



MOLDENHAUER & ASSOCIATES

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January 1st is just one day, but A LOT of things change because of it. Perhaps it's because human nature looks at flipping the calendar as a fresh start. If so, bring on 2025! Other than the celebration of a year ending (hopefully successful), and the start of a new one, I think it gets overblown.

A good example of this is with the economy. The year end/beginning brings on all kinds of predictions from the "experts". The truth is that no one knows, and nothing really changes because of a new calendar. Economies very seldom change overnight. We can speculate, and make educated guesses, but any degree of accuracy is just as attributable to luck as it is skill (maybe more). Instead of trying to think I have all of the answers, I'm learning to do things that I am "supposed" to do based on experience/history/statistics.

With that being said, here are my predictions for 2025:

Moldenhauer & Associates (ALL ASSOCIATES), will continue to work hard to deliver great service and advice to our clients. We will focus on continuously improving and delivering more value to our clients. We will not take our client relationships for granted, now or ever!

We will get a new website up and running sometime this year. I started this project in 2020 but was sidetracked by COVID. It's not a fun project for me, so I have procrastinated...but no more!

Our facilities will change to better accommodate client's needs and the growth of the business. We plan to create another larger conference room and make a few changes upstairs to fit one or two more team members. None of these will be big changes, but better utilizing our space will make a big difference. I also want the conference rooms to better represent what's important to the advisors. For me, that means more pictures of my kids.

There are A LOT more goals on my list for 2025, and much more that we will accomplish, but I don't want to bore you. Just know that 2025 has the potential to be a great year, and we will do everything we can to work hard to make that happen for you!!

Brett Moldenhauer

Brett Moldenhauer





FINANCIAL TIPS FOR FEMALE BREADWINNERS

An increasing number of women are becoming primary breadwinners in their households, so one might assume women are also taking on most of the financial decisions. On the contrary, most women in heterosexual relationships who are earning more of the household income aren't making the major money-related decisions for the family.¹ So, why doesn't earning power naturally lead to financial decision-making power?

- Traditional gender roles. Women may feel less comfortable managing the family finances, and men may feel that responsibility comes more naturally to them simply because of stereotypical gender roles.
- Work-life balance. Time constraints may also deter women from taking control of family finances. Between childcare, elder care, housework, and career demands, time to devote to money matters may be scarce. Having your spouse take finances off your full plate can seem helpful, but it may be detrimental in the long run.
- Lack of financial education. Some women may face challenges related to financial literacy. A lack of knowledge about investment, savings, and retirement planning can make it difficult and less appealing to become involved in financial decision-making.

While these reasons might all play into women's lack of involvement in family finances, it's critical for women to be in the know about where their money is going. Why? Women are often paid less than their male counterparts, which makes it more challenging for them to save for the future and achieve financial stability. Women are also more likely to take career breaks or work part-time to care for children or elderly parents, which comes with its own financial responsibilities. This can result in lower income and less retirement savings. Finally, women tend to outlive men, which means they need to save more for retirement and plan for a longer lifespan. For all these reasons, female breadwinners should budget strategically, prioritize their retirement planning, and plan for unexpected expenses and emergencies, such as medical bills or home repairs.

To manage your finances more effectively and help you achieve your long-term goals, follow these tips for female breadwinners.

Tips to Take Charge

Communicate openly

Establishing open communication with your partner about financial goals, responsibilities, and expectations is key. This might also include redistributing household responsibilities—either to your partner or to an outside person or service—to allow more time for you to help manage your family's money. Consider planning a date night to discuss your finances to help diminish any relationship tension around the subject.

Compile important information

As part of your communication with your partner about finances, it will be helpful to gather all your account numbers, names of financial institutions, location of assets, passwords, and important contacts such as attorneys and CPAs in one place. You should have hard and digital copies, and your trusted family members should know where they're located. In the event one of you passes unexpectedly, having this will make a difficult situation slightly less complicated to navigate. Ask your financial advisor if they have a template for this type of document that requires you to just fill in the blanks.

Create a budget

This will help you track your income and expenses, identify areas where you can cut back, and plan for the future. Start by listing all your monthly income and expenses, including bills, groceries, and other necessities. Having a clear sense of where your money is going will help you identify areas for improvement and is the first step toward becoming more involved in managing your family's finances.

Save for retirement

Women need to save a larger percentage of their income for retirement than men just to end up at the same level of wealth. This is because women often take time out of the workforce, make less money than men, and live longer on average. So, retirement planning is crucial, especially if you're the primary breadwinner. Make sure you're contributing enough to your retirement accounts, such as 401(k)s or IRAs, and consider working with a financial advisor to determine the best investments for your goals.

Start an emergency fund

There's always a chance you may face unexpected expenses, such as medical bills or home repairs.

