

# Financial Strategies

News You Can Use!!

Hal Perkins, AIF® & Eugene Tunitsky, CFP®  
Managing & Senior Directors- Investments  
Oppenheimer & Co. Inc.  
Perkins Tunitsky Group  
711 Louisiana  
Suite 1500  
713-650-2119  
713-650-2142 Fax  
hal.perkins@opco.com  
<https://www.oppenheimer.com/perkinsgroup/>

THE PERKINS TUNITSKY GROUP  
of Oppenheimer & Co. Inc.



**\$3,822**

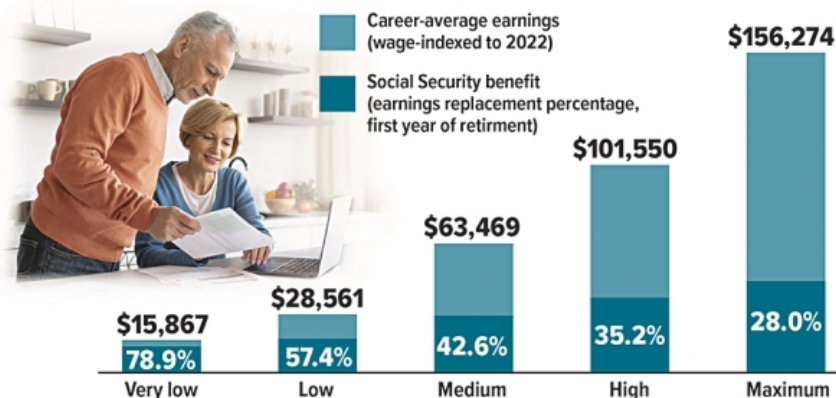
Maximum monthly Social Security benefit for someone who claims benefits at full retirement age in 2024. Someone who claims at age 62 in 2024 would only be eligible for a maximum of \$2,710, while a claimant who delayed to age 70 could receive a maximum of \$4,873. To receive the maximum benefit, you must earn the maximum income subject to Social Security tax for each of your 35 highest-earning years. This is indexed for inflation and has ranged from \$25,900 in 1980 to \$168,600 in 2024.

Source: Social Security Administration, 2023

## How Much Income Does Social Security Replace?

Social Security can play an important role in funding retirement, but it was never intended to be the only source of retirement income. The Social Security benefit formula is based on a worker's 35 highest-earning years (indexed for inflation), and the percentage of pre-retirement income replaced by the benefit is lower for those with higher earnings, reflecting the assumption that higher earners can fund retirement from other sources.

Here are replacement rates — based on five levels of earnings — for someone who claims benefits at full retirement age (FRA) in 2024 (i.e., born in 1958 and claiming at age 66 and 8 months). Rates would be similar for those who claim at FRA in other years.



Source: Social Security Administration, 2023 (Rates are based on scheduled benefits under current law and may be significantly lower in the future if Congress does not address the Social Security shortfall.)

# Reviewing Your Estate Plan

An estate plan is a map that explains how you want your personal and financial affairs to be handled in the event of your incapacity or death. Due to its importance and because circumstances change over time, you should periodically review your estate plan and update it as needed.

## When Should You Review Your Estate Plan?

Reviewing your estate plan will alert you to any issues that need to be addressed. For example, you may need to make changes to your plan to ensure it meets all of your goals, or when an executor, trustee, or guardian can no longer serve in that capacity. Although there's no hard-and-fast rule, you'll probably want to do a quick review each year, because changes in the economy and in the tax code often occur on an annual basis. At least every five years, do a more thorough review.

You should also revisit your estate plan immediately after a major life event or change in your circumstances.

- There has been a change in your marital status (many states have laws that revoke part or all of your will if you marry or get divorced) or that of your children or grandchildren.
- There has been an addition to your family through birth, adoption, or marriage (stepchildren).
- Your spouse or a family member has died, has become ill, or is incapacitated.
- Your spouse, your parents, or another family member has become dependent on you.
- There has been a substantial change in the value of your assets or in your plans for their use.
- You have received a sizable inheritance or gift.
- Your income level or requirements have changed.
- You are retiring.
- You have made (or are considering making) a change to any part of your estate plan.



