

LET'S TALK MONEY[®]

September/October 2019

When You Need Guarantees

If you're looking for some measure of assurance in retirement in a financial world where few guarantees exist, a fixed annuity* may make sense. While there are many different annuities, one type — a fixed annuity — offers the security many people want.

Your Choice

Fixed annuities are available through insurance companies, banks and other financial firms. They come in two flavors: immediate and deferred. Both guarantee a minimum interest rate, which is usually different from the introductory rate and is often higher.

With fixed deferred annuity contracts, you get the guaranteed interest rate credited to your account balance, and eventually will receive a regular payment based on your rate and annuity contract length. Immediate annuities begin, as the name implies, right away, and base payments on a credited interest rate and contract length.

Payments can last for a fixed term, ranging from a few years to many, and they can even last your lifetime (usually for an extra fee).

Your Funding

Historically, annuity owners typically didn't have a workplace retirement plan or wanted to put away more money than their plans allowed for retirement. That's changing. Increasingly, 401(k) providers are working with other financial firms to offer plan participants the opportunity to convert all or part of their balance to an annuity.

Your age, whether you have another retirement plan and other factors can affect whether contributions are tax-deductible or made after-tax, but payments of the earnings are always taxable as ordinary income, making your after-tax net susceptible to changing tax rates. Growth is tax-deferred during the accumulation phase.

There are other types of investments that can potentially provide higher retirement income, but very few that offer these guarantees. Do your homework to learn if a fixed annuity is right for you.

**Fixed annuity contracts guarantee a minimum credited interest. For immediate fixed annuity contracts, annuitants receive a fixed income stream based, in part, on the interest rate guarantee at the time of purchase.*

For fixed deferred annuity contracts, the insurer credits a fixed interest rate to contributions in the accumulation phase and pays a fixed income payment when annuitized.

Annuity products are not FDIC-insured, and their guarantees are backed solely by the claims-paying ability of their issuing life insurance company.



Karen Petrucco
Account Manager

LTM Client Marketing
125 Wolf Road, Suite 407
Albany, NY 12205

Tel: 518-870-1082
Fax: 800-720-0780
kpetrucco@ltmclientmarketing.com
www.ltmclientmarketing.com

I am committed to helping my clients achieve their financial goals for themselves, their families and their businesses by providing them with strategies for asset accumulation, preservation and transfer.

Insurance Version

LTM Client Marketing

Partners in your marketing success

The sender and LTM Client Marketing Inc. are unrelated. This publication was prepared for the publication's provider by LTM Client Marketing Inc., an unrelated third party. Articles are not written or produced by the named representative.

Know Your 401(k) Words

If you're like many workers, you contribute to a company-sponsored 401(k) plan, but you might not understand all the financial jargon that comes with one. If you're among the justifiably confused, some of these definitions may clear up any uncertainty.

Beneficiary

As with a life insurance policy, you'll need to name one or more beneficiaries of your 401(k) plan so its assets can pass as intended in the event of your death.

Contribution Limit

In 2019, you may contribute up to \$19,000 plus another \$6,000 if you're at least age 50. Your plan, however, may have different limits, so ask about them.

Distributions

The IRS refers to withdrawals as distributions. Taking distributions before age 59½ will cause you to pay a penalty and income tax on the amount, with a few exceptions.

Match

That's how much of your contributions an employer matches. Make it a point to contribute enough to take full advantage of the match.

Required Minimum Distributions

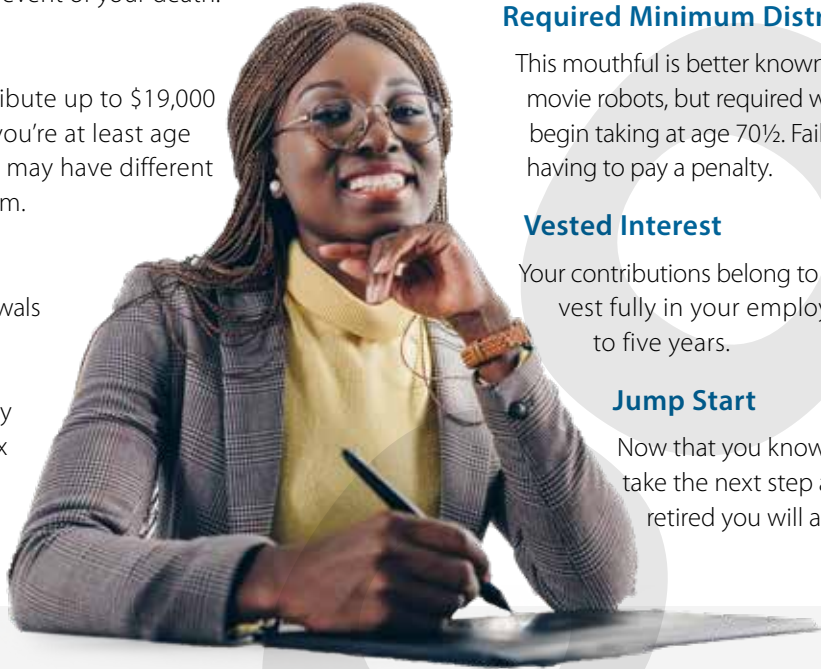
This mouthful is better known as RMDs. They are not space movie robots, but required withdrawals you generally must begin taking at age 70½. Failure to do so may result in you having to pay a penalty.