Having a financial safety net can alleviate stress, avoid a financial challenge, and provide a sense of security.

Purchase insurance

Ensure that you and your family have adequate coverage, including health, life, and disability insurance. These protect against unexpected events that could jeopardize your family's financial stability.

Get your estate documents in order

In addition to a fund for emergencies and setting up insurance coverage, you'll want to plan for your family's future in case something happens to you. It's advisable to consult with a qualified attorney about your specific situation and unique goals. Core estate planning documents generally include:

- Durable power of attorney (POA) for financial matters
- Health care POA (and/or a living will)
- Will
- Trust agreement (depending on your specific situation)

You'll also want to update your beneficiary designations. Outdated beneficiary designations can derail an estate plan. Review your designations periodically to ensure that the correct people are named and are still appropriate.

Learn about personal finance

If you feel a lack of confidence in making financial decisions, attend workshops, read books, or consult with financial advisors to enhance your understanding of investments, retirement planning, and other financial instruments. Better understanding will lead to a greater sense of comfort in managing your money.

Consult a financial advisor

A professional can help you in various ways, such as informing you about tax breaks or credits you might not have known about, choosing investments based on your risk comfort level, and setting up the most beneficial retirement plan for your needs.

As more women take on the role of breadwinner in their families, they face unique financial challenges. With careful planning and management and communication with your partner, you can achieve financial stability and help ensure a secure future for yourself and your loved ones.

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1. UBS Own Your Worth Report 2023: Women primary breadwinners face challenges in embracing their financial power | UBS Global

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HOW TO CREATE STRONGER PASSWORDS AND PROTECT YOUR ONLINE ACCOUNTS

From email accounts to bank accounts, online shopping to online stock trading, you have many passwords to create and remember. Life would be easier if they were all the same. Or if they all came to mind quickly—like your child's name or birthday. But just as those are simple for you to remember, they're fairly simple for a scammer to figure out and use to drain your savings or steal your identity. So, how can you create the strongest passwords that aren't a pain to access when you need them? Let's explore some tactics for password protection and other ways to safeguard your digital accounts.

Build a Bulletproof Password

While there are many steps you can take to keep your funds secure from cyberfraud, a strong password is one of the first lines of defense. When creating a new password, keep these tips in mind for the best protection.

- **Length is strength.** An 8-character password was once standard, but current recommendations say to aim for at least 12 characters, ideally more. The longer your password, the tougher it is to crack. Think about how much easier it would be to guess a four-letter word than a twelve-letter phrase.
- **Mix it up.** Using letters alone won't do the trick. Combine uppercase and lowercase letters, numbers, and symbols to create a more powerful password that's trickier for hackers to decode.
- **Make it unique.** Using the same password across various accounts is like giving a thief a master key to every door in your home. Setting up unique passwords ensures that even if one account is compromised, your other accounts are safe.
- **Avoid the obvious.** Your birthday, kids' names, pet's name, anniversary, and other personal information can be simple for hackers to get from social media profiles or public records. Stay away from personal information that can be easily obtained. Avoiding sequences, like "12345" or "qwerty," is also recommended.
- **Passphrases are better than passwords.** Instead of a single, complex word, create a memorable passphrase. This could be a random string of unrelated words, like "YellowUmbrellaSkippingRocks," or a nonsensical sentence, like "PizzaAlwaysGoesWithFridays." These work best because they're long and unpredictable.
- **Use a password manager.** Remembering a unique, complicated password for every account is a challenge, so password managers can be very helpful. These are secure applications that store and encrypt all your passwords, eliminating the need to remember them all.

Add More Protection: Multifactor Authentication

Multifactor authentication (MFA) adds another verification step beyond just your password. When you enable this service on one of your accounts, you'll get a temporary code (via text, email, or an authentication app) that you need to enter to log in along with your password. This extra layer of protection will make it much harder for a hacker to break in to your account, even with a stolen password.

How can you enable MFA? Go to account settings for your bank account, investment platforms, and online payment services, find the MFA option, and follow the instructions to set it up. Many nonfinancial accounts also offer this—you can use it for email, social media, and any other service that contains sensitive information.

Don't Take the Phishing Bait

When scammers send emails or make phone calls that appear to be from legitimate sources, like your bank or credit card company, so they can solicit your login credentials, it's called phishing. Phishing messages often have a sense of urgency or pressure you to act quickly, perhaps by claiming your account is compromised—or even that a family member is in trouble and needs your financial help.

To stay safe from phishing attempts, always check the sender's address. An email that doesn't match the institution's official domain name should raise suspicion. Even if the address looks legitimate, it's safest for you to initiate contact with anyone requesting personal information via the phone number on their official website rather than hitting reply or clicking a link in an email. You can do the same with a suspicious phone call—tell the caller you'll call the bank or other institution back using their publicly listed contact information.

