

Fall
2019
Edition



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For more information about L&M's services or to schedule an annual review, just fill out the enclosed, prepaid reply card.



L&M Profile



L&M "We Show Up!"

L&M specializes in financial planning and investment advice. L&M is a "do-the-right-thing" kind of place, and we always put our clients first. Since our founding in 1972, we have stayed true to our vision: delivering the highest quality advice and service so we will be the last financial advisors our clients will ever need.

From our offices in Amherst, Rochester, and Binghamton, we serve thousands of clients nationwide and oversee \$2 billion on our clients' behalf. We're proud to count thousands of clients and dozens of employees who have been with L&M for decades. Please contact us at 716-839-1234 or visit us online at www.lmfs.net for more information.

L&M Financial has changed its name to L&M Wealth Management



A new name to better reflect the services we provide for our clients

In 1972, my grandfather, Russ Lipsitz founded an insurance agency. Because his first order of business was securing health insurance for the Buffalo firefighters, his attorney at the time told him he had to form a corporation, and it needed a name. Russ fondly remembers telling his attorney: "Let's call it 'L&M' until we come up with something better." And so L&M Financial Services was born.

When my brothers and I were kids, we'd visit our dad, the late Gregg Lipsitz, at L&M's office at the Boulevard Mall (where we'd join him for lunch at TGI Fridays) and later at

L&M's office on Essjay Road. Even growing up alongside L&M for the last 30-some years, we questioned the vague "Financial Services" modifier that followed the L&M name.

So, to be more specific about what we do and how we serve our clients, we've updated our name and visual identity. The words "wealth management" precisely describe the essence of what we do for our clients.

The L&M legacy – helping you manage your wealth

Before he passed in September 2017, my dad envisioned L&M as the last financial advisors our clients would ever need. To that end, we will continue to focus on ways to help improve our clients' financial lives – under the L&M banner as we have for the last 47 years – but now with the new and more accurate modifier "Wealth Management."



Joseph Lipsitz, CFP®, CPA

Thank you for your trust in L&M Wealth Management, and we look forward to serving you under our new name.

Glossary

Estate Planning

Estate planning involves preparing for the transfer of wealth and assets after an individual dies or is incapacitated.

Living Will

A document that explains the medical care a person wishes to receive if they are incapacitated.

Living Trust

A trust created while a person is still alive where the title of a property is transferred to a trustee.

Long-term Care (LTC)

A variety of services designed to meet a patient's health or personal care needs, helping them live independently and perform everyday activities, during a period of time.

Long-term Care Insurance

Coverage that provides nursing-home care, home-health care, and personal or adult day care for individuals above the age of 65 or with a chronic or disabling condition that requires regular supervision.

Probate

Probate is the legal process through which a deceased person's estate is distributed to heirs and designated beneficiaries and any debt owed to creditors is settled.

Notable Quotables

"Aging is an extraordinary process where you become the person you always should have been."

David Bowie

Financial Planning for the Last Chapter of Life



The last thing in the world anyone wants to think about

No one wants to think about death. And yet, when it comes to your finances, it's important to do once you hit a certain age, even if you're still healthy and going strong. This is for many reasons, including:

- It ensures your wishes are respected and carried out once you pass away.
- It makes life easier for your loved ones, so they can focus on grieving and getting support.
- It reduces paperwork and legal fees for your family.

However, we live in a society that generally avoids conversations about death. As a result, seniors and families often don't have the talks or take the steps necessary to make the end-of-life transition as smooth as it can be – both financially and emotionally.

In fact, according to a report by the Dying Matters Coalition, a majority of Americans want to spend their last days at home, peaceful and comfortable. The reality, though, is far different with 70% actually dying in a hospital or another type of medical facility. The discrepancy often lies in failure to plan.

When to start the planning process and knowing the right steps to take

Most experts recommend initiating the process once in your 60s and definitely by the age of 70, unless of

course, there's a reason to begin it earlier, such as a medical condition. Your first step should always be to create a will. This document will serve as the foundation for your estate plan, specifying how you want your assets distributed once you pass away.

If you, however, die without a will, your assets will be distributed among your survivors according to state laws, which don't necessarily align with your wishes. If you don't have a will or estate plan in place, a large portion of your assets can also be lost to taxes, underscoring the importance of planning ahead.

Beyond a will, some additional questions to ask yourself as part of creating a financial plan include:

Do you want a home that costs less, a smaller space with less clutter, or to relocate to a retirement community? Or perhaps you want to live in another state for health or tax reasons, or because family has moved there. No matter what your goals are, it's important for you to clarify them so you can follow through once you've decided.

