

LET'S TALK FINANCIAL WELLNESS[®]

Article Summaries

September/October
2024

See the articles
that will be featured
in the new **High Net
Worth Version!**

Important Date

If you wish to order copies of the
Let's Financial Wellness newsletter,
make changes to your existing newsletter,
please inform LTM Client Marketing by:

July 12, 2024
for new subscriptions

July 19, 2024
for existing subscriptions

Standard Financial Topics

[COVER PAGE]

Investing for Retirees

Retirement is a time to kick back and enjoy doing all the things you didn't have enough time for when you were working. What retirement isn't, though, is a time to forget about investing.

[PAGE 4]

Saving for a Child's Education

With college costs rising all the time, saving for a child's education should be a priority—second only to retirement investing.

Retirement Planning

[COVER PAGE]

Calming Your Money Fears

Whether you're retired or just thinking about it, feeling as if you have no control over future events can cause stress that affects your well-being. Developing a strategy with the aid of your financial professional to address your concerns can help mitigate your fears.

[PAGE 4]

Is Retiring Abroad on Your Bucket List?

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.

Small Business Needs

[COVER PAGE]

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 through tax-free transfers of assets.

[PAGE 4]

Millennials in the Workplace

Born in years 1981 through 1996, Millennials are currently the largest group in the workforce. Employers looking to attract and retain Millennials should pay close attention to the work culture and benefits they value most.

Legacy/Insurance Planning

[COVER PAGE]

Life Insurance: Its Many Uses

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.

[PAGE 4]

Take Advantage of Higher Exemptions

Current lifetime exemption amounts are set to expire on December 31, 2025, unless Congress acts to extend them. Reviewing your wealth preservation strategies with that in mind is advisable.

Inside Articles

Life Insurance: Consider Your Options

Life insurance proceeds can provide a financial lifeline for loved ones if something were to happen to you. The type of policy you choose may depend on the length of time you'll need coverage and the policy's cost.

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.

Understanding Beneficiary Designations

Life insurance proceeds, retirement accounts, annuities and similar accounts pass through beneficiary designations and are not governed by your will.

A Decade of Home Sales (Infographic)

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.

The "New" Identity Theft

As if stealing your personal information to access your bank accounts or open credit in your name isn't enough to worry about, there's another form of identity theft taking hold: Deed theft.

THERE'S MORE!



THE FOLLOWING ARTICLES WILL BE FEATURED IN THE NEW VERSION OF THE NEWSLETTER THAT TARGETS HIGH NET WORTH INDIVIDUALS. ADD IT TO YOUR MIX!

High Net Worth Topics

[COVER PAGE]

Investing Moves To Consider This Fall

Is your portfolio in line with your ability to tolerate risk? As we begin fall, there are some end-of-year investing moves that can help tune-up your holdings.

[PAGE 4]

The Paycheck Next Door

Everyone views wealth in a very personal way. Life experiences often influence them. Many studies have been done on the subject.

Inside Articles

Should You Consider A Backdoor Roth IRA?

A backdoor Roth IRA offers a way for high earners to potentially circumvent income limits on Roth IRA contributions. But before you leap on the bandwagon, weigh your decision carefully.

Minimize Estate Tax With An IDGT

The current favorable estate tax exemption amount is scheduled to expire on December 31, 2025, unless Congress acts to extend it or make it permanent. If this could impact you, consider transferring assets out of your estate starting now.

Generosity Reaps Tax Savings

Charitable giving has positive effects on both recipients and givers. One way to feel those positive effects and potentially save taxes is to make your gift with a life insurance policy you no longer need.

LET'S TALK FINANCIAL WELLNESS
16th August 2024

ETFs MAY HAVE A PLACE IN YOUR PORTFOLIO

Exchange Traded Funds (ETFs) consist of a "basket" of securities that track an index, sector, commodity or other assets. They can even be structured to track specific assets. They may focus on a single investment type or be a mixture based on an objective, which often can be the more international investments. ETFs usually offer tax expense ratios and are generally less costly than buying the stocks individually.

