

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
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Easing into Retirement

If you're looking forward to more free time but aren't quite ready to completely retire, semi-retirement might be the answer. While not every company offers this option, you may be able to create a plan for yourself that your employer will approve.

Benefits of Semi-retirement

Semi-retirement is becoming increasingly common as employers take advantage of the knowledge and expertise offered by seasoned workers. Meanwhile, employees may be able to delay withdrawing savings from retirement accounts, maintain relationships with coworkers, and benefit from the mental stimulation of the workplace.

**Finally, it's okay
to do something
halfway.**

Start with a Plan

Before you decide to pursue semi-retirement, come up with a realistic strategy for living on less money. Review your spending compared with your projected income to determine if you'll have sufficient funds for living expenses. Cutting back on discretionary spending may improve your financial outlook.

Let It Grow

For every year beyond your full retirement age (FRA), up to age 70, that you wait to take Social Security benefits, your benefit amount will increase. Working part-time may allow you to delay applying for Social Security benefits. When you take benefits before your FRA and you're still working, your benefit will be reduced if you earn more than the exemption amount (\$19,560 in 2022).

Down with Debt

Before you consider working part-time, eliminate as much debt as you can. High-interest credit card debt is detrimental to your financial well-being, so make paying it off a priority. Also consider paying off your mortgage, if possible.

Plan for Health Care Costs

If you're still employed and covered under an employer's health insurance plan, you may be able to wait to start Medicare Part B benefits. If you're self-employed, Medicare will typically become your primary health insurance, although you'll probably want to purchase a supplemental policy to cover costs that Medicare doesn't. Be certain you factor in health care costs when determining whether part-time employment is feasible.

Before you make any decision about semi-retirement, discuss your financial situation with your financial professional.



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End-of-Year Tax Moves

During the holiday bustle, incomes taxes may be the last thing on your mind. But, if you want to lower your tax bill, you have until December 31 to employ strategies that can help. Consult your tax and financial professionals for guidance.

Check Your Withholding

If your 2021 tax bill was higher than expected, you might need to increase your tax withholding. The IRS's Tax Withholding Estimator can tell you if you should file a new Form W-4 to have additional money withheld from your pay.

Bunch Medical Expenses

If you've already met the deductible for your health and dental insurance plans and you plan to itemize this year, consider scheduling elective surgery and medical and dental procedures that you planned for early next year before December 31. If you've also had major medical expenses during 2022, you may be able to deduct unreimbursed expenses that exceed the 7.5% of the adjusted gross income threshold.



Donate to Charity

You can take a tax deduction for charitable donations of cash or goods. For items such as clothing, furniture, etc., estimate the fair market value (what the item might sell for at a thrift or consignment shop) to come up with a donation amount. Donated items worth more than \$5,000 (art, antiques, etc.) require a written appraisal.

Give to Charity with a Donor-advised Fund

If you want to donate to charitable organizations before the December 31 deadline but haven't decided where you want your donations to go, consider a donor-advised fund (DAF). With a DAF, you contribute cash, securities, life insurance, money in retirement accounts, or other assets and take an immediate tax deduction in the year you make your donation.

What Happens to the Donated Funds?

DAFs are popular because they are one of the easiest and most tax-advantageous ways to give to charity. Funds can be invested for tax-free growth until you're ready to select charities to receive the funds. Generally, you can recommend the investment strategies that will be employed. Once you're ready to select the charities to receive your donation, you'll be able to decide whether the organization(s) will be given the entire donation at once or spread out over time.

What Are the Choices?

Your donation can support any IRS-qualified public charity that you choose. The DAF will ensure that your funds are used for charitable purposes. Keep in mind, though, that while the DAF typically will give the funds to the charities you've selected, the final decision rests with the sponsoring fund.

There are many donor-advised fund providers, so take time to consult your financial and tax professionals.



Keep a Lid on Holiday Spending

It's easy to get carried away and spend too much during the holidays. Excessive spending can leave you with a pile of bills come January. Before your holiday spirit leads you into debt, look for ways to control your expenses.

Start with a List

Make a list of all the people on your gift list. It might include family, friends, coworkers, and people who perform services for you, such as your hair stylist/barber, newspaper carrier, maintenance person, pet groomer, etc. Decide on a budget and either assign an amount to spend on each person and determine the total amount you can afford to spend.

The holiday season is when you buy this year's gifts with next year's money.

Streamline Giving

Everyone's budget is tight around the holidays. Cut down on purchasing individual gifts by having a "Secret Santa" at work. Perhaps adults in the family also would appreciate not having to exchange gifts anymore.

Leave Credit Cards at Home

Shopping at the mall can wreak havoc with your budget. Limit yourself to using cash only, which will help prevent

overspending. Decide what you want to buy for the people on your list before you shop. Don't be tempted by sales that lure you to stores you didn't intend to visit.

