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.

Take Advantage of Higher Exemptions

Lifetime exemption limits for transferring wealth are historically high, but their end may be on the horizon. Current lifetime exemption amounts are set to expire on December 31, 2025, unless Congress acts to extend them. Reviewing your wealth preservation strategies with your financial professional will help ensure you're taking full advantage of the opportunities available to you. Consulting your tax professional can help prevent unwelcome surprises.

The Federal Estate Tax Exemption

Individuals can gift up to $13.61 million to their heirs free of federal estate taxes. This amount doubles to $27.22 million when a spouse joins in the gift.

The GST Tax Exemption

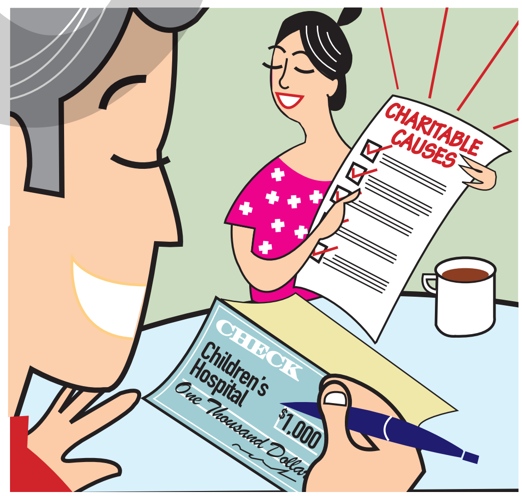
The generation-skipping transfer (GST) tax applies when grandparents directly transfer assets to their grandchildren or other individuals without first leaving the assets to their children. However, the generation-skipping transfer tax exemption is an amount that can be directly transferred to grandchildren, or into a GST trust for their benefit, without incurring federal GST taxes. For 2024, the exemption amount is $13.61 million, or $27.22 million if a spouse joins in the gift.

Annual Gift Tax Exclusion Amount

Individuals can gift up to $18,000 ($36,000 for a married couple) to an unlimited number of recipients free of federal gift taxes. Recipients pay no federal taxes on the gifts. Gifts greater than the annual exclusion amount will count against the giver's lifetime gift tax exemption.

Other Exceptions

Payments made directly to a qualifying educational institution for a child's or grandchild's tuition are not subject to federal gift tax. In addition, direct payments made to a



medical provider or medical institution for an individual's care are not subject to gift tax.

Trusts Offer Advantages

Trusts may offer a useful vehicle for individuals to take advantage of annual gift tax exemptions and exclusions. *Lifetime irrevocable* trusts allow grantors to transfer assets into the trust using their lifetime exemption and exclusion amounts, in lieu of making cash payments to beneficiaries. *Grantor-retained annuity trusts* (GRATs) allow grantors to transfer assets to recipients, while reserving the right to receive annual annuity payments. Assets remaining in the trust pass tax free to beneficiaries.

Is Retiring Abroad on Your Bucket List?

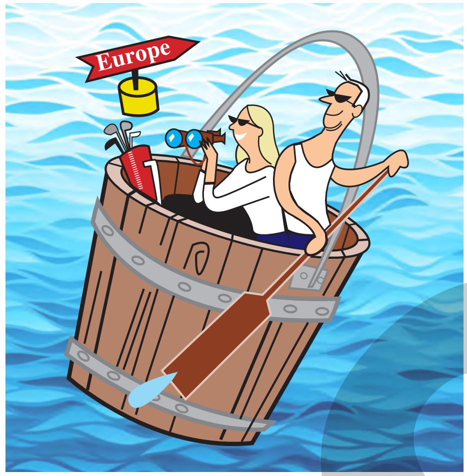
A warmer climate, a lower cost of living, a charming locale — there are many reasons Americans choose to spend retirement living in a foreign country. If retiring outside the U.S. appeals to you, plan your move carefully and consider the impact living abroad may have on your daily life.

Two Bank Accounts

Set up an account at a local bank several months in advance of your move to make sure the account is open and available to you when you arrive. You'll also want to maintain an account in the states to receive retirement account distributions and Social Security benefits. (Social Security will also deposit benefits in bank accounts in most foreign countries.) Keep in mind that currency exchange rates fluctuate, which can affect the cost of living abroad.

Uncle Sam Wants His Share

Your income is subject to U.S. income tax no matter where you're living, so you will have to file your taxes in the U.S. Some countries have tax treaties with the U.S. that may save you money. Consult a tax professional to make sure you're taking advantage of any tax benefits available to you.



Rent or Buy?

It's easy to get swept away by the charms of a new place, but it's smart to spend time in your chosen location before committing to buying a home. An English-speaking relocation consultant can help you with an apartment search and rental agreement. If you eventually decide to buy, hire an attorney who understands the local market.

Healthcare Concerns

Medicare will not cover you outside of the U.S., so make sure you evaluate the healthcare system in your chosen country — specifically, what services are covered, the quality of care and the costs. Consider retaining parts of Medicare so you won't have to re-enroll and incur penalties if you return to the U.S.

