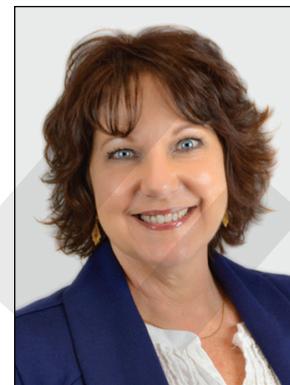


# LET'S TALK MONEY<sup>®</sup>

September/October 2023

## As Your Life Changes, So Do Your Insurance Needs



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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.

September has traditionally been designated as life insurance month to remind you to review any changes to your personal circumstances that might affect your life insurance\* needs. Here are several events that could trigger a reassessment.

### Tying the Knot

Even if you're young and just starting out, you may make financial decisions based on the combined incomes of you and your spouse. If one spouse dies, life insurance can help ensure that the surviving spouse has enough money to maintain his or her current standard of living. Additionally, the cash value that accrues in a permanent life policy could be used in the future to pay off a mortgage or other debt.

### Starting a Family

Life insurance proceeds can pay for clothing, daycare, college expenses, and many other costs of raising a child. Both parents should have coverage. If one parent dies, the remaining parent will have the funds needed to provide for the children. Single parents can also purchase a policy, naming a child as beneficiary and appointing a trustee to oversee the distribution of funds.

### Protecting Your Business

If you own a business, you'll want to ensure

that the limits of your life insurance policy are sufficient to cover any business debts. Buying adequate coverage will prevent your family from having to liquidate assets to pay your creditors.

### Help with Estate Planning

Life insurance proceeds can provide cash to pay medical bills, burial expenses and estate settlement costs. If you have a large estate, funds can be used to pay any estate taxes that are owed.

Your financial and life insurance professionals can help you select appropriate coverage for your needs and lifestyle.

*\*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. Accessing cash values may result in surrender fees and charges and may require additional premium payments to maintain coverage and will reduce the death benefit and policy values and may have tax consequences. Guarantees are based on the claims-paying ability of the issuer.*

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Insurance Version

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helping financial professionals stay connected

# Should You Consolidate Debt?

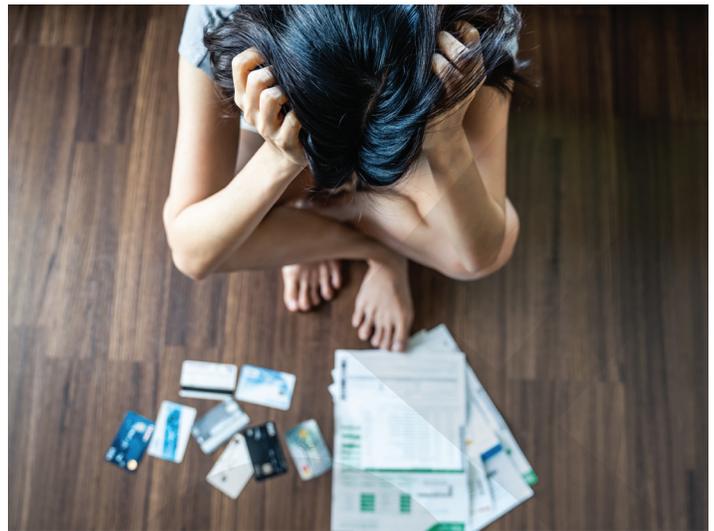
Debt consolidation offers a way to combine some or all your debts into a single payment, often at a lower interest rate. If you have substantial debt that carries high interest rates, a debt consolidation loan may lower your payments and allow you to pay off your debt more quickly.

## Which Debts Should You Consolidate?

Begin with any unsecured debt that you have. Unsecured debt is any debt that isn't backed by an asset, such as your home or car. Paying off credit card balances that carry high interest rates is frequently the reason people seek debt consolidation loans, but consolidation may also benefit those with medical debt or cash advance (i.e., Payday) loans, which typically have high interest rates.

## Favorable Terms

A debt consolidation loan allows you to pay off multiple creditors and make a single payment each month to one lender. Unlike credit cards, consolidation loans have a clear timeline for paying off the debt. The monthly payment may be lower than the combined payments you are currently making.



## Benefits of Consolidation

Having a single payment each month can simplify your finances and make them more manageable. By not having to keep track of multiple debts, you're less likely to miss payments that incur late fees and reduce your credit score.

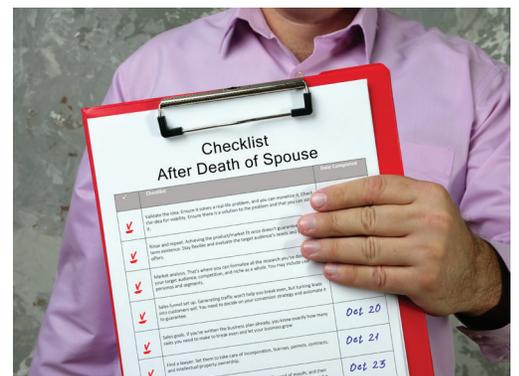
## First Steps

Before you apply for a debt consolidation loan, make sure you aren't behind on any payments. It's also a good idea to check your credit score to see where you stand.

# A Checklist for Loved Ones

The death of someone close to you brings with it many important tasks that must be completed, despite your grief and confusion. The following checklist can help you prioritize.