Be Cautious with Shopping Online

Searching online can help you easily find gifts that family and friends have requested, but it can also tempt you to buy more than just the items you're looking for. Avoid blowing your budget

by sticking to your gift list and budget. Ignore suggestions for other items that might appear on a website.

Make it a Group Effort

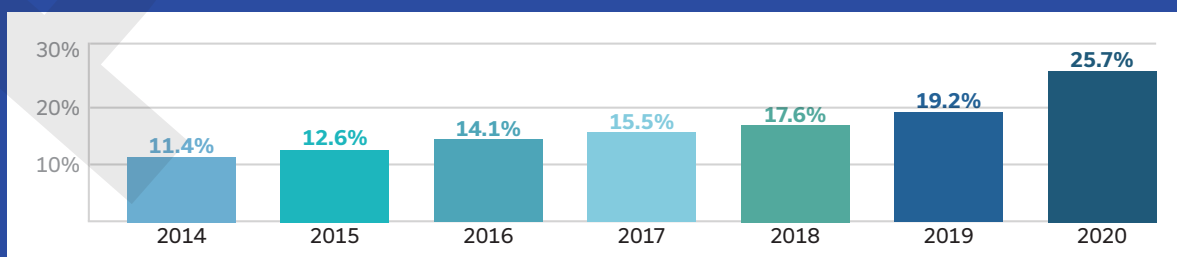
Chipping in with friends or family members for New Year's Eve celebrations or other holiday gatherings can reduce the expense for each participant. Choose a location or host and assign specific items for each person to bring.



More People are Shopping Online

Holiday retail trends over the past seven years have constantly been growing. Online shopping's share in the total holiday revenue wasn't projected to reach the 25.7% share until 2024 — indicating the effect the pandemic had on ecommerce.

The Share of Ecommerce in Total Holiday Retail Revenue (2014-2020)



Source: DigitalCommerce360.com

Inheriting a House

The decision of what to do with a house that passes to you as a part of an inheritance may be an emotional one, especially if it was your childhood home. While you have options, having the house appraised by a qualified appraiser and consulting your legal and insurance professionals should be your first steps. Then decide which option to take:

Sell the House

You'll receive a step-up in basis to the home's value at the date of the owner's death. If you sell the house for its assessed value, you won't owe capital gains tax on the sale. However, if you sell the house later at a higher price, you'll owe capital gains tax on the difference between the selling price and your stepped-up basis.

Become a Landlord

Renting out the house can provide extra income, but you'll be responsible for maintenance and property taxes. Be aware of IRS rules regarding rental property and deductible expenses.

Make It Your Home

You could choose to live in the house yourself. Make sure you have an emergency fund in place to cover unexpected expenses.

Flip It

If the house is a bit outdated, you may be able to renovate and then sell it for a profit.

Protecting Intellectual Property

Intellectual property (IP) can be a significant asset that increases your business's value. Failing to protect IP can leave you with no recourse if a competitor or former key employee appropriates methods or processes you've developed.

What is Intellectual Property?

In general terms, intellectual property is any product or service you've created that the law protects from unauthorized use by others. Businesses can own these intangible assets in the form of patents, trademarks, copyrights, and trade secrets, and they can be bought and sold just like tangible assets.

Help with Safeguarding IP

Any information you don't want others to know can be protected. An intellectual property attorney can advise you on the protections you may need to help prevent competitors from using your IP. These could include the following:

Copyrights protect software, graphics, video/sound recordings, databases, books, and blog articles.

Trademarks protect things that identify your brand, including words, phrases, symbols, designs, or a combination. Logos, colors, names, taglines, and slogans all can be trademarked.

Trade Secrets include any confidential information that give a business a competitive advantage, such as distribution or sales methods, strategies, production processes, and even lists of vendors and clients

Intellectual property has the shelf life of a banana.
—Bill Gates

Add IP to Your Business Plan

Protecting your business's intellectual property should be an integral part of your business plan. Include money in your budget to pay for securing your IP rights.



As part of your plan, ensure that key employees, contractors, and business partners are bound by non-disclosure agreements.

Insurance Protection

Your business's general liability insurance coverage may offer limited protection in the event of litigation. However, you may want to purchase specialized intellectual property insurance that covers the legal cost of pursuing infringement or theft of IP. There are two basic types:

- ❖ Infringement defense covers policyholders for infringement claims against them.
- ❖ Abatement enforcement coverage gives IP owners the financial resources to enforce their IP rights and pursue infringement claims.

Intellectual property that's well defended can ensure that your business will be favorably valued when you're ready to sell.



ADVERTISING REGULATION DEPARTMENT REVIEW LETTER

August 23, 2022

Reference: **FR2022-0804-0062/E**

Link Reference : FR2022-0519-0127

Org Id: 23568

1. Loose Change Newsletter NovDec 2022

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

This year's Advertising Regulation Conference will be held on October 20-21 in Washington, D.C. For more information and to register, please view our online site at:
<https://www.finra.org/22adreg>

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