Loose Change®

a penny saved is a penny earned

May/June 2025 • Volume 32 No. 3

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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.

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Exploring Fixed Income

Investors nearing retirement typically move more funds into income-generating vehicles like bonds. This asset class encompasses a few different types of investments. Here's a look at some of them:

Treasury Securities

This investment is your loan to the federal government. You can buy U.S. Treasury bills, which mature in a year or less. You may prefer Treasury notes, which mature between two and 10 years, or bonds, which mature after 10 years. Their interest rates are promised only when held to maturity, so you can lose money if you sell before that time.

When yields rise like they have with inflation, its increasingly likely that selling before maturity would net you less than the guarantee because prevailing higher yields are more attractive.

Agency Securities

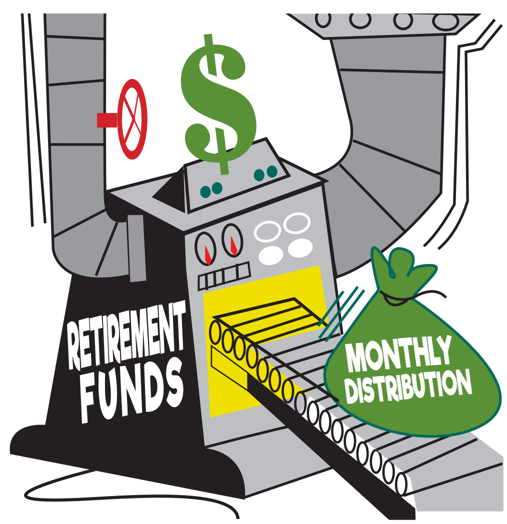
This type of fixed income investment is either debt issued by a U.S. government or government sponsored entity (GSE). The latter, which includes agencies like mortgage providers Fannie Mae and Freddie Mac, does not offer a guarantee. The Small Business Administration and U.S. Postal Service are among other agencies issuing everything from bills to bonds.

Corporate Securities

Interested in investing in a part of the world's biggest companies, but you don't want the risk of equities? Corporate bonds might be your alternative. While they are typically less volatile than stocks, they aren't risk-free. The same bad news that affects stock prices, whether it's the economy or poor company performance, can also distress bonds.

Bonds are ranked by ratings companies, and negative factors like these can lower the ratings of companies that issue bonds. When this occurs, companies typically must pay a higher interest rate on newly issued bonds. This means more risk, but potentially more reward. If you're worried about risk, look for corporate debt that is secured, which collateralizes the debt.

**Prices of fixed income securities may fluctuate due to interest rate changes. Investors may lose money if bonds are sold before maturity. You should consider the securities' investment objectives, charges, expenses, and risks carefully before you invest. The securities' prospectus, which can be obtained by calling your financial representative, contains this and other information about the fund. Read the prospectus carefully before you invest or send money.*



ABCs of HSAs

Although health insurance deductibles and other out-of-pocket costs continue to rise, one good thing has come out of this recent turmoil: Health Savings Accounts (HSAs). Consider taking advantage of this tax-saving opportunity to pay healthcare bills.

Triple Tax-Free

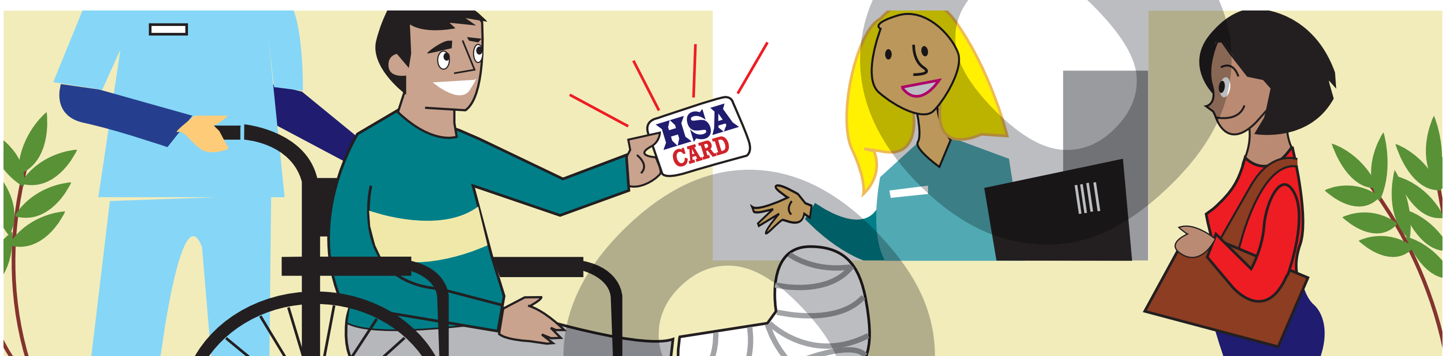
The bold-faced headline about HSAs is they are triple tax-advantaged. Contributions are deducted from your pay pre-tax, earnings on your HSA balance grow tax-deferred and distributions for qualified medical expenses are tax-free. You can use your HSA to pay for co-payments and deductibles, prescription drugs and lab work, and imaging and physical therapy today, next year and even in retirement.