Enroll in STEP

Open to U.S. citizens traveling or living abroad, the Smart Traveler Enrollment Program (STEP) allows you to enroll your trip/stay with the nearest U.S. Embassy or Consulate. Enrollment helps the Embassy and your family and friends contact you in an emergency.

Millennials in the Workplace

Born in years 1981 through 1996, Millennials are currently the largest group in the workforce now that Baby Boomers, with their years of experience, are retired or retiring. Employers looking to attract and retain Millennials should pay close attention to the work culture and benefits they value most.

Work Environment

Despite having a reputation for job hopping, Millennials are looking for job security and stability in a company that's poised for growth. They value having clear goals, feedback on job performance and a say in setting performance expectations. Flexible scheduling and work-from-home options are important factors in the decision to take a job or look for a new on.

Benefits

Health insurance, a retirement plan and paid time off, as well as a salary that reflects their education and skills, are what Millennials value most. The ability to customize benefits, based on a menu of offerings, may attract Millennial workers to your business. Perks, such as help with student loan repayment, can give your business an edge with Millennials who are still paying off their own student loans at the same time they're saving for their children's education.

Training Opportunities

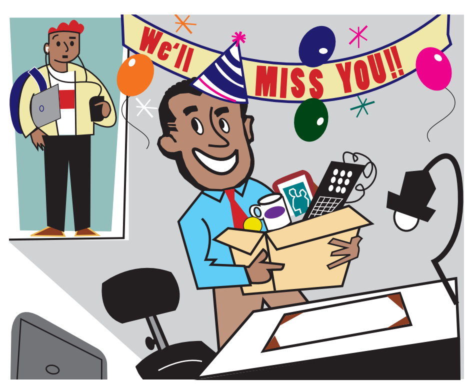
Opportunities for improving skills are another reason for Millennials to consider your company. Apprenticeships, work-study programs and internships that integrate education and work can be powerful incentives.

Consider offering tuition assistance for college or continuing education and company-sponsored programs that allow employees to earn a degree while working.

Training classes in software, robotics and AI can help employees improve the skills they need for success on the job.

Retirement Planning

A 401(k) or similar tax-qualified retirement plan should be an essential piece of your benefits package. Providing retirement planning and investor education can help Millennials make informed choices about their investments. Your financial and tax professionals can help you create an attractive benefits package.



Life Insurance: Its Many Uses

You may think of life insurance* as financial protection for loved ones if you or your spouse were to die unexpectedly. The policy's death benefit can help provide money to pay expenses or be used in legacy planning so that your family can pay any taxes due on your estate. During September, which is life insurance month, consider some of the ways permanent life insurance can be used as part of a comprehensive financial strategy.

Income in Retirement
A permanent life policy accumulates cash value that can be accessed in the form of a tax-advantaged loan.

Cash During an Illness
Some policies offer an optional rider that allows you to use some of the death benefit while you're living in the event of a chronic or terminal illness.*

Business Protection
Insurance can allow for the continuation of your business if a partner or key person dies. It can also help with the exchange of ownership without depleting capital in the event of a partner's retirement, disability or death.

Fund Non-qualified Retirement Plans
The policy's cash value can be used to fund non-qualified retirement plans from a portion of the premiums paid.

Consult an insurance professional before you implement any of these strategies.

** Applications for life insurance are subject to underwriting. No insurance coverage exists unless the required premium is paid to put an issued policy in force. Accessing cash values may reduce the death benefit and policy values, trigger tax consequences, surrender fees, and charges, and may require additional premium payments to maintain the contract. Guarantees are based on the claims-paying ability of the issuer. Riders generally incur an additional premium, and benefits may not be available in all states. Riders that pay benefits for events other than death will likely reduce the policy's death benefit and cash value.*

A Decade of Home Sales

U.S. home sales are projected to pick up slightly in 2024 and 2025, following a decade low in 2023. High mortgage interest rates and high inflation are considered major factors in the current U.S. housing market.

Year	Home sales
2014	5.38 million
2015	5.75 million
2016	6.01 million
2017	6.12 million
2018	5.34 million
2019	6.02 million
2020	6.46 million
2021	6.89 million
2022	5.67 million
2023	4.76 million
2024	5.0 million (projected)
2025	5.54 million (projected)

Source: Statista Research Department, March 14, 2024

Selling Your Home?

Homeowners who qualify may exclude up to $250,000 of gain ($500,000 for married couples) from the sale of a primary residence.

Eligibility
To be eligible for the capital gains tax exclusion, you must have owned your home and used it as your primary residence for at least two out of the last five years prior to the sale. The exclusion can be claimed once every two years. You'll pay capital gains tax on any profits exceeding the exclusion amount, so keep accurate records of the purchase price and any improvements made to the property.

Exceptions
Because the IRS doesn't consider certain transfers to be a gain or loss, the exclusion rules don't apply if you're transferring a home to a spouse or ex-spouse or the home is a factor in a separation, divorce or the death of a spouse.

