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Vishing? You may have heard of Phishing, a social engineering technique that sends out mass emails with the expectation that a few readers will click on a link to “reset” their User ID and password for an account. Hackers customizing their emailing efforts, not to the masses but to very specific people, are Spear Phishing.

Scam artists are getting smarter and bolder and have now added Vishing (voice phishing) to their tool kit. Vishing requires the con artist to call you and impersonate your account custodian to convince you to hand over your online log-in credentials. Accessing your account online they transfer money out of your account into their own. In the case we reviewed, the account was at Morgan Stanley and the criminal was able to use Zelle to move money out of the owner’s account. Don’t hand over your User ID or Passwords to anyone unless you’ve called them or know them personally and know why they need them.

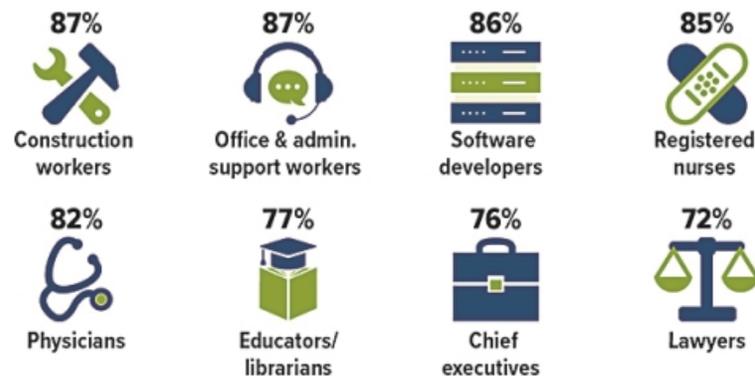
Until Next Time...

The SWA Team

Breaking Down the Gender Wage Gap

Women who worked full-time earned just 82 cents for every dollar earned by men in 2020. Women also earned less than men in almost all of the 350 occupations tracked by the Bureau of Labor Statistics. More women work in lower-paid industries than men, and even women in higher-paying fields tend to have fewer years of experience, as they are more likely to take time out of the workforce to care for children or elders. Although illegal, gender discrimination may play a role in some work environments.

Women’s median weekly earnings as a percentage of men’s earnings in the same occupation, 2020



Source: U.S. Bureau of Labor Statistics, 2021

What's Your Retirement Dream Elevator Pitch?

Imagine stepping into an elevator and realizing that you're about to spend the 30-second ride with someone who could make your retirement dreams come true — if only you could explain them before the doors open again. How would you summarize your financial situation, outlook, aspirations, and plans if you had 30 seconds to make an "elevator pitch" about achieving one of your most important goals?

Answering that question — and formulating your own unique retirement dream elevator pitch — could help bring your vision of the future into sharper focus.

What Are Your Goals?

Start with an overview of what you hope to accomplish. That typically includes describing what you want, when you want it, and why. For example, you might say, "My goal involves retiring in 10 years and moving to a different state so I can be closer to family." Or, "In the next 15 years, I need to accumulate enough money to retire from my regular job and open a part-time business that will help sustain my current lifestyle."

If your plans include sharing life with a loved one, make sure you're both on the same page. Rather than assume you have similar ideas about retirement, discuss what you want a future together to look like.

How Much Will It Cost?

To put a price tag on your retirement dream, consider working with a financial professional to calculate how much money you'll need. Making multiple calculations using different variables — such as changing your anticipated retirement date and potential investment growth rate — will help you develop a better understanding of the challenges and opportunities you may encounter.

It's important to remember that plans don't always work out the way we intend. For example, 72% of workers surveyed in 2021 said they expect to continue working for pay during retirement, but only 30% of retirees said they actually did so. And nearly half (46%) of current retirees left the workforce earlier than expected.¹ Understanding the financial implications of an unanticipated change in plans *before it happens* could make it easier to adjust accordingly.

How Will You Do It?

