LET'S TALK FINANCIAL WELLNESS®

March/April 2025

A Benefit Plan From A to Z

Most employers' workforce consists of Baby Boomers, Generation X, millennials, and Generation Z. These generations have different situations and benefit needs, so increasing numbers of employers are looking beyond a one-size-fits-all plan to multi-generational benefit plans.

Know Your Demographics

The first step in moving your company's benefit package toward a multigenerational offering is to know your workforce demographics and identify what generations have in common and their differences.

The University of North Carolina Kenan-Flagner Business School Guide to Leading the Multi-Generational Workforce identified these common values: success for the companies; a culture that encourages leaders to lead by example, be accessible, serve as a coach or mentor, challenge employees, and hold them accountable; to enable success in their careers; recognition of different life stages, and expectation of new and unanticipated challenges ahead.

Specific to benefits, a recent Forbes Advisor survey found that Gen Z, Gen X, and baby boomers all prioritize flexible work options, paid time off, and parental leave.

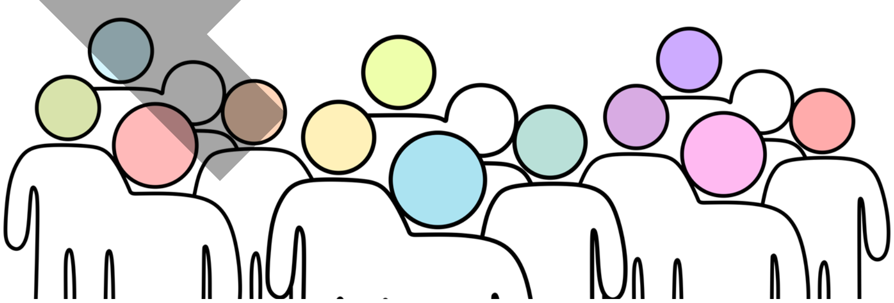
Communications and Feedback

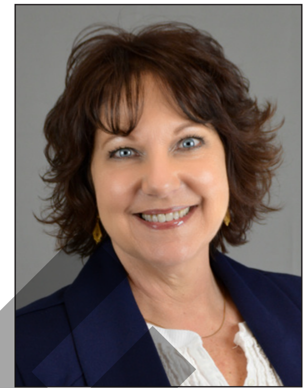
Tailor communications for your audience. Make all communications clear and send it through multiple channels. Gen X, millennials, and Gen Z have grown up in a digital age of instant information. They prefer short, straightforward messages.

Solicit feedback throughout the year and act on it. Measure the benefits of using it over time and adjust your program accordingly.

Recognition and Teamwork

Motivate employees with incentives that matter to them. To create effective reward programs, consider what inspires (or turns off) certain generations or individuals. Create programs that encourage generations to work together and to share knowledge. Let them know that sharing their knowledge is vital to the success of your organization. For more direction, review your benefits program regularly with your financial professional.





Karen Petrucco
Account Manager

The Prudential Insurance Company of America
45 Prospect Ave
Albany, NY 12206

Tel: 800-243-5334
Fax: 800-720-0780
karen.petrucco@prudential.com
www.prudential.com

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The Lowdown on Excise Tax

Generally, federal excise tax is imposed on the sale of specific goods, services, or particular uses. Some examples include fuel, airline tickets, heavy trucks and highway tractors, tires, tobacco, alcohol, indoor tanning services, and other goods and services. The tax may be imposed at the time of import, sale by the manufacturer, sale by the retailer, or use by the manufacturer or consumer.

Reporting and Paying

You generally must file an IRS Form 720, Quarterly Federal Excise Tax Return to report and pay the tax. Excise taxes are in addition to any sales tax on items and independent of income tax. States may levy excise tax as well. A similar state or local form is on the tax authority's website. You can pass the cost of excise tax onto your customers.

Deductible?

You can deduct federal excise taxes paid for goods or services on your small business taxes. Excise taxes collected from customers are not deductible. Consider consulting a tax professional to help you with reporting and filing.

Heirs or Beneficiaries?

The terms heirs and beneficiaries are interchangeable – right? Not necessarily when it comes to distributing your property after death. So, knowing the difference between the two is essential in estate planning.

The Definition of Heirs

An heir is a legally identified person entitled to your estate property when no will or trust dictates distribution. In that case, state law dictates how an estate is distributed and which heirs are entitled to assets.

Generally, your heirs, in succession order are:

1. Your spouse,
2. Your children,
3. Your parents,
4. Your siblings,
5. Your grandparents,
6. Your next of kin.

If there is no next of kin, your property will revert back to the state.

Beneficiaries Defined

A beneficiary is a person you've specifically named to receive proceeds and assets from:

- Life insurance,
- Employer-provided qualified retirement plans,
- Individual retirement accounts,
- Trusts, and
- Annuities, as well as property distributed under your will.

A beneficiary may or may not be an heir and vice versa. Understanding a beneficiary's role in your estate plan and their rights to your assets or property is key in planning. If you don't name beneficiaries with a will or other planning tools, they'll be chosen for you.