Talk to your L&M financial advisor

They know the right questions to ask and have the insight to ensure an appropriate plan is established. They can also help you identify any legal obstacles or other issues that could arise with your finances, so you can deal with them now and ensure your wishes are executed.

Reviewing your account beneficiaries

As part of the planning process, review your beneficiaries on all of your financial accounts. This includes for your life insurance policies, college savings, annuities, 401(k) plan, and certificates of deposit. Important: even if you have a will that designates a certain beneficiary to receive funds from an account, if another person is named on that account's beneficiary form, it will go to that individual instead.

Informing your family

Once you have a plan in place, talk about it with your family. For instance, make sure they know who you'll entrust with your finances if you can no longer make decisions on your own. Also, discuss your will and last wishes, including those surrounding funeral preparations and any final expenses to prevent disputes down the line.

Working with L&M

Planning for your passing is necessary to protect your finances, your peace of mind, and your family. If you have questions or would like to learn more, contact your L&M financial advisor. They're here to help.

Fall '19 Quiz

Answer correctly and be entered to win a delicious coffee cake – delivery included. Email your answers to quiz@lmfs.net or mail back the enclosed reply card by October 4th to be eligible.

1. What is the top estate tax rate?
2. Which state was the first to allow living wills?
3. How many pages was the longest will ever probated?

Spring Quiz Winner:

Client:

Linda Parete

Financial Advisor:

Bob Nusinov

Recipe for Success

Triple Berry Crisp



Ingredients

- 1½ cups fresh blackberries
- 1½ cups fresh raspberries
- 1½ cups fresh blueberries
- 4 tbsp white sugar
- 2 cups all-purpose flour
- 2 cups rolled oats
- 1½ cups packed brown sugar
- 1 tsp ground cinnamon
- 1½ tsp ground nutmeg
- 1½ cups butter

Directions

1. Preheat oven to 350 degrees F.
2. In a large bowl, gently toss together blackberries, raspberries, blueberries, and white sugar; set aside. In a separate large bowl, combine flour, oats, brown sugar, cinnamon, and nutmeg. Cut in butter until crumbly.
3. Press half of mixture in the bottom of a 9x13 inch pan. Cover with berries. Sprinkle remaining crumble mixture over the berries.
4. Bake in the preheated oven for 30 to 40 minutes, or until fruit is bubbly and topping is golden brown.

3 Ways to Ensure Funeral Costs Don't Bury Your Family

Ever wondered what a funeral costs? You might be surprised to find out it can be between \$8,000 to \$10,000, or even higher. Clearly, it's a huge expense, especially for a grieving family. It is, therefore, wise to have a plan in place for how you want to be buried and how expenses will be covered. It can include several different options:

1. A Funeral Trust

A funeral trust is a way to set aside money to cover the cost of a funeral. The arrangement is typically entered into with a provider of funeral or burial services. Essentially, you pay ahead for these services and you're able to lock into a certain price, as a result. Usually, they're funded with cash, bonds, or life insurance. The beneficiary of the trust is the funeral service provider.

There are two types of funeral trusts. With a revocable trust, you can change it or revoke it at any time. An irrevocable trust, however, cannot be changed or dissolved, and the only way to access the funds is to pay for funeral services. However, with the latter, it can help you qualify for more long-term care benefits through Medicaid since assets used to fund the trust aren't considered countable resources.

Before you sign on the dotted line, though, make sure it's with a reputable funeral services provider. Also, find out how any leftover funds are distributed once they funeral is paid for.

2. Burial Insurance

Burial insurance is essentially a life insurance policy that covers your funeral. It can come as a whole or term policy, typically available in amounts ranging from \$5,000 to \$25,000. Both vehicles can help cover the expenses associated with your funeral, protecting your family from financial hardships.

Upon your death, the beneficiary receives the funds and disburses them to pay for your funeral. They can also use leftover funds to pay medical or legal bills, or for any other outstanding debts you might have.

3. Payable on Death Accounts

Another option is to set up a Payable on Death Account (POD) with your bank. This creates an easy way to transfer money upon your death.

You can set up a new account or convert an existing one. You simply need to fill out the required paperwork from your bank and designate a beneficiary, such as a funeral service provider. Once you pass away, they can access these funds to pay for your funeral. This kind of account avoids the probate process and you can revoke it at any time should your wishes or needs change.

While setting up a funeral trust or a POD or purchasing a burial policy is not difficult, discuss your options with your financial advisor first before you make a move.

They can inform you about all the financial implications, so you make the right decision for you and your family going forward.



L&M by any other name...