If your calculations indicate you may be facing a retirement savings shortfall, take a fresh look at your spending habits to help find ways to save more money. Make a list of your fixed expenses and then keep track of your discretionary purchases every day for a month. It might be startling to realize how much you routinely spend on non-essential items, but you'll quickly discover exactly where to start applying more financial discipline.

Among workers surveyed in 2021:

72%



Were very or somewhat confident about being able to afford a comfortable retirement

31%



Made changes to their workplace retirement account strategies in the past year

32%



Said the pandemic negatively affected their ability to save for retirement

54%



Said they had either a major (18%) or minor (36%) debt problem

Source: Employee Benefit Research Institute, 2021

Finally, you'll need to manage the funds you earmark for retirement by choosing the types of accounts to use and allocating your money within each account. If you have access to an employer-sponsored retirement account with matching contributions from your employer, you might want to start there and then invest in additional tax-deferred and taxable investments.

Regardless of the types of accounts you choose, your specific investment decisions should reflect your personal tolerance for risk and time frame, while addressing the priorities outlined in your retirement dream elevator pitch. If your retirement outlook changes at any point, take a fresh look at your investment strategy to make sure you're still potentially on course.

All investing involves risk, including the possible loss of principal. There is no guarantee that any investment strategy will be successful. Asset allocation is a method used to help manage investment risk; it does not guarantee a profit or protect against investment loss. There is no assurance that working with a financial professional will improve investment results.

1) Employee Benefit Research Institute, 2021

Working While Receiving Social Security Benefits

The COVID-19 recession and the continuing pandemic pushed many older workers into retirement earlier than they had anticipated. A little more than 50% of Americans age 55 and older said they were retired in Q3 2021, up from about 48% two years earlier, before the pandemic.¹

For people age 62 and older, retiring from the workforce often means claiming Social Security benefits. But what happens if you decide to go back to work? With the job market heating up, there are opportunities for people of all ages to return to the workforce. Or to look at it another way: What happens if you are working and want to claim Social Security benefits while staying on your job?

Retirement Earnings Test

Some people may think they can't work — or shouldn't work — while collecting Social Security benefits. But that's not the case. However, it's important to understand how the retirement earnings test (RET) could affect your benefits.

- The RET applies only if you are working and receiving Social Security benefits *before* reaching full retirement age (FRA). Any earnings after reaching full retirement age do not affect your Social Security benefit. Your FRA is based on your birth year: age 66 if born in 1943 to 1954; age 66 & 2 months to 66 & 10 months if born in 1955 to 1959; age 67 if born in 1960 or later.
- If you are under full retirement age for the entire year in which you work, \$1 in benefits will be deducted for every \$2 in gross wages or net self-employment income above the annual *exempt amount* (\$19,560 in 2022). The RET does not apply to income from investments, pensions, or retirement accounts.
- A monthly limit applies during the year you file for benefits (\$1,630 in 2022), unless you are self-employed and work more than 45 hours per month in your business (15 hours in a highly skilled business). For example, if you file for benefits starting in July, you could earn more than the annual limit from January to June and still receive full benefits if you do not earn more than the monthly limit from July through December.
- In the year you reach full retirement age, the reduction in benefits is \$1 for every \$3 earned above a higher annual exempt amount (\$51,960 in 2022 or \$4,330 per month if the monthly limit applies). Starting in the month you reach full retirement age, there is no limit on earnings or reduction in benefits.
- The Social Security Administration may withhold benefits as soon as it determines that your earnings are on track to surpass the exempt amount. The estimated amount will typically be deducted from your monthly benefit in full. (See *example*.)

- The RET also applies to spousal, dependent, and survivor benefits if the spouse, dependent, or survivor works before full retirement age. Regardless of a spouse's or dependent's age, the RET may reduce a spousal or dependent benefit that is based on the benefit of a worker who is subject to the RET.