Vested Interest

Your contributions belong to you, but you may not immediately vest fully in your employer's match, which can take up to five years.

Jump Start

Now that you know a few more 401(k) plan words, take the next step and begin contributing more. The retired you will appreciate your early efforts.



Building an Emergency Fund

When the government partially shut down last January, we learned that many Americans didn't have even one paycheck's worth of savings to tide them over. Having an emergency fund is essential to help ensure funds are available when unexpected financial hardships occur.

Put It in Writing

For many people, writing it down makes saving money for an emergency fund real, not theoretical. Talk with your loved ones to discuss how much you need and solicit ways to find the extra dollars that can add up over time. Make a chart and track how much you're able to save each month toward your goal.

Show Me the Money

Whether part-time gigging or selling unwanted items via the Internet or smartphone apps, you can potentially increase your disposable income — and your emergency funds — quickly. Same thing goes for raises and bonuses from work. Keep your car an extra year or two to go without monthly car payments.

Keep your phone, too, with new smartphone prices soaring.

Make Small Sacrifices

Passing on one \$5 designer latte, one \$10 lunch and one \$75 dinner every two weeks are other ways to help increase your funds quickly.

Make Bigger Sacrifices

Still looking for free money to increase your emergency funds? Maybe you need to free it up by first creating a budget that includes your income and itemized expenses. Little adjustments add up. Scour your phone and cable bills to eliminate unneeded services. Study your clothes and grocery bills to find additional savings. Write down every dime you spend to get the best idea of where your money goes.



Preparing Financially for Winter

Severe winter weather can create havoc both personally and financially, so it makes sense to prepare for the season by looking at ways to keep ice, snow and extreme cold at bay and save some money in the process.

Serious Stuff

A fluffy snowstorm may fill children with joy, but severe snow, ice and cold are not laughing matters. They can increase vehicle accidents and cause property damage, hypothermia, heart attacks and carbon monoxide poisoning. They can create power outages that last for weeks.

The following tips and the federal government website www.ready.gov/winter-weather can help you prepare and survive severe winter weather.

Prepare

Ice storms, high winter winds and heavy, wet snow can cut off your power, so it makes sense to consider your options to deal with them. Caulk leaky windows and weather-strip your exterior doors to keep the cold out and heat in. If



power outages are common, consider buying a gas generator, but make sure to keep it outside your home to vent.

Make sure your storm drains are clear of debris so water can flow off your roof properly during a warm-up, and clear your walkways to prevent serious slips and falls, as well as potential financial liability. Check that you have the right amount of property and liability insurance, and consider disability income insurance.

Survive

Make sure smoke and carbon monoxide detectors are working, and clear your heating system's outdoor vents to let the poisonous gas escape. If you live in a heavy snow area, keep a roof shovel to prevent collapses. Create an emergency survival kit in case you become stranded in your vehicle.

Four Ways to Curb Holiday Spending

Although the winter holidays are a ways away, now is a great time to prepare financially for them. For many people, this means starting with a plan, creating a budget and sticking to it. Here are a few ways you might accomplish this.

Be Accountable

Set a holiday budget. Create a list of items you intend to buy with expected prices, and match the total cost to your budget. Hold yourself accountable. If it's not on the list, don't buy it. Try this exercise weekly to keep your spending goals front and center.

Be Thrifty

You can find coupons for just about anything online, in print and through apps. Many stores also offer cash and discount rewards, but beware of the many that won't honor multiple promotions. Also, don't buy a sale item if it wasn't on your original list, no matter how low prices go. No discount is more than the 100% you save by not buying an item.

