



STRATEGIC
Wealth Advisors



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Child identity theft is on the rise. In today's technology dominated world, your child's identity could be obtained through phishing, social networking sites, free online video games and software downloads. However, there are a few steps you can take to reduce the risk of identity theft.

Consider installing anti-virus and anti-spyware software on your family's computers.

Turn off geo-tagging and learn about the privacy settings on your child's phone. Pictures taken with smartphones may contain geo-tagging details which show the child's exact coordinates, such as her home, at the time she took the picture. This information is available on pictures uploaded to social networking sites.

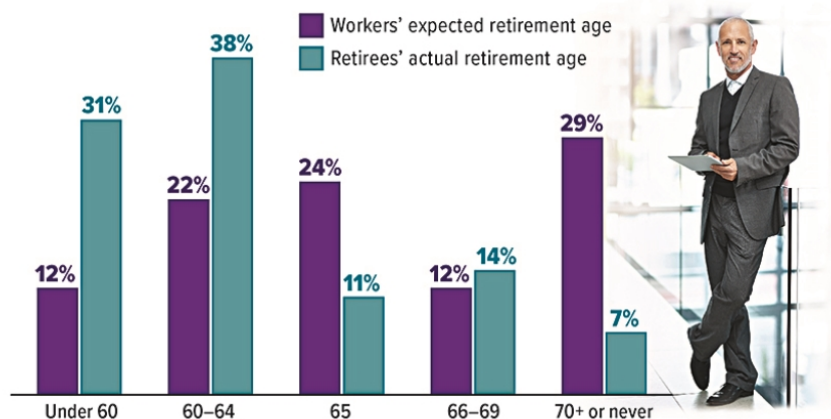
Request a credit report on your child. Rotating through the three main credit agencies allows the parent to obtain a free credit report every four months. A minor should have no credit history. If one exists, your child may be a victim of identity theft.

Until Next Time...

The SWA Team

Retirement Age Expectations vs. Reality

Workers typically plan to retire much later than the actual age reported by retirees. In the 2022 Retirement Confidence Survey, 65% of workers said they expect to retire at age 65 or older (or never retire), whereas 69% of retirees left the workforce before reaching age 65. When choosing a retirement age, it might be wise to consider a contingency plan.



Source: Employee Benefit Research Institute, 2022

Creating Your Own Operation London Bridge

"London Bridge is down." On September 8, 2022, those words were reportedly used to launch what were arguably the most complex end-of-life proceedings the world had ever witnessed: the funeral arrangements for Queen Elizabeth II. The plan, known as Operation London Bridge, laid out in exacting detail how the ensuing days would unfold. Although most families don't need a playbook as intricate as the royals, a comprehensive end-of-life plan can significantly ease the burden on family members during a highly emotional period.

Guidance in a Medical Crisis

What would happen if you became incapacitated and could not make financial or medical decisions for yourself? To help ensure that your affairs continue to be managed by someone you trust and according to your wishes, you might consider creating a durable power of attorney (DPOA) and an advance medical directive.

A DPOA authorizes someone to manage your finances on your behalf, while a medical directive documents your wishes for medical care, such as whether you want extraordinary measures to prolong life if there is no chance of recovery. There are several types of DPOAs and advance medical directives; each has its own purpose, benefits, and drawbacks and may not be effective in some states.

Funeral Instructions

Planning your funeral or similar commemoration can relieve significant stress on your family members. Decisions would typically cover whether you want a burial or cremation, a wake with or without viewing, a religious ceremony or secular event, and could include details such as music, readings, speakers/clergy, flowers, venues, and an obituary. You might discuss thoughts with family members, taking their ideas into consideration. You might also consult a trusted funeral director who can help you navigate the various options, decide whether to prepay for arrangements, and become a valuable resource to your family when the time comes.

Estate Management

The most fundamental components of an estate plan are also among the most important: a will and a letter of instruction.

A will states how you wish to disburse your assets, names an executor to act as your legal representative, provides guidance for the management of your financial affairs, and (if appropriate) identifies who you want to be guardian of your minor children and their assets. A letter of instruction has no legal status but provides vital details that complement your will (see *graphic*).

You might also familiarize yourself with the death-related tax rules at both the federal and state levels. The 2023 federal estate tax exemption is \$12.92 million. Although that sounds like a lot, 17 states impose their own estate and/or inheritance tax — most at much lower thresholds. When you consider that an estate includes the value of your home, insurance policies, retirement plans, and other assets, it may be easier than you'd expect to trigger a taxable situation. (Estate tax is imposed on the estate of the deceased, while an inheritance tax is imposed on the beneficiary.)

Seek Assistance

For more information on how to create your own Operation London Bridge, contact an estate planning attorney. Once your plan is established, store all documents in a safe place and communicate its location to your executor.

What Might a Letter of Instruction Include?



- Funeral instructions or how to find them
- The location of your will and other estate planning documents, as well as other legal documents (e.g., Social Security cards, birth and marriage certificates, titles, deeds)
- Contact information for attorneys and financial professionals
- Financial institution names, account numbers, usernames, passwords, and PINs, with beneficiaries and account balances (as of a given date)
- Bills, credit, and loan account information
- Life insurance policy information, including beneficiaries
- A list of all tangible assets (e.g., jewelry, antiques, art), their location, and related inheritance instructions not included in your will
- Location of keys to safes or safe-deposit boxes
- Social media usernames and passwords
- Care instructions for your pets
- Preferred charities

Could Your Living Situation Change as You Grow Older?

