up to $1,000 annually from their retirement savings without penalty for emergency expenses. The participant may repay the distribution within three years, but cannot take additional distributions during that time, unless the distribution has been fully repaid. Victims of a federally declared natural disaster can withdraw up to $22,000 from retirement accounts penalty free for disasters that occurred after January 25, 2021.

Automatic Enrollment

In 2025, employers with new 401(k) and 403(b) plans will be required to automatically enroll eligible new employees who can then choose to opt out of the plan.

Tax Planning: It Takes a Village

When it comes to determining your business's income taxes, tax planning can help make the most of deductions and potentially lower your tax bill. By assembling a team of tax, legal and financial professionals, you may be able to create tax strategies that can reduce what you owe.

Meet with Your Accountant

Meeting with the accountant who prepares and files tax paperwork for your business is a good place to begin developing a plan. Organize your records and ensure they are up to date is an essential precursor to tax planning. Your accountant, who specializes in tax planning, can work with you to protect assets and build wealth outside of your company.

Include Your Financial Professional

Integrating your personal financial goals with your goals for your business can ensure that your tax planning strategy does double duty. Your financial professional will add another layer of knowledge to the process, since your financial plan already may include tax strategies that will complement your business tax planning.

Worth the Cost

The money you spend on tax planning should deliver savings that far outweigh the expense and offer a good return on your investment. A bonus: the cost is deductible as a business expense.

Don't Put Off "The Talk"

How much have your parents shared with you about their finances and estate plan? It's a difficult subject for most families. Parents often don't want to discuss their personal finances, and adult children may be reluctant to initiate the conversation. Even when parents are active and in good health, it's important for children to have information about their financial situation and the plans they have in place.

A Beginning

Although not a comprehensive list, parents should share the following information with their adult children:

- Estate planning documents, including wills, powers of attorney for finances and health care, and any trusts they've created
- Names, contact information and account numbers for financial institutions, brokerage firms and insurance companies
- Information on retirement and investment accounts, pensions and annuities
- Contact information for their attorney, financial advisor and accountant/tax preparer
- Loans or other outstanding debts
- A list of credit cards with account numbers
- Location of safe deposit box and key
- Logins and passwords for all accounts (including social media)
- Vehicle titles/registration/insurance
- Location of deeds to property and cemetery plots
- Funeral arrangements and/or final wishes

It's Time to Ask

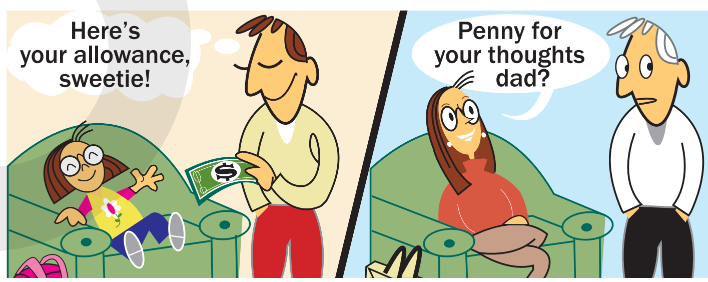
When parents aren't forthcoming about their situation, adult children may have to take the first step. Framing the discussion around something you're doing, such as making your own will or designating a power of attorney, can get the conversation started. Asking their advice on some aspect of finances or investing may encourage parents to share their financial information.

Assess Their Abilities

Keeping in touch with parents is the best way for adult children to pick up on any decline in their ability to handle their finances. If you're concerned, offer to help with financial tasks, such as banking, investing and paying bills. Monitoring their accounts online can help protect them from fraud and scammers.

Keep the Future in Mind

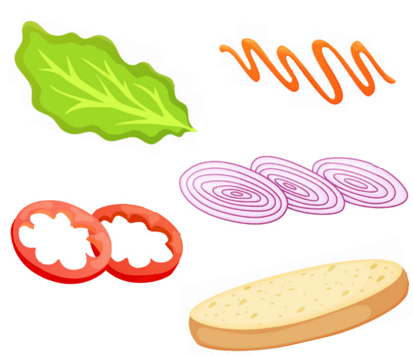
Consider that your parents may not have their estate documents and information in order yet. Talking about it may encourage them to act. You'll appreciate having this done when that dreadful day comes.



Welcome to the Sandwich Generation

Approximately one quarter of U.S. adults are members of the "sandwich generation" — individuals who have parents older than 65 and who either are raising at least one child younger than 18 or have provided financial support to an adult child.* Adults in their 40s are the most likely to be part of the sandwich generation.

(PERCENTAGE OF ADULTS)	
All Adults	23%
Ages 18 - 29	6%
Ages 30 - 39	27%
Ages 40 - 49	54%
Ages 50 - 59	36%
Over 60+	7%



**Source: Pew Research Center, Survey of U.S. adults conducted October 18-24, 2021*

Inflation and Taxes

Inflation is measured by price changes in a basket of goods and services that represent the everyday purchases of U.S. households. Each year, the IRS makes adjustments for inflation to certain items used to prepare your income tax return.

These items include income-tax brackets, standard deductions, capital gains income thresholds, the earned income tax credit, and retirement plan and IRA contribution limits, among others. All are adjusted to reflect inflation during the previous year, based on the Chained Consumer Price Index for All Urban Consumers (Chained CPI-U).

But some items that can have an impact on your tax bill are not adjusted for inflation.

Social Security Benefits

Although Social Security benefits generally receive a cost-of-living adjustment each year, the income thresholds at which benefits are taxed have remained the same.

Home Sale Tax Exclusion

The amount of gain on a home sale that can be excluded from tax remains at $250,000 for single filers and $500,000 for married joint filers despite increases in housing prices.

Your tax professional can help you make the most of any deductions and credits you may qualify for that can lower your tax bill.

Financial Security Begins When You're Young

When you tossed your mortarboard in the air at graduation, you probably weren't thinking about the day you would retire. But planning for retirement starts decades before you ever leave the workforce. Ideally, it begins with your first adult job and continues throughout your career. Taking steps to ensure your success should be a priority.

Defining Goals

You can't get where you want to be if you don't know where you're going. Setting goals should be your first step once you start working, even though some of those goals may change over time. Set short-term goals for wants that are a few months or years away, such as saving for a car or starting an emergency fund. Mid-term goals have a longer time frame. They might include paying off student loans or saving for the down payment on a house.

Long-term goals are far in the future. Saving for retirement is the goal that will take the longest and require the most money. Starting to save early in your career is your best route to success.

Choosing a Career

Earning potential is important when you're choosing a career, but it isn't the only thing to consider. Job satisfaction is just as important if you hope to thrive. Start by researching jobs in a field that interests you and look at the long-term career prospects. Consider whether there are opportunities for travel if that is important to you — or the ability to stay local if it's not.

Networking

Joining professional organizations will help you meet people in your field. Interacting with others who have similar interests could lead to new career opportunities.

Managing Finances

Your success at saving enough for a secure retirement will ultimately depend on your ability to prudently manage your finances. By living within your means and keeping your spending in line with your financial obligations, you will have the best chance for achieving your retirement goals.

ADVERTISING REGULATION DEPARTMENT REVIEW LETTER

March 21, 2023

Reference: **FR2023-0307-0162/E**
Link Reference : FX2023-0125-0102

Org Id: 23568

1. Loose Change Newsletter JulAug 2023
   Rule: FIN 2210

Our review is based on your representation that the final version of this communication will prominently disclose the name of the member, pursuant to FINRA Rule 2210(d)(3)(A).

The communication submitted appears consistent with applicable standards.

Reviewed by,

Jeffrey R. Salisbury
Principal Analyst

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