MF Advisers
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THE FINANCIAL FORMULA

Giving You The Financial Information You Need

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Hello FF readers! With the snow finally melting here in the Northeast, it feels more like Spring is here! Please enjoy this month's newsletter and let me know if you have any questions - thanks!

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In This Issue

Women, Wealth, and Legacy Planning

Women play a central role in establishing and preserving family wealth -- whether nurturing the values of children, fulfilling charitable goals, or making investment decisions that affect the financial security of themselves or their families. Consider these statistics:[1]

- Women now control more than half of personal wealth in the United States.
- In more than 40% of households, women are the primary breadwinners, up four-fold since 1960.
- 52% of management and professional positions are held by women.

These and other trends magnify the need for women to be involved in, informed about, and comfortable with their role as guardians of family wealth. Active participation in wealth management can strengthen women's commitment to protect and grow their assets with the goal of leaving a legacy for their children, their communities, and beyond.

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Best Practices in Legacy Planning

The following strategies may help assure the smooth transfer of your measurable wealth -- and your values surrounding wealth -- to the next generation.

Education leads to confidence. Attaining financial security for you and your heirs typically requires you to accept responsibility for the management of significant investment assets. Whether you are single, married, or a surviving widow, it is in your best interest to obtain as much education as possible about wealth planning, investments, and related matters. Even if you are not directly responsible for making important financial decisions, it is vital to have knowledge in these areas in order to communicate effectively with professional advisors charged with these duties.

Professionals offer objective, qualified services. Relying on professional advice as opposed to family and friends is extremely important when making decisions affecting the accumulation, preservation, and distribution of wealth. What should you expect from a qualified professional? A good wealth advisor -- or a team with other professionals, such as attorneys and accountants -- should offer guidance and services in most areas of wealth management, including estate planning, retirement planning, insurance needs assessment, and college planning. On a more personal note, a wealth advisor should work closely with you to:

- Identify areas requiring special assistance, such as creating trusts.
- Minimize taxes and planning costs.
- Develop and implement a personalized wealth management plan.
- Review your plan periodically and suggest changes when needed.

Philanthropy is integral to family legacy planning. Wealth holders have a greater opportunity -- if not responsibility -- to make charitable giving an integral part of the legacy planning process. Families that are charitably inclined may have clear goals in mind, but they may not know where to begin. In order to choose the best strategy, you should work with a trusted advisor to evaluate a number of factors, such as tax management objectives, types of assets to be gifted, and your specific strategic intent. Then choose from among a range of charitable-giving vehicles, such as donor-advised funds, family foundations, gift annuities, and charitable remainder trusts/charitable lead trusts.

Children should learn about the responsibilities of wealth. Wealth is a gift that opens doors of opportunity not only for you but also for your children, their children, and generations to come. Yet wealth can be a weighty responsibility that takes time to manage, maintain, and preserve. If you are a parent, you are no doubt concerned about the effects of wealth on your children's values and how the money lessons you pass on to them will resonate as they mature to adulthood.

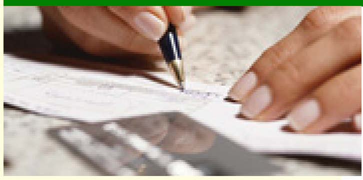
Family values should be held in the same high regard as family wealth. Family values -- those traits, beliefs, goals, and morals that are shared by members of a family group -- define a family's character as much as dollar signs measure a family's wealth. By holding shared values in high regard and setting an example of commitment to financial responsibility, philanthropy, and volunteerism for the younger generation, you will enrich your family's legacy for generations to come.

A Woman's Worth

As stewards of the family legacy, women are in a unique and influential position. They are holders of great wealth as well as keepers of the family's moral and philanthropic vision. There are many financial, accounting, legal, and business tools to assist women in implementing a plan of action. Contact a financial advisor for guidance in mapping out a legacy planning strategy unique to your situation.

This information is not intended as legal or tax advice and should not be treated as such. You should contact your estate planning and/or tax professional to discuss your personal situation.

[1] *BMO Wealth Institute, Financial Concerns of Women, April 2, 2015.*



Protect your personal information especially your Social Security number from identity thieves.

Identity Theft and Taxes

Identity theft is one of the fastest growing crimes in America affecting millions of unsuspecting individuals each year. A dishonest person who has your Social Security number can use it to obtain tax and other financial and personal information about you.

Identity thieves can get your Social Security number by:

- Stealing wallets, purses, and your mail.
- Stealing personal information you provide to an unsecured website, from business or personnel records at work, and from your home.
- Rummaging through your trash, the trash of businesses, and public trash dumps for personal data.
- Posing by phone or email as someone who legitimately needs information about you, such as employers or landlords.

Tax-related identity theft occurs when a thief uses your Social Security number to file a tax return and claim a fraudulent tax refund. In 2015 alone, the IRS stopped 1.4 million confirmed identity theft tax returns, protecting $8.7 billion in taxpayer refunds.[1] The IRS has become increasingly diligent in its efforts to thwart identity theft with a program of prevention, detection, and victim assistance. The "Taxes. Security. Together." program is aimed at building awareness among taxpayers about the need to protect personal data when conducting business online and in the real world.