Recent research from the U.S. Department of Health and Human Services suggests that most Americans turning age 65 will need long-term care support during their lifetimes.¹

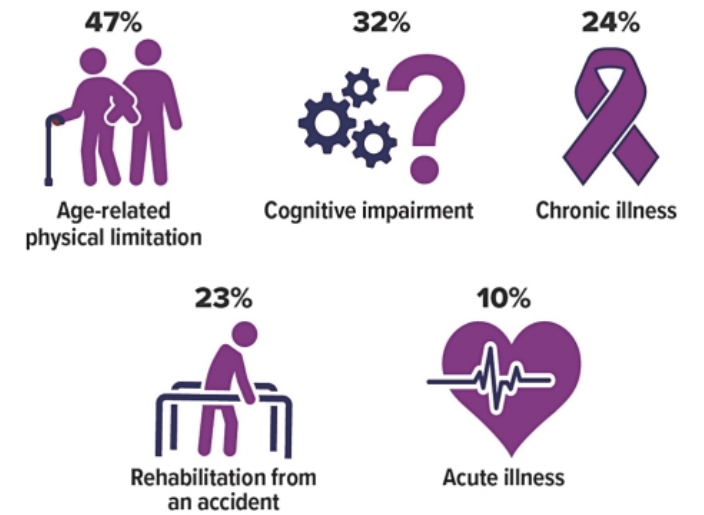
If the need arises, how will you handle potential long-term care for yourself or a loved one? Planning for the consequences of aging in general, and long-term care in particular, will depend on your preferences and circumstances. A long-term care plan should account for the different types of care you may need and the different settings in which you might receive that care. These are the most common options.

Your Home

Given a choice, you might prefer to receive long-term care support in your own home. Family caregivers, friends, or trained homemakers could provide assistance with everyday tasks, and professionals such as nurses and home health aides could provide home health care. In addition, a variety of community support services may be available, including adult day-care centers and transportation services. In any case, receiving care at home offers a measure of independence in a familiar environment.

Reasons for Care

A 65-year-old has a nearly 70% chance of needing long-term care support and services at some point. The average length of long-term care in 2021 was 3.5 years, up from 3 years in 2018. People need care for a variety of reasons, but the most common is simply the physical limitations of aging.



Source: Genworth, 2021 (multiple responses allowed)

Community Care Retirement Communities (CCRCs)

Also known as life plan communities, CCRCs provide a range of services — from independent living to full-time skilled nursing care — all in the same location, allowing you to age in place. Most CCRCs combine housing options at one location and may include townhouses or cottages for independent living, assisted living apartments, and nursing home accommodations.

Assisted Living Facilities

If you want to remain independent but need some assistance with activities of daily living, you might choose to live in an assisted living facility. These home-like facilities offer housing, meals, and personal care services, but generally not medical or nursing services.

Nursing Homes

People who enter a nursing home usually have a disabling condition or cognitive disorder and can no longer take care of themselves. State-licensed nursing facilities offer more specialized skilled care, intermediate care, and custodial care. This is the most expensive way to receive long-term care.

Take some time to think about what the future might hold. Planning ahead can help ensure that you receive the type of care you need, in the setting that you prefer, as you grow older.

1) U.S. Department of Health and Human Services, 2021

Three Ways to Help Simplify Your Finances

Over time, finances tend to get complicated, especially when you're juggling multiple goals and accounts. Simplifying your finances requires a bit of effort up front, but making just a few changes may help free up more time to focus on your financial priorities.

Make Saving Automatic

Saving for a goal is simpler when money is set aside automatically. For example, you may be able to regularly and automatically deposit a portion of your paycheck into a retirement account through your employer. Your contribution level may also increase automatically each year, if your plan offers this feature. Employers may also allow you to split your direct deposit into multiple accounts, enabling you to build up a college fund or an emergency fund, or direct money to an investment account.

Another way to make saving for multiple goals easier is to set up recurring transfers between your savings, checking, or other financial accounts. You decide on the frequency and timing of those transfers, and you can quickly make necessary adjustments.

Consolidate Retirement Funds

If you've had a few jobs, you might have several retirement accounts, such as IRAs and 401(k) or 403(b) plans, with current and past employers. Consolidating them in one place may help make it easier to monitor and manage your retirement savings and distributions, and prevent you (or your

beneficiaries) from forgetting about older or lower-balance accounts. Not all accounts can be combined, and there may be tax consequences, so discuss your options with your financial and/or tax professionals.

Take a Credit Card Inventory

Credit cards are convenient, but managing multiple credit-card accounts can be time-consuming and costly. Losing track of balances and due dates may lead to increased interest charges or late payments. You could also miss out on some of the rewards and benefits your cards offer. If you've accumulated a few credit cards, review interest rates, terms, credit limits, and benefits that may have changed since you got the cards. Ordering a copy of your credit report can help you quickly see all of your open credit-card accounts — there may be some you've forgotten about. Visit annualcreditreport.com to get a free credit report from each of the three major credit reporting agencies (Experian, Equifax, and TransUnion).

Once you know what you have, you can decide which cards to use and put the rest aside. Because it's possible that your credit score might take a temporary hit, it may not always be a good idea to close accounts you're not using unless you have a compelling reason, such as a high annual fee or exposure to fraud.

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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