

LET'S TALK

MONEY[®]

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Rules for Telecommuting

Telecommuting, both for company employees and for the increasing number of fulltime gig workers, is becoming the norm and not the exception. If you own a business, how you deal with the day-to-day implications of this new normal, not to mention its financial aspects, can make a world of difference in making telecommuting successful.

Telecommuting Explained

While some people may see working from home in their pajamas as the stereotype of telecommuting, it is quite different, often involving employees who work out of a satellite office or on the road. With technology that includes email, video conferencing and smartphones, working remotely can involve significant interaction with customers and other employees.

Still, telecommuting can be a relatively solitary existence, so it is important that you select telecommuters carefully. You should be confident that the employees or contract workers selected are capable of working on their own, while agreeing to predetermined work hours and availability. Review this arrangement after the first month and again after three to six months to ensure it remains a viable solution.

Making it Work

Employers will want to make sure they understand state and local rules governing remote employees, especially when



multiple states are involved with different tax and employment rules. If you work with remote freelance or gig workers, understand those rules that differ by state so that you understand all your obligations thoroughly before entering into any agreements.

To protect your company, secure all its technology according to the latest standards. This means virus and malware software on phones, computers and other equipment, which your company should issue to all employees to help prevent security problems. If you work with remote contractors, require the same protections from them to protect your company.

Your jurisdiction may also require additional financial protection in the form of various types of insurance. If you work with remote contractors, you may require certain types of coverage, including liability insurance. If your employees work remotely, they will need the same mandatory insurance, including unemployment and worker's compensation insurance, as in-house employees receive. Talk to your insurance professional to learn more.



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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.

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7 Last-Minute Tax Breaks

If you haven't filed your 2019 federal tax return yet, the Internal Revenue Service offers some reminders that may help reduce your income taxes for the year, but don't forget to consult a tax advisor about your individual tax picture, too. Here is a sampling of tax breaks that may help you reduce your 2019 tax bill.

There are few limits to the amount you can deduct when you itemize on your tax return, thanks to the Tax Cuts and Jobs Act.

Limits have risen not only for income tax brackets and the standard deduction, but also for tax deductions like the Lifetime Learning Credit.

The maximum credit allowed for adoptions is the amount of qualified adoption expenses up to \$14,080, up from \$13,810 the previous year.

The Health Flexible Spending Account (FSA) saving limit rose to \$2,700.

The Health Savings Account (HSA) contribution limit increased to \$7,000 for family coverage and \$3,500 for single coverage. Out-of-pocket limits also increased slightly.

If you receive alimony payments according to an agreement that was new or suitably modified in 2019, you won't owe federal income taxes on the amount.

You may deduct amounts over 7.5% of your adjusted gross income for medical expenses.

Protect Yourself in Cyberspace

Data breaches continue to make news, putting millions of Americans' financial information at risk. How can you help safeguard your vital financial information if you do business online?

Take Precautions

Most financial institutions will send you alerts about various account activities, including withdrawals over a certain amount and unusual credit card charges. Some may offer this automatically, while most will allow you to opt in to alerts.

When dealing with financial accounts online, always make getting to your information as hard as possible for those who would do your financial reputation harm. This means using double verification, including having a code texted to your email or smartphone, and using a password manager to change the password each time you visit.

Don't forget to check your accounts regularly, monitor your credit rating for suspicious activity (including fraudulent new accounts in your name) and shred any hard copies with identifying financial information that you receive by mail — even new credit card offers.

Stolen Info?

If your credit information is stolen, report it immediately to the police. This is theft. Also report the theft to the affected financial institution and major credit monitoring agencies. You have the right to freeze your account for any reason and it's free, making this a possible option if you know hackers stole your information. Know, though, that if you seek credit, the credit agencies can't give your financial information to anyone until you unfreeze your credit information.

Money Hacks to Simplify Your Life

Life is nothing if not busy, so we often can't find the time we need to take care of financial tasks, whether big or small. Consider these ways to save time.

Modernize

Many financial institutions have smartphone apps that let you do almost everything from getting statements to making deposits. But if you don't trust the apps yet, consider checking out how today's ATM machines let you take withdrawals, make deposits and more.

Shopping is also faster online, but even major brick-and-mortar retailers are reducing checkout times with do-it-yourself checkout scanners. Also explore apps that simplify your budgeting, track your expenses and organize multiple investment accounts.

Automate

If you're like many people, you use direct deposit for your paychecks. Why not ask your employer or financial institution to automatically put a portion of them into savings? You might also automate your 401(k) contributions to increase when you receive a pay raise and rebalance your portfolio periodically. And if you don't pay your bills online yet, consider this option.

Consolidate

Most insurance companies will give you a discount if you buy multiple policies from them, such as home and auto insurance. If you have multiple credit cards, consider merging them into one low-interest rate card. While on the subject of credit cards, consider those that offer rebates and cash back (along with low interest rates). If you don't get your phone and television from one provider, consider it because most will offer a discount for a package plan.