Stay Vigilant

By remaining vigilant and following a few commonsense guidelines, you can support the IRS in keeping your personal information safe. Here are a few tips to consider:

- Protect your information. Keep your Social Security card and any other documents that show your Social Security number in a safe place.
- DO NOT routinely carry your Social Security card or other documents that display your number.
- Monitor your email. Be on the lookout for phishing scams, particularly those that appear to come from a trusted source such as a credit card company, bank, retailer, or even the IRS. Many of these emails will direct you to a phony website that will ask you to input sensitive data, such as your account numbers, passwords, and Social Security number.
- Safeguard your computer. Make sure your computer is equipped with firewalls and up-to-date anti-virus protections. Security software should always be turned on and set to update automatically. Encrypt sensitive files such as tax records you store on your computer. Use strong passwords and change them routinely.
- Be alert to suspicious phone calls. The IRS will never call you threatening a lawsuit or demanding an immediate payment for past due taxes. The normal mode of communication from the IRS is a letter sent via the U.S. postal service.
- Be careful when banking or shopping online. Be sure to use websites that protect your financial information with encryption, particularly if you are using a public wireless network via a smartphone. Sites that are encrypted start with "https." The "s" stands for secure.
- Google yourself. See what information is available about you online. Be sure to check other search engines, such as Yahoo and Bing. This will help you identify potential theft sources and will also help you maintain your reputation.

Fear You Have Been Scammed?

If you feel you are the victim of tax-related identity theft - e.g., you cannot file your tax return because one was already filed using your Social Security number - there are several steps you should take.

- File your taxes the old-fashioned way -- on paper via the U.S. postal service.
- Print an IRS Form 14039 Identity Theft Affidavit from the IRS website and include it with your tax return.
- File a consumer complaint with the Federal Trade Commission (FTC).
- Contact one of the three national credit reporting agencies -- Experian, Transunion, or Equifax and request that a fraud alert be placed on your account.

If you have been confirmed as a tax-related identity theft victim, the IRS may issue you a special PIN that you will use when e-filing your taxes. You will receive a new PIN each year.

For more information on tax-related identity theft visit the IRS website, which has a special section devoted to the topic.

[1] *The Internal Revenue Service, "How Identity Theft Can Affect Your Taxes," IRS Summertime Tax Tip 2016-16, August 8, 2016.*

Have You Reviewed Your Life Insurance Recently?

Many people follow the performance of their investment portfolios like a hawk, keeping track of even the slightest movement up or down. However, typically, the same cannot be said of their life insurance policies.

There are many different life experiences that may affect ongoing insurance needs and decisions. These may include:

- Management of estate expenses
- A change in marital status
- Birth of a child, or an adult child moving out of the home.
- Transfer of a business interest ("buy-sell" arrangements)

Unfortunately, many people don't take the time to review or revisit their life insurance policies after buying them, assuming they can literally put their life insurance "on the shelf" and forget about it. But doing so can be costly both in terms of lost money and lost opportunity.

Conducting an annual review of your insurance needs can help determine whether your existing coverage is still adequate and can help identify the areas that may need further attention.

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As part of your annual financial review for 2017, consider assessing three key aspects of your life insurance policies:

- Intention -- Why did you originally buy the policies, and have your circumstances changed since then in ways that might change your life insurance needs?
- Ownership and beneficiary designations -- In whose names are the policies titled, and who have you listed as the beneficiaries? Changes in family circumstances often necessitate policy updates in these areas.
- A better deal? -- A life insurance review may reveal opportunities where you could obtain the same amount of coverage for less money, or more coverage for the same premium you're paying now.

Similarly, life insurance experts suggest that there are generally three categories of individuals who may benefit most from a life insurance review:

Young and just starting out: In the case of your untimely death, life insurance can help your family meet short-term needs such as paying funeral expenses, medical bills, legal fees, and any outstanding debts you may have left behind. Over the long term, insurance proceeds can be used for ongoing priorities, such as rent or mortgage payments, child care, routine household expenses, and education expenses. Generally speaking, life insurance is cheaper and more easily obtained at younger ages.

The middle years/empty-nesters: It's a common misconception that only people with young children and no savings need life insurance. Even if your children are grown up and financially self-reliant, life insurance may still be an important part of your financial strategy. A widow, widower, other loved one could be reliant on financial support from you. Also, life insurance can help you accomplish a number of estate planning goals.

Business owners: The loss of a key employee, such as a chief executive, can be devastating to small businesses. For this reason, life insurance is commonly employed as the funding mechanism in "buy-sell" agreements -- legal arrangements providing for an orderly transfer of ownership interests -- and to compensate for the loss of critical personnel. Life insurance can also be used as a supplemental benefit to retain or attract key employees and executives.

Contact your financial advisor to conduct an annual insurance review or to learn more about the uses and benefits of life insurance at every stage of life.