Using ETFs
ETFs have become a popular diversification tool. By using ETFs to cover the major market sectors, you can diversify your portfolio. Consider both stock and bond income markets. There are many ways to invest in a fund and not all are the same. You should consult with your advisor to see how your portfolio will move in tandem with the benchmark.

Much More
There are only the basics. ETFs offer more advantages and uses that might benefit your investment portfolio.

High Net Worth Version
Prudential

FEMALE BREADWINNERS: PRIORITIZE YOUR ESTATE STRATEGY

The Center for American Progress found that about 38% of women are the family's sole or primary breadwinners. An additional 20% are co-breadwinners, meaning they are responsible for between 25 to 49% of total family earnings.

A Different Focus
Men and women breadwinners have a different focus on career and finances. Men prioritize their career and earnings, such as acquiring specific assets. Women are generally more thoughtful in their finances, placing their financial focus on multiple objectives. Social responsibilities, the comfort and well-being of family members, day-to-day care and caring for a family are their children. These responsibilities make an estate strategy essential for all women and breadwinners, in particular.

What to Address
Women haven't reached equity. While many of your estate needs are the same as your male counterparts, you also have to address factors more unique to working women. Some things that will affect your estate will fall more heavily on women.

Balancing Career and Motherhood
Many young women think about whether their should prioritize being a mother or their careers. With children, you may choose to turn down a promotion or take time off to care for your young children. These decisions can affect your estate strategy.

Disasters
Ending a marriage, especially with marital assets, may create more pressure on the woman to earn more. Having an estate strategy in place can help reduce stress, knowing you've provided for a more secure future for your children.

Longevity
On average, women live six years longer than men. Your estate strategy must address the possibility of a longer lifespan and the security and regularity you want to provide for surviving loved ones.

Take Action
If you don't have an estate strategy, talk with your legal and financial professionals about implementing one. You want to coordinate your strategy with your spouse or significant other.

The Center for American Progress, 2023, analyzing a 2021 study.
*Stat and Mill, 2024

NONQUALIFIED DEFERRED COMPENSATION PLANS EXPLAINED

Many employees consider nonqualified deferred compensation (NQDC) plans crucial in attracting and retaining top talent, with 55% offering these plans to key employees who can afford to invest more after making out their 401(k).

The Nonqualified Difference
Unlike a 401(k) plan, an NQDC plan doesn't have to meet Employee Retirement Income Security Act requirements, such as an annual contribution cap, age restrictions on withdrawals, and required minimum distributions. You gain greater flexibility and more options. The tradeoff is that NQDC plans carry additional risk.

Income to you later, along with the investment growth you would have received.

Tax Advantages
As with other deferred compensation plans, you defer current income tax on your contributions and any plan growth until they're distributed. You reduce your current taxable income and can schedule your distributions to arrive in lower tax bracket years.

Drawdowns
You could offer a complete loan if your company encounters financial hardship and may possibly have to forfeit your deferred income if you leave your employer before the distribution date. That distribution date can be difficult to change after it's been set. Also, you can't borrow from NQDC plans or roll distributions into IRA or other tax-deferred retirement vehicles.

Having your legal, tax and financial professionals review your start agreement and financial situation can help you decide whether to go with your NQDC plan.

2023 NQDC SURVEY REPORT

Here are some of the key findings from the 2023 survey of non-qualified deferred contribution (NQDC) plan sponsors.

- 80% of respondents stated they offer a NQDC plan to make sure their benefits package has competitive value among top talent employees.
- 82% of eligible employees participate in the NQDC plan, with 60% of employees offering an average of 10% of base pay and 20% of bonus pay.
- 78% of employees reported satisfaction in the NQDC plan—most commonly a "satisfactory" level—48.4% of plans, measured by 184 plan goals from the research conducted from the 4781 plan due to 193 firms.

With Family Life: 43%
With Their Own Life: 24%
With Their Financial Situation: 17%
Others: 14%