In general, it's a safe policy not to answer calls or respond to text messages from unknown numbers, especially those claiming to be from your bank or financial institution. Messages from unknown numbers, especially those claiming to be from your bank or financial institution.

More Digital Safety Steps

Update regularly.

App and device updates often include security patches that protect against threats and vulnerabilities that hackers can exploit. Enable automatic updates whenever possible so your device remains protected.

Avoid public Wi-Fi for sensitive transactions.

Public Wi-Fi networks, like those in coffee shops or airports, are convenient but can be insecure.

Stick to your home password-protected Wi-Fi when accessing financial accounts or entering sensitive information.

Stay vigilant.

Regularly review your financial statements and credit reports. Early detection of suspicious activity can prevent significant losses. Set up alerts to notify you of any significant changes or activities.

Enable screen locks.

Set a strong screen lock on your phone, be it a PIN, fingerprint scan, or facial recognition. This adds a key layer of security that prevents anyone from accessing your device and the financial apps on it.

"S" is for secure.

Look for the https:// prefix at the beginning of a website's address, especially when entering sensitive information like login credentials or financial details. The "s" indicates that the website encrypts the data you send and receive, making it more difficult for hackers to intercept.

In today's world, your financial health is closely linked to your digital security. Cybercriminals are constantly evolving their tactics, targeting not just bank accounts but also investment portfolios, retirement savings, and even real estate transactions. Strong online security practices are no longer optional—they're essential.

By creating safe passwords and following these digital security best practices, you'll not only protect your data, but your financial future and your peace of mind, too.

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WHAT HAPPENS WHEN YOU MISS A REQUIRED MINIMUM DISTRIBUTION?

The end of the year can be a busy time for everyone—coordinating holidays, traveling with family, or even just tying up loose ends at work. The last thing you want to hear in January from your tax professional or financial advisor is, “Oops, you missed your RMD last year.”

The Internal Revenue Service (IRS) requires eligible retirement account owners and beneficiaries to take required minimum distributions (RMDs) annually. This requirement applies to traditional, SEP, and SIMPLE IRAs as well as qualified plan accounts such as 401(k)s and 403(b)s. The first RMD must be taken by April 1 of the year following the year the retirement account owner reaches age 73¹, and even sooner for inherited IRA owners who are subject to RMDs.² Subsequent RMDs must be taken by December 31 each year.

Unfortunately, missing an RMD can be expensive; the IRS charges a 25 percent penalty on the amount not taken, which the agency calls an excess accumulation. In addition, you can't leave the missed amount in the IRA; you're still required to take the RMD as well, so you must recognize the taxes on the missed amount. The IRS allows the missed RMD to be satisfied within a certain correction window, and if this is done, the penalty may be reduced to 10 percent. The correction window is no more than two years, but could be less, so consultation with a tax professional is recommended.

For example, let's say Steve had an RMD of \$10,000 for 2023 that he failed to take before December 31. He now needs to distribute the missed amount and recognize the taxes. In addition, the IRS will charge him a penalty of \$2,500 (25 percent) for failing to take the RMD in time. If he satisfies the RMD within the allowable correction window, the penalty is reduced to \$1,000 (10 percent).

How Is a Missed RMD Corrected?

To fix the problem, Steve has to perform three steps:

1. Take the missed RMD as soon as possible.
2. File Form 5329 with his tax return. The IRS cannot realistically confirm that every eligible person took their RMD each year. (If you miss yours, it's your responsibility to report the missed amount on your taxes using Form 5329.)
3. Optionally, ask the IRS to waive the penalty if he can give a good reason for missing the distribution. Applicants for a penalty waiver must attach a statement of explanation to Form 5329 detailing the circumstances of missing the RMD and the steps they've taken to correct it.

Things to Remember

Although the IRS may never find out about your missed RMD, if you're ever audited or the IRS finds out in some other manner, you'll be assessed the penalty at that time—plus the interest on that amount for all the years the penalty was delinquent. Those interest charges can really add up.

After completing and submitting the request to waive the penalty, wait for the IRS to respond. The waiting window on a response from the IRS can vary. According to retirement specialist and CPA Ed Slott, the IRS will typically respond within a few months. If you've received no response after three years, the agency has waived the penalty.

The main point here is, make sure you don't miss your RMDs. If you do, use the IRS's straightforward process to plead your case and possibly have the penalty waived. Consultation with a competent CPA or tax professional familiar with this process is always a good idea.

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1. If the account owner turned age 70 1/2 before January 1, 2020, then RMDs must begin at age 70 1/2. If turned 72 before January 1, 2023, RMDs must begin at 72.

2. An exception applies for IRA owners in their first RMD year. The first RMD may be delayed until April 1 of the year after reaching RMD age. This exception does not apply to inherited IRA owners.

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