## Some Things to Consider

- Who are your family members and friends? What is your relationship with them? What are their circumstances in life? Do any have special needs?
- Do you have a valid will? Does it reflect your current goals and objectives about who receives what after you die? Is your choice of an executor or a guardian for your minor children still appropriate?
- In the event you become incapacitated, do you have a living will, durable power of attorney for health care, or do-not-resuscitate order to manage medical decisions?
- In the event you become incapacitated, do you have a living trust or durable power of attorney to manage your property?
- What property do you own and how is it titled (e.g., outright or jointly with right of survivorship)? Property owned jointly with right of survivorship passes automatically to the surviving owner(s) at your death.
- Have you reviewed your beneficiary designations for your retirement plans and life insurance policies? These types of property pass automatically to the designated beneficiaries at your death.
- Do you have any trusts, either living or testamentary? Property held in trust passes to beneficiaries according to the terms of the trust. (The use of trusts involves a complex web of tax rules and regulations, and usually involves upfront costs and ongoing administrative fees. You should consider the counsel of an experienced estate professional before implementing a trust strategy.)
- Do you plan to make any lifetime gifts to family members or friends?
- Do you have any plans for charitable gifts or bequests?
- If you own or co-own a business, have provisions been made to transfer your business interest? Is there a buy-sell agreement with adequate funding? Would lifetime gifts be appropriate?
- Do you own sufficient life insurance to meet your needs at death? Have those needs been evaluated?
- Have you considered the impact of gift, estate, generation-skipping, and income taxes, both federal and state?

This is just a brief overview. Each person's situation is unique. An estate planning attorney may be able to assist you with this process.

# Understanding Life Insurance

Your most valuable asset may be your ability to earn an income. Over the course of your lifetime, you could earn several million dollars — money that helps support you and your family. If something happened to you, how would your family replace your lost income? Life insurance can help replace your income when needed at your death. However, with the wide variety of policies available, it's important that you understand some of the basic types of life insurance coverage.

## Term Life Insurance

With a term policy, you get "pure" life insurance coverage. Term insurance provides a death benefit for a specific period of time. If you die during the coverage period, your beneficiary (the person you named to collect the insurance proceeds) receives the death benefit (the face amount of the policy). If you live past the term period, your coverage ends, and you may get nothing back. Term insurance is available for periods ranging from one year to 30 years or more. You may be able to renew the policy for a new term without regard to your health, but at a higher premium. As you get older, the chance that you will die increases. For this reason, premiums generally increase as you get older. However, some term life insurance can be purchased for a fixed amount of death benefit, at a level premium, for a specified number of years. Most term insurance also has a conversion feature that allows you to switch your coverage to some type of permanent insurance without answering health questions.

## Whole Life Insurance

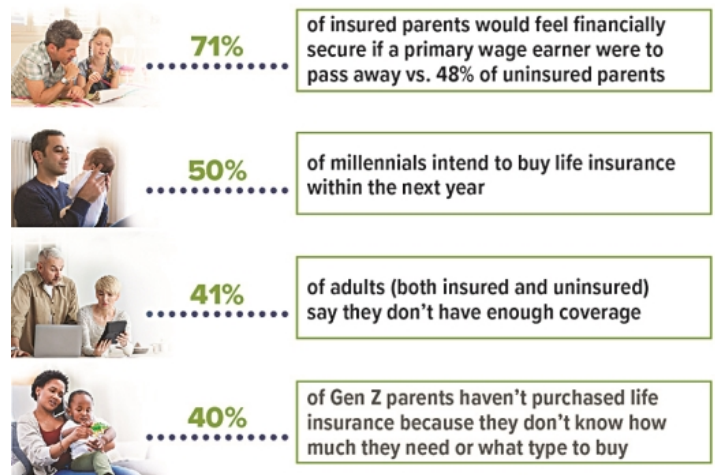
Whole life insurance is a type of permanent insurance or cash value insurance. Unlike term insurance, which provides coverage for a particular period of time, permanent insurance provides coverage for your entire life, as long as you pay the premiums. When you make premium payments, you pay more than is needed to pay for the current costs of insurance coverage and expenses. The excess payment is credited to a cash value account. This cash value account allows the insurance company to charge a level premium and to provide a death benefit and cash value throughout the life of the policy. The cash value grows tax deferred and can be directly accessed through a partial or complete surrender of the policy, or through policy loans. It is important to note, however, that a policy loan or partial surrender will reduce the policy's death benefit, and a complete surrender will terminate coverage altogether.