Extra Help

The ability to roll over an HSA account balance from year to year can be especially helpful in retirement when healthcare expenses can consume more of your budget. If you don't need your HSA money for healthcare, you can take distributions for non-health reasons beginning at age 65 and pay only income tax on the amount.

However, if you take distributions for a non-medical reason before age 65 you'll incur a 20% tax in addition to regular income taxes on the amount withdrawn.

> The IRS has set the individual HSA contribution limit for 2025 at $4,300 and for families at $8,550, with an additional $1,000 catch-up contribution for those aged 55 and older.



How Much to Invest in an HSA

While more people are using Health Savings Accounts (HSAs) to help pay for rising healthcare costs, many of them are not familiar with the investing options they may have available to them. Should you put all your money into a cash option or into more aggressive 401(k)-plan types of investments? A lot depends on your health.

Invest the Max

If you put away the maximum your employer's HSA allows, you could have money left over each year after satisfying health plan deductibles, coinsurance and co-payments. In that case, you might consider investing the remainder.

Health Matters

If you consume little more healthcare than an annual physical and occasional blood work and you contribute the max, you may take a more aggressive investing approach. If, however, you use whatever you contribute to an HSA in any given year, you might want to stay with an approach where you don't risk your funds.

Time for Your Insurance Audit

Summer is around the corner and wind, rain and firestorms will follow. Even if you understand the need for protection like property and health insurance, you may find yourself uninsured or underinsured for certain events.

Natural Disasters

Start with flood insurance. If you live in a flood plain, this is a necessity. If you don't, you may still need the coverage. According to the Federal Emergency Management Agency (FEMA), more than 20% of flood claims come from properties outside the high-risk flood zone.

If you live in an area prone to damaging windstorms like hurricanes and tornadoes, you may need coverage that's additional to property insurance. The same is true for earthquake zones, where you may have to buy separate insurance for this peril. Also consider carrying general liability and property insurance for general risks around your home, and use umbrella insurance to fill coverage gaps. Talk to your agent to see if you're fully insured.

Personal Insurance

Next, consider your current personal insurance and learn if it is too little, too much or non-existent. Start with disability income (DI) insurance. The younger you are, the more likely it is that you'll become disabled. If you couldn't live without your income, you probably need DI insurance. If DI is offered through work, consider buying it.

Life Insurance

If your family has grown or added goals, such as a child's college education, you may find you need more life insurance. Conversely, if your financial obligations have lessened as you age, you may learn you don't need all the life insurance you presently own.

Major Reasons Gen Z and Millennials Have Life Insurance

	Millennials	Gen Z
Cover burial and final expenses	53%	38%
Transfer wealth or leave an inheritance	38%	35%
Help replace lost wages/income of wage earner	33%	28%
Supplement retirement income	36%	31%
Employer provides it to me	41%	26%

Source: LIMRA and Life Happens, 2023

Beware Of Tax Scams

Don't fall victim to scams during this tax filing season.

Recognize These Red Flags.

The IRS doesn't initiate contact with taxpayers or request personal or financial information through phone, email, text message or social media. You'll usually receive several letters from the IRS before an agent calls you or comes to your home or business.

Also, the IRS doesn't call to demand immediate payment using a specific method, like gift cards or wire transfers. Any tax payments should be made directly to the United States Treasury. IRS personnel will never threaten to send local police or immigration officers to arrest you if you don't pay. If you're ever in doubt about the legitimacy of messages or letters you receive, contact your tax professional right away, or call the IRS.

Taxes and Retirement

Many people nearing retirement consider moving to Sunbelt States like Florida and Nevada for both the weather and lack of state income taxes. However, all states have a variety of taxes, so look beyond income taxes and then take another look at your total tax picture.

Taxes Anyone?

State income taxes aren't the end-all. In addition to income taxes, states levy taxes on general sales (although some may exempt food or clothing), real estate, rooms and meals, utilities, and even inheritances and estates. So, it's important to weigh all of these factors and figure how each tax may affect you.

For example, you may plan to rent and not care about high real estate or school taxes. Maybe you're spending down your estate so you don't care about taxes in this area, either. Conversely, you may have relatively little income but own expensive real estate, so property taxes will matter more than income taxes.

Exemptions

Look beneath the surface for a clearer picture of a state's taxes. Some states with the highest income tax rates, for instance, may exempt Social Security and retirement plan income up to certain limits. And don't kid yourself: Every state has to levy taxes somewhere to keep running, so do your homework to learn.