Be Card-Smart

One of the easiest ways to not overspend during the holidays is to leave your credit cards at home. It's hard to exceed your budget when you only have cash. If you do use a card, use those with the best cash-back offers for additional savings, and pay your cards off in full each month.

Be Money-Smart

If the thought is what counts, consider baking cookies and gifting them in a nice tin during the holidays. Have to give multiple gifts at work? Re-gift unused gifts you received in the past (but remember who gave you what the year before).

Holiday Spending Soars

Holiday online spending via the MasterCard payments network from November 1 through December 24, 2018 increased 5.1% to around \$850 billion. Online holiday spending comprised 13% of total holiday sales, an increase of 19.1%, according to MasterCard Spending Pulse. Here's how we spent some of those billions online:



Home improvement up

9.0%



Electronics up

8.5%



Apparel up

7.9%



Home furniture/furnishings up

2.3%

Versatile Life Insurance

When life changes, your insurance needs may change, too. Your life insurance policy, depending on the type, may help you deal with these changes. From increasing or decreasing benefits to switching policies and even borrowing from one, your life insurance professional can help you through the tough times of your financial life.

More Protection

When your family grows or you assume other financial obligations, you may want to purchase extra life insurance.* You can usually purchase paid-up additions for a whole life policy, increasing its cash value, dividends or death benefit in the process.

Different Coverage

With a term conversion rider, you have the right to switch to a whole life insurance policy for free, often without underwriting and within a contracted timeframe. Switching insurance providers is a different story. Such swaps can carry heavy costs, so do so carefully after thorough research.

Trying Times

There are dozens of types of riders that can be added to a policy for an

additional fee. Three, in particular, may be useful during trying times.

An accelerated death benefit rider is available for insureds suffering a terminal illness, releasing a portion of death benefits while alive. A critical illness rider also releases some death benefits to those suffering from cancer, heart attack, stroke and other serious diseases. A long-term care rider releases some benefits for qualified long-term care expenses.

Financial Troubles

If you need cash because of unexpected financial woes, withdrawing available cash credit can help. Better yet, take a loan on a whole life policy, if available. Rates are typically competitive.

More Retirement Income

Withdrawing whole life insurance cash value** can supplement your retirement income, especially if you don't mind the decreasing death benefit that usually results. This, however, is a time when life insurance needs often change.

Leaving a Legacy

Life insurance death benefits are generally income tax-free, thus some people use this vehicle to leave a financial legacy to loved ones and charities.

* Applications for life insurance are subject to underwriting. No insurance coverage exists unless a policy is issued and the required premium to put it in force is paid.

**Cash value may be accessed through loans and withdrawals, which will reduce the policy's cash value and death benefit and increase the chance that the policy may lapse.



This publication is not intended as legal or tax advice. All individuals, including those involved in the estate planning process, are advised to meet with their tax and legal professionals. The individual sponsoring this newsletter will work with your tax and legal advisors to help select appropriate product solutions. We do not endorse or guarantee the content or services of any website mentioned in this newsletter. We encourage you to review the privacy policy of each website you visit. Limitations, restrictions and other rules and regulations apply to many of the financial and insurance products and concepts presented in this newsletter, and they may differ according to individual situations. The publisher and individual sponsor do not assume liability for financial decisions based on the newsletter's contents. Great care has been taken to ensure the accuracy of the newsletter copy at press time; however, markets and tax information can change suddenly. Whole or partial reproduction of Let's Talk Money® without the written permission of the publisher is forbidden.

©LTM Client Marketing Inc., 2019

We Value Your Input...

Your feedback is very important to us. If you have any questions about any of the subjects covered here, or suggestions for future issues, please don't hesitate to call. You'll find our number on the front of this newsletter. It's always a pleasure to hear from you.

ADVERTISING REGULATION DEPARTMENT REVIEW LETTER

May 8, 2019

Reference: **FR2019-0425-0032/E**

Org Id: 8408

1. 2019 LTM Sept/Oct Insurance
Rule: FIN 2210

The communication submitted appears consistent with applicable standards.

Reviewed by,

David Y. Kim
Senior Analyst

aec

This year's Advertising Regulation Conference will be held on October 24-25 in Washington, D.C. For more information and to register, please access the conference webpage at www.finra.org/2019adreg.

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.

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.