

# *AFM News and Views*

*January 2021*



**Our mission** is to serve our clients, in an atmosphere of trust, to help grow and preserve their wealth. We provide personal attention and comprehensive strategies, striving to enable our clients to live and retire with stability. Alltrust Financial Management serves clients seeking comprehensive financial guidance, with a team approach, in a manner that continuously exceeds our clients' expectations. We are a recognized and respected financial management firm delivering trusted, personal attention.

## **Illinois Attorney General Warns of Scams Related to COVID-19 Vaccine**

*Source: news.wttw.com*

With demand high and supplies of the coronavirus vaccine limited, Illinois Attorney General Kwame Raoul is warning residents to be on alert for scams related to the distribution of the COVID-19 vaccine.

“People should be wary of anyone who offers the vaccine or promises priority access to the vaccine or a COVID-19 cure in exchange for money,” said Illinois Attorney General Kwame Raoul. “I am urging Illinois residents to be vigilant for scams related to the vaccine, which could compromise their health and personal information.”

Vaccine distribution is being overseen by Illinois public health officials, who are also sounding the alarm on vaccine scams.

“Because of the limited amount of vaccine, we want people to be aware of potential scammers who may ask you to pay out of pocket to get the vaccine, who offer to give you early access to the vaccine, or offer to ship you (the) vaccine for payment,” said Illinois Department of Public Health Director Dr. Ngozi Ezike.

Residents will only be able to receive the vaccine through a designated health clinic, and no one can pay to put their names on a distribution list or purchase early access to the vaccine, according to Raoul’s office.

The attorney general urges people not to buy any COVID-19 vaccine or treatment on the internet or from an online pharmacy. Residents should not have to pay any amount out of pocket in order to receive the vaccine.

Medicaid and Medicare will not call seniors or residents to proactively offer the vaccine, according to Raoul, who says residents should consult their health care provider or local health department for guidance in determining when the vaccine will be available to them.

“Until more vaccine is readily available, we ask people to be patient, understand there may be others in similar risk categories who may get vaccinated first, and continue to wear their mask, watch their distance and avoid gatherings,” Ezike said.

Residents should ignore online solicitations, phone calls and text offers for the COVID-19 vaccine and hang up on any robocalls that direct you to take immediate action or ask for personally identifiable information like your Social Security or bank account numbers, according to the attorney general’s office.

If you receive an email or text promising access to COVID-19 treatments, don’t click on any links contained in them, as they may place malware on your devices, according to the attorney general’s office. Those emails and texts should be deleted.

Anyone who receives solicitations from telemarketers or via text message or social media should file a consumer complaint with the attorney general’s office.

Individuals who have questions or need to report a scam should call the attorney general’s fraud hotline at 800-386-5438 (Chicago), 800-243-0618 (Springfield) or 800-243-0607 (Carbondale), or file an online complaint.

## **When can you expect your LPL Financial 1099’s?**

1099-R’s will be mailed out on January 29th for retirement distributions taken in 2020.

1099’s will be mailed out in waves from February 5th through February 19th.

For further details, consult the “Guide to Tax Season” included in your December LPL Statement mailed this month.

# Will I Owe the IRS Tax on My Stimulus Payment?

**Some worry the money will get reported as income on 2020 tax returns.**

*Source: aarp.org*

The Internal Revenue Service (IRS) sent out more than 160 million stimulus payments since the CARES Act was signed into law on March 27. Now it's sending out millions more checks in the second round of stimulus payments. As people start to spend their money, some wonder: Is my stimulus payment taxable?

The short answer: No. In the somewhat longer words of the IRS: "No, the payment is not income and taxpayers will not owe tax on it. The payment will not reduce a taxpayer's refund or increase the amount they owe when they file their 2020 or 2021 tax return next year. A payment also will not affect income for purposes of determining eligibility for federal government assistance or benefit programs."

## **Not your average tax credit**

The stimulus payment — or economic impact payment, as the IRS calls it — is technically a tax credit for 2020. But this isn't widely understood. Some people assume that the IRS will add the amount to your income, generating a bigger tax bill, or reduce your future tax refund when you file your tax return next year. Neither is the case, but this bears some explaining.

In the tax world, a tax deduction is a good thing. It reduces your income, which reduces the amount of tax you owe. If you had \$50,000 in income and had a \$5,000 tax deduction, your deduction would reduce your taxable income by \$5,000. If you were in the 12 percent tax bracket, you'd reduce your taxes owed by \$600 (12 percent of \$5,000).

A tax deduction is good, but a tax credit is *very* good. A tax credit reduces your tax bill dollar for dollar. If you owe \$1,500 in federal income taxes and you get a \$1,000 tax credit, your tax bill sinks to \$500.

A *refundable* tax credit is a thing of wonder. A garden-variety tax credit can reduce your tax bill to zero, but it can't turn a tax bill into a tax refund. Refundable tax credits can. For example, if you owed \$1,000 in taxes but had a refundable tax credit of \$1,200, you'd get a \$200 tax refund check from Uncle Sam.

Because you're getting what amounts to a refundable tax credit now in the form of a stimulus payment, rather than waiting to get the money from the credit in 2021 when you actually file your 2020 tax return, you're in effect getting an advanced refundable tax credit.

### **MONTHLY CONTEST**

We are looking forward to The Olympic Games Tokyo 2020 which will be celebrated from July 23 to August 8, 2021. So, this year, we are going to do some Olympic trivia. We will pick a random winner each month among the correct answers we receive.

**This Month's Question:** What is the Olympic motto?

Please email your responses to [julia.b.lamere@lpl.com](mailto:julia.b.lamere@lpl.com)

### **RESULTS OF LAST MONTH'S CONTEST**

**Question:** What actress portrayed blind Hellen Keller in the 1962 film "The Miracle Worker"?

*Answer: Patty Duke*

### **WEEKLY UPDATES ARE AVAILABLE**

LPL Financial's **Weekly Market Commentary** and **Weekly Economic Commentary** can be found on LPL Financial's website ([http://www.lplfinancial.com/learning\\_center/research/](http://www.lplfinancial.com/learning_center/research/)).

### **OTHER UPDATES AVAILABLE FROM LPL RESEARCH DEPARTMENT**

- Daily market update: <http://LPLresearch.com>
- YouTube Channel: <http://www.youtube.com/lplresearch> (which can also be found on our website)

### **CLIENT CONNECT**

Are you anticipating an email change? Let us know. We want to make sure you receive all of our email communications. Send your new e-mail to [melissa.arbisi@lpl.com](mailto:melissa.arbisi@lpl.com)

If you have any input or comments about our newsletter, let us know. We love to hear from you!!

Your referrals mean a great deal to our business. If you know of a friend or family member who might benefit from our service, please let us know. We will work hard to ensure that your referrals feel it was a wise investment of their time – and their future – to have met with us.

Don't keep us a secret!! Share this with your family and friends.

Till next month,

The Alltrust Team

Securities offered through LPL Financial. Member FINRA/SIPC

The opinions voiced in this material are for general information only and are not intended to provide specific advice or recommendations for any individual. To determine which investment(s) may be appropriate for you, consult your financial advisor prior to investing.

The information is being provided for general educational purposes only and is not intended to provide legal or tax advice. You should consult your own legal or tax advisor for guidance on regulatory compliance matters. Any examples provided are for informational purposes only and are not intended to be reflective of actual results and are not indicative of any particular client situation. Stock investing involves risk including loss of principal.