Work Together When Saving for Retirement

It's not unusual for couples to have varying interests. But when it comes to your financial life, it is important to be on the same page.

Different Money Styles

Money is one of the top reasons for marital discord. Open conversations about finances builds transparency and can prevent disputes by addressing issues like differing spending habits or financial priorities before they escalate. So, for starters, make sure you stay current on each other's incomes, debts, savings habits, and financial beliefs, which is fundamental in any relationship.

Additional Benefits of Joint Planning

- For couples with children, working together on finances sets a positive example. It teaches kids about money management, teamwork, and the importance of financial responsibility in a relationship.

- Regular, joint financial reviews allow the couple to be better prepared for unexpected events like job loss, medical bills, or economic downturns.

Get Started

Take a look at all of your retirement accounts and other investments to see how your combined assets are invested. Agree on financial goals. Then you can decide with your financial professional on a suitable combined asset allocation* for your investments considering your goals, risk tolerance and investing time frames.

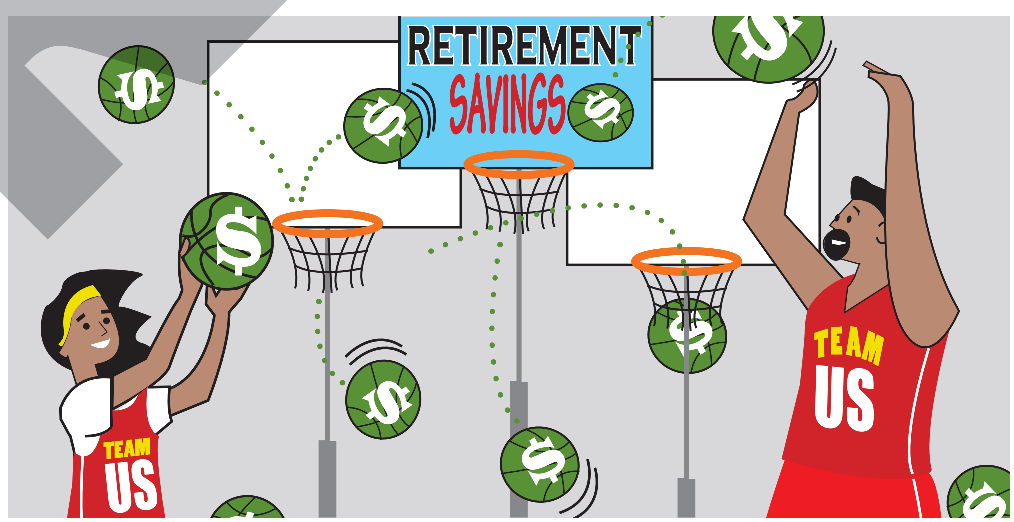
Adjustments May be Needed

Over time, your joint asset allocation may need rebalancing if it has shifted or if you or your spouse's risk tolerance changes.** Throughout the process, coordination between you and your spouse can help better prepare you for investing for your retirement.

Do it All

Beyond savings, work with your legal professional to draft legal documents for estate planning. This is especially important if you have children. Most everyone needs a minimum of a will, power of attorney and medical power of attorney. You may also want to consider using trusts. Also, your financial professional can make sure that you have enough life insurance should the unthinkable happen.

** Asset allocation won't guarantee a profit or ensure against a loss but may help reduce volatility in your portfolio.*
*** Rebalancing a portfolio may create a taxable event if done outside a retirement account.*



FINRA

ADVERTISING REGULATION DEPARTMENT REVIEW LETTER

January 13, 2025

Reference: **FR2025-0102-0029/E**

Org Id: 23568

1. Loose Change May - June 2025
   Rule: FIN 2210

The communication submitted appears consistent with applicable standards.

Reviewed by,

Jeffrey R. Salisbury
Principal Analyst

Reminder: The fee charged for Regular filings submitted to the Advertising Regulation Department on January 1, 2025 and after, will increase from $125 to $300 (for the first 10 pages/minutes). The fee of $10 per additional page/minute has not changed. The filing fee for expedited filings will remain at $600 (for the first 10 pages/minutes) and $50 per additional page/minute. Please see https://www.finra.org/media-center/blog/funding-finras-mission-111224 for more information.

Please send any communications related to filing reviews to this Department through the Advertising Regulation Electronic Filing (AREF) system or by facsimile or hard copy mail service. We request that you do not send documents or other communications via email.

NOTE: *We assume that your filed communication doesn't omit or misstate any fact, nor does it offer an opinion without reasonable basis. While you may say that the communication was "reviewed by FINRA" or "FINRA reviewed," you may not say that we approved it.*