



THE LIGHTER SIDE

Q: Why did Adele cross the road?

A: To sing, "Hello from the other side!"

A mom texts, "Hi! Son, what does IDK, LY, & TTYL mean?" He texts back, "I Don't Know, Love You, & Talk To You Later." The mom texts him, "It's ok, don't worry about it. I'll ask your sister, love you too."

Teacher: "Which book has helped you the most in your life?"

Student: "My father's check book!"

GETTING BACK TO NORMAL

All of us at Family Investors hope that you and your family have remained safe and healthy during these difficult times. There certainly looks like there is a light at the end of the tunnel.

We continue to work with clients via Zoom and in person. We are continuing to follow the appropriate protocols of social distancing and mask wearing. Many of us have been fully vaccinated.

If you would like to schedule an appointment with your representative, please call the office and we will explain the procedure in detail. We all look forward to seeing our clients again live and in person. Stay safe and healthy.

COVID-19 Funeral Assistance

Under the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 and the American Rescue Plan Act of 2021, FEMA is providing financial assistance for COVID-19 related funeral expenses incurred after January 20, 2020.

How to Apply: Beginning April 12, FEMA set up a Funeral Assistance Line at 1-844-684-6333 with hours of operation of Monday-Friday 9 AM – 9 PM Eastern Time. Call this dedicated toll-free phone number to get a COVID-19 Funeral Assistance application completed with help from FEMA's representatives. Multilingual services are available.

To be eligible for funeral assistance, you must meet these conditions: The death must have occurred in the United States, including the U.S. territories, and the District of Columbia. The death certificate must indicate the death was attributed to COVID-19. The applicant must be a U.S. citizen, non-citizen national, or qualified alien who incurred funeral expenses after January 20, 2020. There is no requirement for the deceased person to have been a U.S. citizen, non-citizen national, or qualified alien.

If you had COVID-19 funeral expenses, you are encouraged to keep and gather documentation. Types of information should include: An official death certificate that attributes the death directly or indirectly to COVID-19 and shows that the death occurred in the United States, including the U.S. territories, and the District of Columbia. **Funeral expenses documents** (receipts, funeral home contract, etc.) that includes the applicant's name, the deceased person's name, the amount of funeral expenses, and the dates the funeral expenses happened. **Proof of funds received from other sources** specifically for use toward funeral costs. FEMA will not duplicate benefits received from burial or funeral insurance, financial assistance received from voluntary agencies, government agencies, or other sources. If you are eligible for funeral assistance you will receive a check by mail, or funds by direct deposit, depending on which option you choose when you apply for assistance.

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Family Investors Company
265 South Avenue
Fanwood, NJ 07023
908-322-1800
info@familyinvestors.com
www.familyinvestors.com

Compliance Facts by Darraugh A. Valli, VP

SEC regulations require that we inform our clients of the Family Investors Company privacy policy with regards to their personal information. A copy of the 2021 Family Investors Privacy Policy is enclosed with this newsletter. Please be advised Family Investors Company does not disclose your confidential information to anyone (other than necessary information sent to our clearing agent). When you receive a request to complete a new Client Information Form, please know we are required by our regulators to obtain this information to provide you with suitable financial products or services and to affirm the products you currently own are proper for your risk tolerance and investment time horizon. This information is NOT shared. We take precautions to protect personal information at all times and we will remain vigilant in protecting that information.

SAFEGUARD YOUR PRIVACY!

New FAFSA Removes Roadblocks for Grandparent 529 Plans

Grandparent 529 plans are becoming a popular way to save for college – and for good reason. With a 529 plan, you can build an educational legacy for your grandchild while taking advantage of tax and estate planning benefits. One potential drawback of grandparent 529 plans, however, is that they can adversely affect financial aid eligibility. But, thanks to upcoming changes to the Free Application for Federal Student Aid (FAFSA), starting in 2021 grandparents no longer have to worry about the “financial aid trap”. Two-thirds of existing questions are scheduled to be removed from the new FAFSA, including one that asks about cash gifts from grandparents.

