

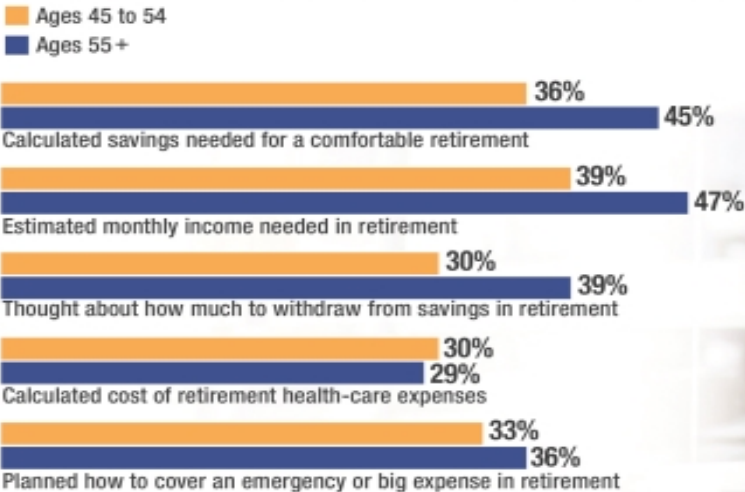
Financial Strategies

News You Can Use!!

How Much Have You Thought About Retirement?

It's difficult to achieve positive results without planning, yet less than half of workers ages 55 and older have actively planned for retirement. Planning is even less common for those ages 45 to 54.

Percentage of workers (or spouses) who have done the following, by age group



Source: Employee Benefit Research Institute, 2019

Five Key Benefits of the CARES Act for Individuals and Businesses

By now you know that Congress has passed a \$2 trillion relief bill to help keep individuals and businesses afloat during these difficult times. The Coronavirus Aid, Relief, and Economic Security (CARES) Act contains many provisions. Here are five that may benefit you or your business.

1. Recovery Rebates

Many Americans will receive a one-time cash payment of \$1,200. Each U.S. resident or citizen with an adjusted gross income (AGI) under \$75,000 (\$112,500 for heads of household and \$150,000 for married couples filing a joint return) who is not the dependent of another taxpayer and has a work-eligible Social Security number, may receive the full rebate. Parents may also receive an additional \$500 per dependent child under the age of 17.

The \$1,200 rebate amount will decrease by \$5 for every \$100 in excess of the AGI thresholds until it completely phases out. For example, the \$1,200 rebate completely phases out at an AGI of \$99,000 for an individual taxpayer and the \$2,400 rebate phases out at \$198,000 for a married couple filing a joint return.

Rebate payments will be based on 2019 income tax returns (2018 if no 2019 return was filed) and will be sent by the IRS via direct deposit or mail. Eligible individuals who receive Social Security benefits but don't file tax returns will also receive these payments, based on information provided by the Social Security Administration.

The rebate is not taxable. Because the rebate is actually an advance on a refundable tax credit against 2020 taxes, someone who didn't qualify for the rebate based on 2018 or 2019 income might still receive a full or partial rebate when filing a 2020 tax return.

2. Extra Unemployment Benefits

The federal government will provide \$600 per week to those who are eligible for unemployment benefits as a result of COVID-19, on top of any state unemployment benefits an individual receives. Unemployed individuals may qualify for this additional benefit for up to four months (through July 31.) The federal government will also fund up to an additional 13 weeks of unemployment benefits for those who have exhausted their state benefits (up to 39 weeks of benefits) through the end of 2020.


The CARES Act also provides assistance to workers who have been affected by the COVID-19 pandemic but who normally wouldn't be eligible for unemployment benefits, including self-employed individuals, part-time workers, freelancers, independent contractors, and gig workers. Individuals who have to leave work for coronavirus-related reasons are also potentially eligible for benefits.

3. Federal Student Loan Deferrals

For all borrowers of federal student loans, payments of principal and interest will be automatically suspended for six months, through September 30, without penalty to the borrower. Federal student loans include Direct Loans (which includes PLUS Loans), as well as Federal Perkins Loans and Federal Family Education Loan (FFEL) Program loans held by the Department of Education. Private student loans are not eligible.

4. IRA and Retirement Plan Distributions

Required minimum distributions from IRAs and employer-sponsored retirement plans will not apply for the 2020 calendar year. In addition, the 10% premature distribution penalty tax that would normally apply for distributions made prior to age 59½ (unless an exception applied) is waived for coronavirus-related retirement plan distributions of up to \$100,000. The tax obligation may be spread over three years, with up to three years to reinvest the money.



The CARES Act provides economic relief for individuals and businesses affected by the coronavirus pandemic.

5. Help for Businesses

The CARES Act includes several provisions designed to help self-employed individuals and small businesses weather the financial impact of the COVID-19 crisis.

Self-employed individuals and small businesses with fewer than 500 employees may apply for a Paycheck Protection Loan through a Small Business Association (SBA) lender. Businesses may borrow up to 2.5 times their average monthly payroll costs, up to \$10 million. This loan may be forgiven if an employer continues paying employees during the eight weeks following the origination of the loan and uses the money for payroll costs (including health benefits), rent or mortgage interest, and utility costs.

Also available are emergency grants of up to \$10,000 (that do not need to be repaid if certain conditions are met), SBA disaster loans, and relief for business owners with existing SBA loans.

Businesses of all sizes may qualify for a refundable payroll tax credit of 50% of wages paid to employees during the crisis, up to \$10,000 per employee. The credit is applied against the employer's share of Social Security payroll taxes.