## Universal Life Insurance

Universal life is another type of permanent life insurance with a death benefit and a cash value account. Unlike traditional whole life, universal life insurance allows you flexibility in making premium payments. Universal life insurance policy premiums

may be adjusted upward or downward within policy guidelines. Reducing or increasing premiums will impact the growth of the cash value component and possibly the death benefit. Some universal life policies also allow you to choose a level or increasing death benefit. Be aware, though, that if you want to raise the amount of coverage, you'll need to go through the insurability process again, probably including a new medical exam, and your premiums will increase.

## Strong Interest in Life Insurance



Source: 2023 Insurance Barometer Study, Life Happens and LIMRA

*The cost and availability of life insurance depend on factors such as age, health, and the type and amount of insurance purchased. There are expenses associated with the purchase of life insurance. Policies commonly have mortality and expense charges. Any guarantees are subject to the financial strength and claims-paying ability of the insurance issuer. Loans and withdrawals will reduce the policy's cash value and death benefit, could increase the chance that the policy will lapse, and might result in a tax liability if the policy terminates before the death of the insured. Additional out-of-pocket payments may be needed if actual dividends or investment returns decrease, if you withdraw policy cash values, if you take out a loan, or if current charges increase.*

# 'Tis the Season for Gift Card Scams

Gift cards are always at the top of holiday wish lists. In fact, gift cards are the gift consumers want to receive the most during the 2023 holiday season.<sup>1</sup> Unfortunately, gift cards are also popular with scam artists.

A relatively new gift card scam involves scam artists placing a barcode sticker over the real gift card barcode. When the gift card gets scanned at checkout, the funds end up on the scammer's card that is linked to the barcode sticker.

A more common scam involves scam artists copying the gift card number and scratching off the PIN label before the gift card is purchased. They then monitor the gift card account online in order to steal the funds as soon as the gift card is purchased and activated. They may also try to sell the compromised gift card on an unofficial or third-party website.

Scam artists may also use emails, texts, and phone calls to pose as popular brands or retailers claiming you've won a free gift card. Often these giveaways promise large sums and seem "too good to be true." The scammer will then try to convince you to give them your personal and financial information in order to claim your prize.

Finally, scam artists will sometimes pose as a legitimate business or organization and claim that you need to make a payment using a gift card instead of using a conventional form of payment such as a credit

card or check. The scammer will usually tell you which specific gift cards to buy and will instruct you to purchase the gift cards from several different retailers in order to avoid suspicion. They may even threaten you with arrest or legal action in order to obtain the gift card number and PIN.

Whether you are giving a gift card or are a gift card recipient, here are some tips to help you avoid becoming the victim of a scam.

- Inspect gift cards for signs of tampering. Make sure the scratch-off coating is on the card and that the PIN on the back isn't showing. Check the barcode on the back of the gift card to make sure that it matches the one on the packaging.
- Keep a copy of the gift card and its receipt. This will help you if the gift card is ever lost/stolen or if you have to report fraudulent activity to the issuer.
- Only purchase or use gift cards from trusted retailers and reputable websites.
- Be wary of anyone who asks you to pay them with a gift card.

If you ever are the victim of a gift card scam, report it immediately to the gift card issuer and the Federal Trade Commission at [ReportFraud.ftc.gov](https://www.ftc.gov/ReportFraud).

1) National Retail Federation and Prosper Insights & Analytics, October 2023

---

The content herein should not be construed as an offer to sell or the solicitation of an offer to buy any security. The information enclosed herewith has been obtained from outside sources and is not the product of Oppenheimer & Co. Inc. ("Oppenheimer") or its affiliates. Oppenheimer has not verified the information and does not guarantee its accuracy or completeness. Additional information is available upon request. Oppenheimer, nor any of its employees or affiliates, does not provide legal or tax advice. However, your Oppenheimer Financial Advisor will work with clients, their attorneys and their tax professionals to help ensure all of their needs are met and properly executed. Oppenheimer & Co. Inc. Transacts Business on all Principal Exchanges and is a member of SIPC.