Many companies offer insurance, financial planning, or advice on investing in the stock market. But representatives of L&M are experienced not only in these three areas, but in many more as well. L&M Wealth Management representatives have been providing a broad range of financial planning and benefits programs to many people across New York State since 1972.

Available products and services are:

- Financial and estate planning
- Long-term care planning
- Pre- and post-retirement counseling
- Tax-favored investments
- Mutual funds
- Equities
- Life insurance
- Disability insurance
- Group insurance
- Funding for education
- 401(k)
- 403(b) Tax Sheltered Annuities
- 457(a) Deferred Compensation
- Individual Retirement Accounts
- Third party administration/ payroll deduction services

L&M representatives offer workshops, seminars and, of course, individual meetings in an effort to educate you about effective ways to help establish a secure financial future.

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Resources to Help You

There are many long-term care insurance options, all at differing price points. To help you get a sense of cost and coverage, here are some long-term care insurance premium calculators that can help you plan ahead:

- <https://www.mutualofomaha.com/long-term-care-insurance/calculator>
- https://cgi.money.cnn.com/tools/elder_care/elder_care_cost_finder.html
- <https://www.aarp.org/caregiving/financial-legal/info-2017/long-term-care-calculator.html>

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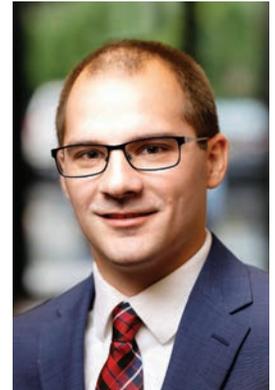
Tax Help from L&M Taxation Services

Got tax questions? L&M's new tax department, led by Bradley Bach, can help. Simply call Brad at (716) 839-1234 x 287 or e-mail Bbach@lmfstax.net to schedule an appointment. Here's just a sampling of what we can do:

- Review your 2018 tax filings for mistakes and potential savings, as well as make sure your withholdings and/or estimated tax payments are on schedule for 2019.
- Calculate the tax implications of major life events including marriage, children, divorce, buying or selling a house/investment property, retirement, or other significant changes.
- Ensure you're taking proper steps to receive applicable Federal and State tax credits if you're rehabilitating a home you own.
- Help you catch up if you haven't filed your individual or business taxes for 2018 or a previous year(s).
- Deal with notices you may have received from the IRS or NYS, including developing a complete and informative response on your behalf.
- Help you reduce your taxable income with tips and advice, such as by making Qualified Charitable Donations with your Required Minimum Distribution monies.
- Ensure you don't miss any deductions, like the Child and Dependent Care Credit if you work full-time, have children under 13, and send them to qualifying summertime camps and events.

Update on "STAR" – The School Tax Relief Program

New York State has changed the STAR program for 2019. If you're a homeowner earning more than \$250,000, you're required to switch to a new credit system. If your income is less than \$250,000, you can stay with the same system or switch to the new one. However, staying with the old system means your benefit gets frozen; with the new system, it can grow up to 2% annually.



Bradley Bach, CPA

Help with FAFSA applications for the 2019-2020 academic year

L&M Tax, LLC can assist you with FAFSA applications. These applications are due by June 30, 2020 and the cost per completed paper application is just \$125. Call or email to request an Information Checklist to get the process started.

L&M in the Community

The Ride For Roswell, Meals on Wheels, and Goodwill Industries were three beneficiaries of L&M volunteers and fundraisers over the last few months. In June, the 19 members of L&M's *Biking For Barb* team raised \$23,638 for research and patient care at Roswell Park Comprehensive Cancer Center. In May, an L&M team helped package meals for the Amherst Meals on Wheels. Also that month, L&M helped collect almost a ton of donated merchandise for Goodwill Industries in our back parking lot.



At Amherst Meals on Wheels. L to R: Kris Emerson, Jacob Cosmas, Maureen Ferguson, Rick Gibson, Richard Kohl, Leah Palumbo, Jennie Carlson, and Karen Young.



Left: Friends Dominick Lanuti and L&M team captain Matt Burwick. Right: Richard Kohl at the Friday night Peloton ride at Roswell Park. Upper right: #12 overall fundraiser Ruth Lipsitz and team mate Vicki Rubin. Lower right: Max Lipsitz on the road to a cure with a sleepy backseat passenger, his daughter Liv.



At our May Goodwill and Shred-it event. L to R: Brittany Faulise, Richard Kohl, Nichole Irish-Baker, Bob Nusimov, Debbie Meyer, Leah Palumbo, Tim DiGiulio, Jennifer Klein, and Joseph Lipsitz.