Will vs. Trust: Know the Difference

Wills and trusts are common documents used in estate planning. While each can help in the distribution of assets at death, there are important differences between the two.

What Is a Will? A last will and testament is a legal document that lets you direct how your property will be dispersed (among other things) when you die. It becomes effective only after your death. It also allows you to name a personal representative (executor) as the legal representative who will carry out your wishes.

What Is a Trust? A trust is a legal relationship in which you, the grantor or trustor, set up a trust, which holds property managed by a trustee for the benefit of another, the beneficiary. A revocable living trust is the type of trust used most often as part of a basic estate plan. "Revocable" means you can make changes to the trust or even revoke it at any time.

A living trust is created while you're living and takes effect immediately. You may transfer title or ownership of assets, such as a house, boat, automobile, jewelry, or investments, to the trust. You can add assets to the trust and remove assets thereafter.

How Do They Compare? While both a will and a revocable living trust enable you to direct the distribution of your assets and property to your beneficiaries at your death, there are several differences between these documents. Here are some important ones.

1. A will generally requires probate, which is a public process that may be time-consuming and expensive. A trust may avoid the probate process.
2. A will can only control the disposition of assets that you own at your death, including property you held as tenancy in common.

It cannot govern the distribution of assets that pass directly to a beneficiary by contract (such as life insurance, annuities, and employer retirement plans) or by law (such as property held in joint tenancy).

3. Your revocable trust can only control the distribution of assets held by the trust. This means you must transfer assets to your revocable trust while you're living, which may be a costly, complicated, and tedious process.
4. Unlike a will, a trust may be used to manage your financial affairs if you become incapacitated.
5. If you own real estate or hold property in more than one state, your will would have to be filed for probate in each state where you own property or assets. Generally, this is not necessary with a revocable living trust.
6. A trust can be used to manage and administer assets you leave to minor children or dependents after your death.
7. In a will, you can name a guardian for minor children or dependents, which you cannot do with a trust.

Generally, most estate plans that use a revocable trust also include a will to handle the distribution of assets not included in the trust and to name a guardian for minor children. In any case, there are costs and expenses associated with the creation and ongoing maintenance of these documents. Keep in mind that wills and trusts are legal documents generally governed by state law, which may differ from one state to the next. You should consider the counsel of an experienced estate planning professional and your legal and tax advisers before implementing a trust strategy.

Different Documents, Different Features

Even if you have a revocable living trust, you should have a will to control assets not captured in the trust.

Features	Will	Revocable living trust
Control distribution of assets	Yes	Yes
Assets included	Only probate assets	Assets transferred to the trust
Effective date	At death	Immediately
Avoid probate	No	Yes*
Public record	Yes	No*
Creditors' claims	Limited time to file claims	Claims may be made at any time
Avoid estate taxes	No	No
Appoint guardian for minor-age children	Yes	No

*Depends on applicable state laws.

Did You Overpay or Underpay Your Taxes?

Most people enjoy getting a big refund at tax time, but a refund is an interest-free loan to the federal government, and you may prefer to have that money during the year. On the other hand, no one enjoys owing taxes, and underpaying might trigger a penalty beyond the tax you owe. If you overpaid or underpaid by a significant amount in 2019, this may be a good time to adjust your withholding or estimated tax payments for 2020.

You can check your withholding for 2020 by using the IRS Tax Withholding Estimator at irs.gov/individuals/tax-withholding-estimator. You can adjust withholding by filing a new Form W-4, *Employee's Withholding Allowance Certificate*, with your employer. If you have taxes withheld by an employer and also have nonwage income, you may want to request additional withholding from your paycheck to cover taxes on the nonwage income.

If you want taxes withheld directly from Social Security benefits, complete Form W-4V, *Voluntary Withholding Request*, and mail or take it to your local Social Security office. You can elect to have 7%, 10%, 12%, or 22% of your monthly benefit withheld for taxes.

Estimated Tax Payments

Generally, you must pay federal estimated tax for the current year if: (1) you expect to owe at least \$1,000 in tax after any withholding or refundable tax credits, and (2) you expect your tax withholding and refundable tax

credits to be less than the smaller of (a) 90% of the tax on your tax return for the current year or (b) 100% of the tax on your tax return for the previous year (110% if your adjusted gross income for the previous year was more than \$150,000, or \$75,000 if you were married and filed a separate return for that year). There are different rules for farmers and fishermen.

Due dates for 2020 estimated tax payments

1 st payment	April 15, 2020*
2 nd payment	June 15, 2020
3 rd payment	September 15, 2020
4 th payment	January 15, 2021**

*Extended to July 15, 2020, by the CARES Act.

**Not required if you file your return and pay taxes due by January 31, 2021.

You can use Form 1040-ES, *Estimated Tax for Individuals*, and its worksheets to determine the amount you should pay for the year through withholding and estimated tax payments to avoid paying a penalty. The year is divided into four payment periods. If your income is fairly even throughout the year, you will typically owe one-fourth of your annual estimated tax by the due date of each payment period. If your income changes significantly or varies during the year, you may have to recalculate or use an annualized method. If you don't pay enough during any payment period, you may owe a penalty for that period.

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.

Did You Overpay or Underpay Your Taxes?

even if you are due a refund when you file your tax return.

Withholding and estimated tax payments may also be required for state and local taxes. If you have questions about withholding or estimated payments, you may want to consult a tax professional.

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. 3050678.1