The new, simplified FAFSA goes into effect **October 1, 2022** for the 2023-24 academic year.

Overall, 529 plans have a minimal effect on financial aid. But, the FAFSA treats parent-owned accounts more favorably. For example, you report 529 plans assets as parent assets, which can only reduce aid eligibility by a maximum 5.64% of the account value. The FAFSA ignores distributions from a parent-owned 529 plan.

When it comes to a grandparent 529 plan, you do not report the assets on the FAFSA. However, under current rules, you must report distributions as untaxed student income. Untaxed income to a student can reduce aid eligibility by as much as 50% of the amount of cash support. For example, taking a \$10,000 529 plan distribution to help pay for college can reduce your grandchild’s aid eligibility by \$5,000.

The updated FAFSA will not require students to manually report cash support, meaning that a grandparent-owned 529 plan will not have any impact on need-based financial aid eligibility. With the new form, the amount of a student’s “total income”, which includes untaxed income, will only consist of data that comes from the federal income tax return.

A student’s FAFSA includes income and tax information from the prior-prior year, so the 2023-24 FAFSA will include information from 2021 tax returns. Because of this “prior-prior” rule for income reporting, grandparents can start taking advantage of the new rules this year. In other words, a grandchild does not have to report a distribution that was taken from a grandparent’s 529 plan in 2021.

Keep in mind, however, that grandparent 529 plans are still considered on the CSS Profile. The CSS Profile is an additional financial aid form used by about 200 private colleges to award their institutional aid.

A 529 plan is a smart investment that can set your grandchild up for future success. 529 plans already offer numerous benefits for grandparents, and the new financial aid treatment makes them even more attractive.

INSURANCE MATTERS

by Steve Goldberg

Happy Spring!!! As I write this, the sun is shining on a beautiful spring day. We all deserve a little sunshine after a long, cold winter that feels like it lasted about a year.

I have been doing quarterly long term care presentations via Zoom. These are educational sessions where I bring in providers in the long term care business to help educate our clients on the various services that are available. We also discuss some of the misconceptions about how long term care is paid for and various strategies to help offset the significant costs.

There are various insurance products to help pay for long term care expenses including traditional long term care policies, life insurance with long term care riders, and hybrid life insurance/long term care policies. There is no **one-size-fits-all** solution. Each solution has its own place and my job is to find the best solution on a client-by-client basis.

The need for long term care can throw a major monkey wrench into any successful financial program and should be considered when putting together that plan. Please feel free to give me a call in the office if you would like discuss the various long term care options as well some strategies to help you pay for it. We can meet in person or via Zoom...and please feel free to sign up for our next quarterly Zoom presentation. I am always happy to help.

Retirement Assets Total \$34.9 Trillion in Fourth Quarter 2020

According to the Investment Company Institute, total US retirement assets were \$34.9 trillion as of December 31, 2020, up 7.5 percent from September and up 9.3 percent for the year. Retirement assets accounted for 33 percent of all household financial assets in the United States at the end of December 2020.

Assets in individual retirement accounts (IRAs) totaled \$12.2 trillion at the end of the fourth quarter of 2020, an increase of 9.1 percent from the end of the third quarter of 2020. Forty-five percent of IRA assets, or \$5.5 trillion, was invested in mutual funds. With \$3.1 trillion, equity funds were the most common type of funds held in IRAs, followed by \$1.1 trillion in hybrid funds.

Defined contribution (DC) plan assets were \$9.6 trillion at the end of the fourth quarter, up 6.8 percent from September 30, 2020. Of the \$9.6 trillion, \$6.7 trillion was held in 401(k) plans. Mutual funds managed \$4.4 trillion, or 66 percent, of assets held in 401(k) plans at the end of December 2020. With \$2.6 trillion, equity funds were the most common type of funds held in 401(k) plans, followed by \$1.2 trillion in hybrid funds, which include target date funds.