Back to Work

In this hypothetical example, Fred claimed Social Security in 2021 at age 62, and he was entitled to a \$1,500 monthly benefit as of January 2022. Fred returned to work in April 2022 and is on track to earn \$31,560 for the year — \$12,000 above the \$19,560 RET exempt amount. Thus, \$6,000 (\$1 for every \$2 above the exempt amount) in benefits will be deducted. Assuming that the Social Security Administration (SSA) became aware of Fred's expected earnings before he returned to work, benefits might be paid as illustrated below.

JANUARY \$1,500	FEBRUARY \$1,500	MARCH \$1,500	APRIL \$0
MAY \$0	JUNE \$0	JULY \$0	AUGUST \$1,500
SEPTEMBER \$1,500	OCTOBER \$1,500	NOVEMBER \$1,500	DECEMBER \$1,500

In practice, benefits may be withheld earlier in the year or retroactively, depending on when the SSA becomes aware of earnings.

The RET might seem like a stiff penalty, but the deducted benefits are not really lost. Your Social Security benefit amount is recalculated after you reach full retirement age. For example, if you claimed benefits at age 62 and forfeited the equivalent of 12 months' worth of benefits by the time you reached full retirement age, your benefit would be recalculated as if you had claimed it at age 63 instead of 62. You would receive this higher benefit for the rest of your life, so you could end up receiving substantially more than the amount that was withheld. There is no adjustment for lost spousal benefits or for lost survivor benefits that are based on having a dependent child.

If you regret taking your Social Security benefit before reaching full retirement age, you can apply to withdraw benefits within 12 months of the original claim. You must repay all benefits received on your claim, including any spousal or dependent benefits. This option is available only once in your lifetime.

1) Pew Research Center, November 4, 2021

When Buying Is Easy, Paying Later Can Be a Problem

If you shop online, you might have noticed a growing number of buy now, pay later (BNPL) services that offer the option to spread out the payments on your purchases. Buyers who make one partial payment upfront and agree to several additional interest-free installments can receive their orders right away. This is a key difference from the layaway plans of the past: Shoppers had to wait until the balance was paid to take their goods home. Many stores discontinued layaway plans in the 1980s when the use of credit cards became widespread.

However, speedy access to credit also provides instant gratification and allows for more impulse buying. It might tempt you to overspend on things you don't really need and probably wouldn't buy if you had to save up and/or pay 100% of the cost upfront. And if you make a lot of smaller purchases across multiple services, it may be harder to keep track of how much you are actually spending.

In fact, one criticism of BNPL services is that they make it easier for consumers to fall into debt. As with credit cards, you would face financial consequences such as late fees and/or high interest rates if you encounter a financial setback and can't pay the installments on schedule.

Another point to consider is that credit-card companies report on-time payments to the credit bureaus, so using credit cards responsibly can help you build a positive credit history. In contrast, some BNPL lenders may not bother to report on-time payments — though they will surely report missed payments and collections. Before you use any BNPL service, read the fine print carefully to make sure you understand the terms and conditions and the company's credit reporting policies.



By one estimate, BNPL amounted to nearly \$100 million — or about 2.1% — of all global e-commerce transactions in 2020. This share is projected to double to 4.2% by 2024.

Source: Worldpay Global Payments Report, 2021

BNPL plans are more popular with younger consumers trying to stretch their paychecks, partly because they are more comfortable shopping online (and particularly on smartphones). At first glance, it may seem like a worthwhile convenience, but there are good reasons to think twice before committing to installment purchases.

Credit Is Credit

BNPL plans are essentially point-of-sale loans. Applying for the financing is quick and easy, which seems like a plus when time is tight.

IMPORTANT DISCLOSURES

The information presented here is not specific to any individual's personal circumstances.

To the extent that this material concerns tax matters, it is not intended or written to be used, and cannot be used, by a taxpayer for the purpose of avoiding penalties that may be imposed by law. Each taxpayer should seek independent advice from a tax professional based on his or her individual circumstances.

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