- ❖ Locate the will and other estate planning documents.
- ❖ Request several copies of the death certificate from the funeral home director. They'll be required as proof of death in a variety of situations.
- ❖ Notify financial institutions, creditors, Social Security Administration, and the three credit bureaus.
- ❖ If appropriate, contact pension plans or annuity providers to find out if a spouse is entitled to benefits. If the deceased was a veteran, also contact the Department of Veterans Affairs.
- ❖ Retitle assets, such as property and joint accounts.
- ❖ Notify the deceased's insurance companies and file claim(s) for life insurance proceeds. The National Association of Insurance Companies maintains a database to help with locating a policy.
- ❖ Remove social media accounts if you have access.
- ❖ If you're the spouse, update your own estate planning documents, including beneficiaries on retirement accounts and life insurance policies.
- ❖ Set up a meeting with your financial professional, estate attorney and tax advisor.



# Claiming the Lifetime Learning Credit

Higher education costs have skyrocketed over the years, so who wouldn't appreciate a little help paying for them? The Lifetime Learning Credit is a nonrefundable tax credit that can offset the cost of tuition and related expenses at eligible institutions.

## Who Can Claim the Credit?

The credit can be claimed for you, your spouse or any other eligible dependent listed on your tax return. The person must have qualified education expenses at an eligible institution and be taking undergraduate, graduate or professional degree courses or courses to obtain or improve job skills. You or your dependent must be enrolled for at least one academic period that begins in the tax year for which you're claiming the credit. You don't have to be pursuing a degree. The credit is also available for postsecondary continuing education and professional development certificate programs.

## Eligible Institutions and Expenses

Eligible institutions include public and private colleges and universities, vocational schools, and other postsecondary institutions. The credit can be claimed for tuition and fees and required expenses, such as equipment and supplies. The credit cannot be used for living expenses, including room and board, insurance, medical costs, transportation, or special services. Generally, it also cannot be used to purchase books from a school bookstore.

## What Is It Worth?

The Lifetime Learning Credit is worth 20% of the first \$10,000 of qualified expenses, for a maximum of \$2,000. The credit is per tax return, not per person. Income limits apply. You must file a federal tax return and attach *Form 8863 Education Credits*. Keep in mind that if you use 529 funds or are reimbursed for educational expenses by an employer, you can't claim the credit for the same expenses. Consult your tax advisor regarding your situation.

# The Cost of College

Institutional financial aid offices have constructed an average student budget for full-time undergraduate students for the 2022-23 school year. The budget items include tuition/fees, room and board, books/supplies, transportation, and miscellaneous expenses. Amounts are before any financial aid is awarded.

Public 2-year in-district commuter	\$19,230
Public 4-year in-state on campus	\$27,940
Public 4-year out-of-state on campus	\$45,240
Private nonprofit 4-year on campus	\$57,570

Source: College Board 2023, Trends in College Pricing 2022



## FAFSA Makeover

The FAFSA (Free Application for Federal Student Aid) that students and parents complete to apply for financial aid is becoming shorter and easier to navigate, thanks to the FAFSA Simplification Act. Scheduled to begin with the 2024-25 award year, the revisions to the form are designed to streamline the application process. Here are some highlights. The Act:

- ❖ Changes the methodology for determining aid. The Expected Family Contribution (EFC) is replaced by the Student Aid Index (SAI);
- ❖ Expands access to Federal Pell Grants and Federal Direct Loans, so more students will qualify;
- ❖ Includes a new interface to directly receive tax information from the IRS;
- ❖ Eliminates the reporting of financial contributions from others (grandparents, etc.);
- ❖ Increases the amount of income excluded from the financial aid eligibility formula;
- ❖ Eliminates the discount for having multiple children in college, effectively reducing financial eligibility for those families.

Additional information is available at [studentaid.gov](https://studentaid.gov)





# Understand the Difference Between Workers' Compensation and Disability Insurance

On the surface, workers' compensation and disability insurance may seem to cover the same ground. Both are designed to provide benefits to employees if they're unable to work due to an illness or injury. Both cover a portion of lost wages. But that's where the similarity ends.

## Workers' Comp Basics

Workers' compensation pays benefits to employees who become sick or injured while performing their jobs. Benefits are paid if the employer or the insurance company that issued the policy confirms that the employee's illness or injury was work related. Workers' compensation insurance is paid for by the employer and is mandatory\* in all states, except Texas and Wyoming. Employees cannot purchase a policy on their own.

## What's Covered?

Workers' compensation insurance covers medical expenses, including hospital visits, medications, emergency surgeries, and ongoing care costs, such as physical therapy. Lost wages are partially covered when the employee needs time away from work to recover. Disability benefits are available if the injury caused partial or permanent disability. If the employee dies following a work-related illness or injury, the policy provides a death benefit that typically includes funeral costs and survivor benefits for the employee's family. Workers' compensation benefits are paid no matter who was at fault. However, workers' compensation laws generally prevent employees from suing an employer.

## Disability Insurance: How It's Different

Disability insurance is designed to help replace a portion of lost income when an injury or illness prevents the beneficiary from working. The illness or injury does not have to be work related. Unlike workers' compensation, disability insurance does not cover medical or rehabilitation costs.

## Two Types

Short-term disability covers employees for a temporary illness or injury lasting from a few weeks to a year or more. Long-term disability pays an income when a person is unable to work for long periods of time. Benefits could last from a few years up to retirement age.

All disability benefits vary by policy and type of injury or illness.

An employer may offer disability coverage as an employee benefit. However, employees can purchase disability coverage on their own.

*\*Agricultural workers, domestic employees and independent contractors are generally excluded from this requirement.*

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## We Value Your Input...

Your feedback is very important to us. If you have any questions about 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

June 02, 2023

Reference: **FR2023-0511-0070/E**

Link Reference : FR2023-0310-0155

Org Id: 23568

1. Let's Talk Money Newsletter - SepOct 2023 Insurance  
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.*