Holiday Hours

The Family Investors Company office follows the schedule of the New York Stock Exchange.

Our office will be closed on **Monday, May 31** and on **Monday July 5**.

A sign will always be posted on the office door as a reminder.

WE HAVE A WINNER!!

Congratulations to **Nancy Young**, winner of the Winter 2021 Client Appreciation Contest. Nancy's entry was drawn from all correct entries received. Be sure to complete and return the Client Appreciation Contest entry in this newsletter.



Office Reminders

Our office is open on Saturdays, by appointment only, for the convenience of our clients. You can receive "Family Matters" via email or online at our website.

We would be happy to send it to you quarterly as soon as it becomes available. Please email us at: info@familyinvestors.com to request this service.

HAPPY SPRING!

What's happening?

The potential need for Long Term Care is an important consideration when putting together a sound plan to reach your financial goals in the future. How much does it cost? How will I pay for it? What resources are available to me to help with the process? What insurance products provide coverage for Long Term Care?

These are some of the questions which will be answered on **Wednesday, June 2 at 7PM**, by Family Investors' Steve Goldberg along with, Erika Carbone and Mea Kebea from Seniors in Place, LLC. They will give an informative virtual presentation via Zoom. Registration is free and there is no obligation.

Please call the office to reserve your spot: **908.322.1800** or email: **stevegoldberg@familyinvestors.com**. Bring a friend or someone who might benefit from this presentation!

INVESTMENT TERMS

You hear investment terms on television and read them in print media and on the internet. But what do they mean? Here is a primer of some common investment terms:

Alpha: The amount of return expected from an investment from its inherent value.

Bond: A bond acts like a loan or an IOU that is issued by a corporation, municipality or the U.S. government. The issuer promises to repay the full amount of the loan on a specific date and pay a specified rate of return for the use of the money to the investor at specific time intervals.

Environmental, social and governance (ESG) integration: The systematic inclusion of financially material ESG factors in investment analysis and investment decisions, with the goal of enhancing long-term, risk adjusted financial returns:

Environmental - Factors that relate to the quality and functioning of the natural environment, and natural systems, e.g., carbon emissions, environmental regulations, water stress and waste.

Social - Factors that relate to the rights, well-being, and interests of people and communities, e.g., labor management, health & safety. **Governance** - Factors that relate to the management and oversight of companies and investee entities, e.g., board structure, pay.

Federal Funds Rate (Fed Funds Rate): The interest rate charged by banks with excess reserves at a Federal Reserve district bank to banks needing overnight loans to meet reserve requirements. The most sensitive indicator of the direction of interest rates, since it is set daily by the market, unlike the prime rate and the discount rate, which are periodically changed by banks and by the Federal Reserve Board.

Preferred stock: A class of stock with a fixed dividend that has preference over a company's common stock in the payment of dividends and the liquidation of assets. There are several kinds of preferred stock, among them adjustable-rate and convertible.

Family Chatter

Matt Chemidlin and his wife Janice celebrated their 25th wedding anniversary with a trip to Cabo San Lucas, Mexico. Their son Scott is working hard at his new job in Orlando. **Darraugh Valli** enjoyed a long weekend in Florida visiting family and friends. **Steve Goldberg** was honored to officiate at the wedding of his good friends Lynn Canfield and Paul Ostberg. Congratulations go to **Peter Chemidlin's** son Tighe for being a Top 1% Loan Originator in his first year as a senior mortgage banker. **Lynn Galgano** felt very lucky to have a full house this Easter. With everyone vaccinated it was wonderful to see her parents and celebrate together! **Janet Lesce** enjoyed spending time with family and continues to get lots of home projects accomplished. **Susan Tomljanovic** is looking forward to summer and working in her garden.