Home Sweet Home Renovations

It's spring, and for many homeowners, thoughts are turning to home renovations. If this describes you, be aware that some qualified home improvements are eligible for tax deductions.

Tax Credit
For starters, the federal income tax credit available through 2032 allows you to deduct up to 30% or $3,200 annually for energy-efficient home renovations. The tax credit covers improvements such as installing heat pumps, heat pump water heaters, insulation, doors, and windows, as well as electrical panel upgrades, home energy audits, and more. You may claim the credit for your existing primary residence only.

If you use your home partly for business, the full credit is available for business use up to 20%. For more than 20% of business use, the credit is based on the share of expenses allocable to nonbusiness use.

In addition to the energy efficiency credit, homeowners can also take advantage of the modified and extended Residential Clean Energy credit, which provides a 30% income tax credit for clean energy equipment, such as rooftop solar, wind energy, geothermal heat pumps, and battery storage through 2032, stepping down to 22% for 2033 and 2034.

Rebates for Energy-Efficient Upgrades
The inflation Reduction Act of 2022 provided $8.8 billion for home energy efficiency and electrification improvement rebates. You may be able to save money on energy bills, improve in-home comfort, and reduce indoor and outdoor air pollution.

Household savings can range from hundreds of dollars for single items such as an electric cooktop or dryer to $8,000 for a heat pump or cutting home energy use by 35% or more. Rebates will vary based on your household income and where you live since each state will administer the program separately. Rebates may be stacked on top of existing tax credits. For 2025, check with your tax professional as post-election tax changes are expected.

Where to Put Your Emergency Fund

Like everything else, the costs of emergency repairs are increasing. Some alternative options that may pay more for liquid savings are:

- High-yield bank savings accounts
- Money market bank or mutual fund accounts

Each has advantages and disadvantages you should discuss with your financial professional before investing.

Protect Your Money
When considering any alternatives, find out if the account or fund is backed by the Federal Deposit Insurance Corporation (FDIC) or covered by the Securities Investor Protection Corporation (SIPC). Both FDIC and SIPC insurance have limits but are crucial in safeguarding your investment.

Claiming Deductions for Volunteer Work

Volunteering helps others and gives you a feeling of satisfaction. And it may give you a tax deduction. To qualify for a deduction, your expenses must directly relate to a qualified charity where you volunteer. Additionally, you must itemize deductions that have not been reimbursed for those volunteering expenses.

Incidental Expenses
You may deduct expenses like postage, paper, printer ink, or other out-of-pocket costs incurred while volunteering. The cost of gear, a uniform, and possibly cleaning services may also be deductible.

Travel
If you use your car for volunteer work, you can deduct milage for the cost of your unreimbursed gas but not your car's maintenance. Other reasonable travel expenses will be tax deductible if tied to your volunteer work. Meals for volunteer service are 100% deductible.

Record Keeping
As with any deductible expense, keep accurate records of your volunteer expenses. Retain any paper and electronic receipts and keep a mileage log. This will help make tracking expenses and providing the details to your tax professional more manageable at tax time.

Should You Lease or Buy?

Leasing equipment can be an excellent option for newer businesses short on cash, while buying may be better in the long run when possible. But the decision isn't that cut and dried. It would be best if you considered numerous other factors.

Buying

If you have the money and a solid cash flow, buying equipment may be less costly than leasing. It may also provide more choices, allowing you to shop around, compare prices, and get exactly what you want. In addition, owning builds equity in the equipment, so if you need to sell it, you potentially recover some of your initial cost.

Consider tax benefits. For example, if you finance your purchase, you can typically deduct the interest as a business expense. You may be able to deduct the depreciation for some business assets, such as automobiles. IRS Section 179 allows businesses to deduct the total purchase price of qualifying equipment purchased or financed during the year (within limits) rather than expensing it.

On the minus side, buying equipment entails higher up-front costs, ties up cash that may be better used for other expenses, and puts the responsibility for all maintenance on your business. Depending on the type of equipment, you also risk obsolescence.

Leasing

Leasing gives you easy, predictable payments spread over time and leaves the business with more cash for unexpected expenses or business opportunities. It may be a good option if you're looking to build your credit. You also reduce obsolescence risks if your lease allows for technology updates and regular maintenance is included. As for tax benefits, payments are typically a deductible business expense.

Detractions include a total cost that usually exceeds the purchase price, no equity in the equipment, the leasing company controls maintenance, and may limit your choices. You may also need help altering the lease agreement to meet your needs.

Your financial professional has experience with other businesses and can assist you, too.

The attached has been given an 'Approved As Is' status by the Corporate Advertising Compliance Team. Advisors who are interested in using and/or customizing pre-approved materials should ensure an understanding of the **Pre-Approved Communications** section of the **Advisor Compliance Manual** posted on the Resource Center. This section of the compliance manual includes instructions on how to use pre-approved materials and meet the necessary Books and Records requirements.

ADVERTISING REGULATION DEPARTMENT REVIEW LETTER

November 05, 2024

Reference: **FR2024-1017-0206/E**

Org Id: 23568

1. Lets Talk Money Business - March/April 2025
   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

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.*