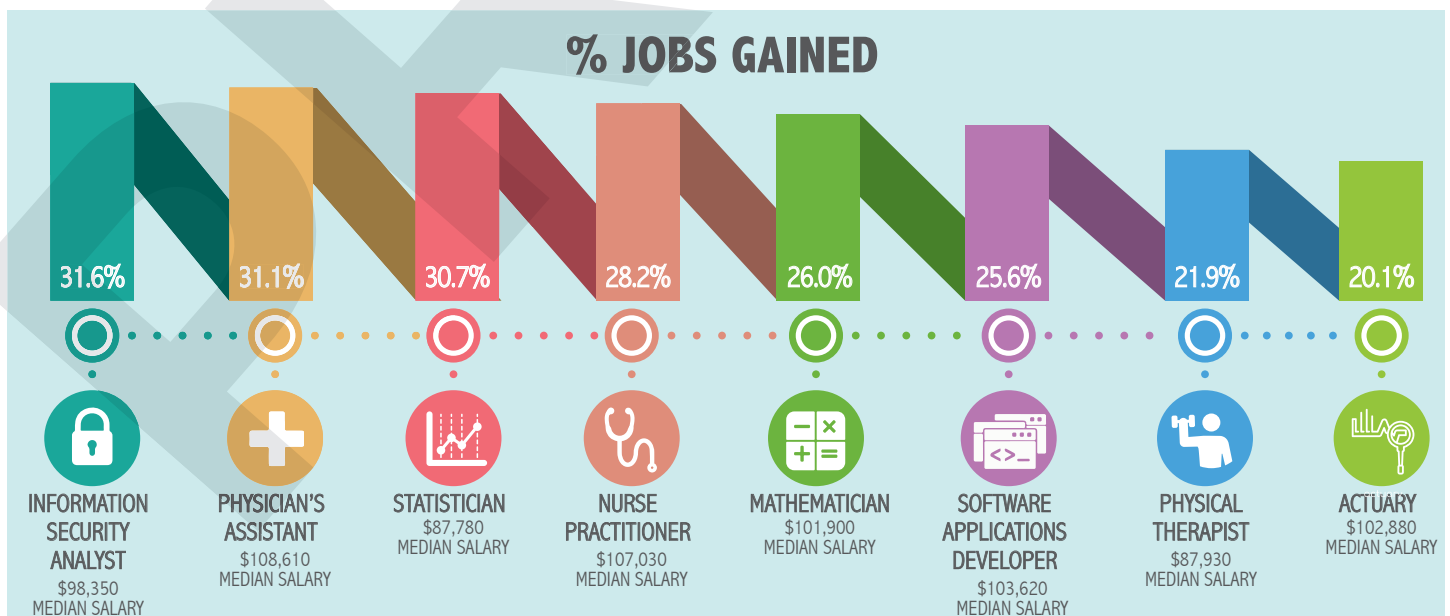
5 Ways to Cut College Costs

If you have a child who is a junior in high school, you may have road trips to explore colleges on your schedule in a few months. Before deciding on a school, explore ways you can cut increasingly expensive college costs.

- 1 Stay home.** Some state colleges and universities offer scholarships to keep top-performing in-state students at home.
- 2 Commute.** If your child attends a college close by, commuting could save a bundle on room and board costs.
- 3 Look at Community Colleges.** Community college is a cost-effective way to gain the general credits most colleges require. Really ambitious high school students can also get community college credits at night and during the summer while in high school.
- 4 Take AP Courses.** If students take advanced placement (AP) courses in high school and pass a standardized AP exam for the subjects taken, they can gain credits most colleges will accept.
- 5 Shorten College.** An aggressive schedule combined with credits gained from community college and AP courses can help some students get a bachelor's degree in three years, reducing expenses by about a quarter.

Fastest-Growing Occupations

Another way to make college cost-effective is to explore whether your student is working toward a degree in a growing or shrinking industry. Take a look at the projected growth to 2028 salaries and the 2018 median income, for these jobs:



Disability Protection for Your Business

You may be aware that disability income insurance can protect your employees' ability to earn an income should a long-term disability keep them from work. But do you know there is also a type of insurance that may protect a business financially in the same circumstances?

Disability overhead expense insurance, sometimes known as business overhead expense (BOE) insurance, is that financial protection for your business. It is particularly suited for a smaller company or practice that depends on a very few people for most of its ability to operate successfully.

What it Does

When a person who is crucial to the success of the business can't work because of a disability defined by the insurance contract, BOE insurance can step in to cover certain everyday expenses when the policy recognizes that person as a potential trigger to benefits. These expenses can range from employee salaries and employment taxes to mortgage or rent payments, utility bills and even insurance premiums. The policy will typically have a monthly cap for what it will pay.

BOE insurance may have an elimination period of 30 to 90 days or longer before it begins paying benefits. This same feature is in the disability income insurance your employees may have, with longer elimination periods usually resulting in smaller premium payments.

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Policies typically have a maximum term during which benefits are paid, with the most popular being a year or two, although some are longer. This differs from disability income insurance, from which payments can last until age 65 or beyond, depending on the policy terms. Premiums for BOE are generally tax-deductible, but benefits are taxable. Remember, though, that the benefits typically pay for expenses your business may still deduct.

The Difference

While BOE insurance benefits protect your business financially by paying many fixed expenses, it may not pay for the owner's salary. That's where disability income insurance comes in, an important benefit for all your employees, including the owners.

Disability can happen to anyone. According to the Social Security Administration, more than one in four 20-year-olds* will become disabled before reaching retirement age. So, talk to your insurance professional to learn more.

*<https://www.ssa.gov/disabilityfacts/facts.html>

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

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The communication submitted appears consistent with applicable standards.

Reviewed by,

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Manager

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