Partial Exclusion
If the reason for a home sale involves a change in work location, a health issue or an unforeseeable event, the sale may qualify for a partial exclusion. Consult your tax professional for guidance.

The "New" Identity Theft

Deed theft is a type of identity theft that targets your residence, second home or other property.

How It Happens

Thieves target a potential property — often a vacation home, second home or vacant property. Criminals forge the owner's signature on the deed and sell the home to themselves or a third party. They then use personal information found on the Internet to assume your identity or to represent you when they record the deed with the county.

They're Not Moving In

Once thieves have the deed to your property, they can sell your home and keep the profit, cash out the equity, open a home equity line of credit, or even rent it out.

Protect Yourself

Be proactive. Check for liens against your property and pay close attention to home-related bills. When away, have someone check your property regularly and have your mail forwarded, kept at the post office or picked up.

If Something Is Amiss

Notify the register of deeds as well as law enforcement if you find evidence of deed theft or other criminal activity. Obtain a certified copy of the fraudulent document and consult an attorney.

Preserve Wealth with an FLP

A family limited partnership (FLP) is a business or holding company owned by two or more family members. It is designed to preserve a family's wealth and pass it from one generation to another while reducing or eliminating gift and estate taxes. Assets in the FLP also gain some protection from creditors and lawsuits.

Partnerships

An FLP consists of two types of partners: general partners and limited partners. General partners typically own the largest share of the business and have control over asset management and decision-making. They may take a management fee from the profits. Limited partners contribute capital and have limited or no roles in daily business operations.

How to Create an FLP

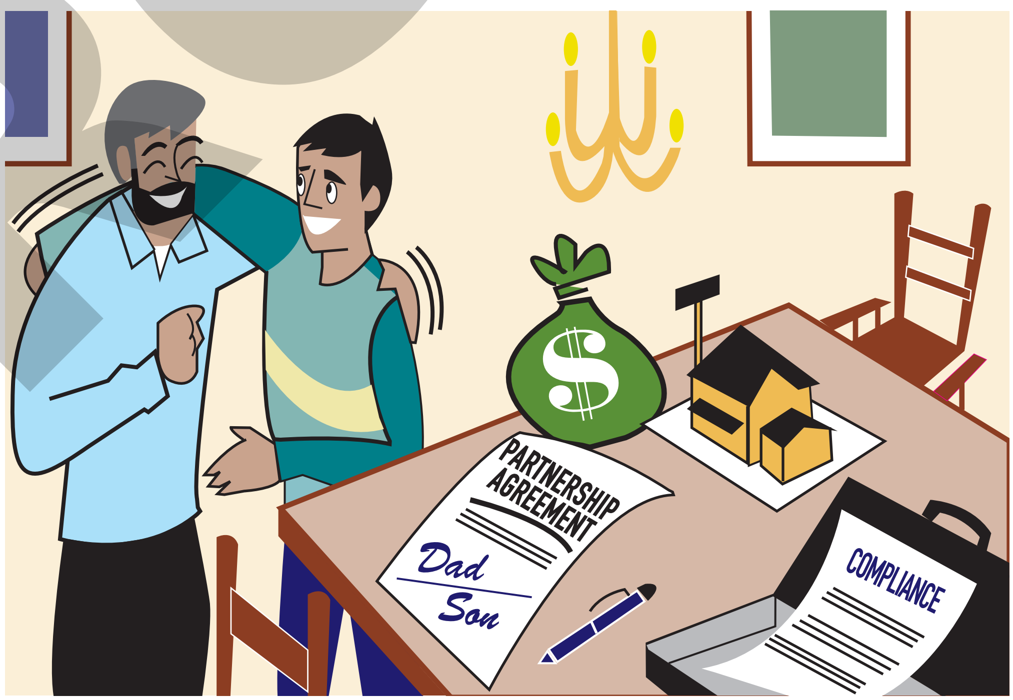
Creating an FLP involves several steps:

- Choosing the family members (partners) who will manage and own FLP assets;
- Drafting a partnership agreement specifying each partner's responsibilities and ownership percentages;
- Contributing assets, including investments, real estate or business interests. The FLP then becomes the owner of the assets;
- Valuing the assets for tax purposes and establishing each partner's initial interest by employing an independent appraiser;
- Filing paperwork with the state where the FLP was established;
- Maintaining compliance by adhering to terms of the partnership agreement and following all legal requirements.

FLP Disadvantages

FLPs are costly to set up and maintain. An FLP's limited liquidity can create problems during financial emergencies. There is also the risk of members incurring debt that impacts other FLP members.

Tax laws governing FLPs are complex. Families should consult a qualified tax professional, estate planning attorney and financial professional before proceeding.



ADVERTISING REGULATION DEPARTMENT REVIEW LETTER

June 10, 2024

Reference: **FR2024-0521-0187/E**

Org Id: 23568

1. Loose Change September October 2024
   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

This year's Advertising Regulation Conference will be held on September 26-27 in Washington, D.C. For more information and to register, please view our site at: https://www.finra.org/events-training/conferences-events/2024-advertising-regulation-conference

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