



RFM Financial  
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# December

## How to steer clear of *holiday season scams*

### Opt for secure shopping sites

Though many shoppers will find themselves browsing trusted retailers such as Amazon or Walmart this holiday season, hunting down a hot item can sometimes lead to an unfamiliar website. According to cybersecurity research company RiskIQ, 5.5% of Black Friday related apps and 4.6% of Cyber Monday related apps were deemed malicious and unsafe. Consumer spending this holiday season is expected to rise 14.8 percent compared to last year, and scammers will be looking to take advantage of unsuspecting consumers.

If you're considering an online purchase from an unfamiliar retailer, be sure to look up reviews of that site before turning over your personal information. Seek reviews from friends, social media, and forums to hear of past customers' experiences with the seller. Additionally, shop only on websites that have a secure connection, indicated by a URL that starts with HTTPS.

### Avoid package theft

An influx of online purchases makes the holiday season the busiest shipping time of the year. More than 850 million packages will be delivered to shoppers, which are prime targets for theft. According to an AARP report, over 23 million mail deliveries are stolen from shoppers each year due to being left in open, unsecured areas such as the front porch. To reduce this risk, look for shipping options that require a signature upon delivery for expensive items. Also, some carriers and retailers will allow shoppers to arrange for certain packages to be held at a nearby branch for pickup.

For example, Amazon offers its customers numerous options for secure delivery. In urban areas, shoppers may have the option to send packages to a secure Amazon Locker that can be accessed with a pin specific to that order. Some expensive items can be indicated to require a signature for delivery and many large items can even be scheduled for a specific delivery time window.

### Keep a watchful eye on account activity

As shoppers make more purchases during the holiday season, a fraudulent charge can be easier to miss. Keeping a watchful eye on your bank and credit account activity puts you a step ahead in the event of your card information being stolen.

Most checking and credit accounts allow users to easily access their real-time statements via a mobile app and can be set up to send alerts for purchases over a certain amount. This makes you instantly aware of unauthorized charges and helps expedite the process of submitting a claim.

### Beware of email phishing attacks

All too common during the holiday season are promotional emails including discounts for online retailers, but just as popular during this time are email phishing attacks. Phishing emails attempt to 'fish' you to a website that asks for personal information or a password, which is then used to breach your account on the real site. These emails often match the look and feel of legitimate promotional emails and can be difficult to identify.





To identify a phishing email, look at the sender's email address for clues and compare it with past legitimate emails from that brand. For example, an email from Amazon should come from an @amazon.com address, while a phishing attack may be sent from amazonorderdelivery@gmail.com. Any email that asks for your personal information and was not initiated by you is a red flag.

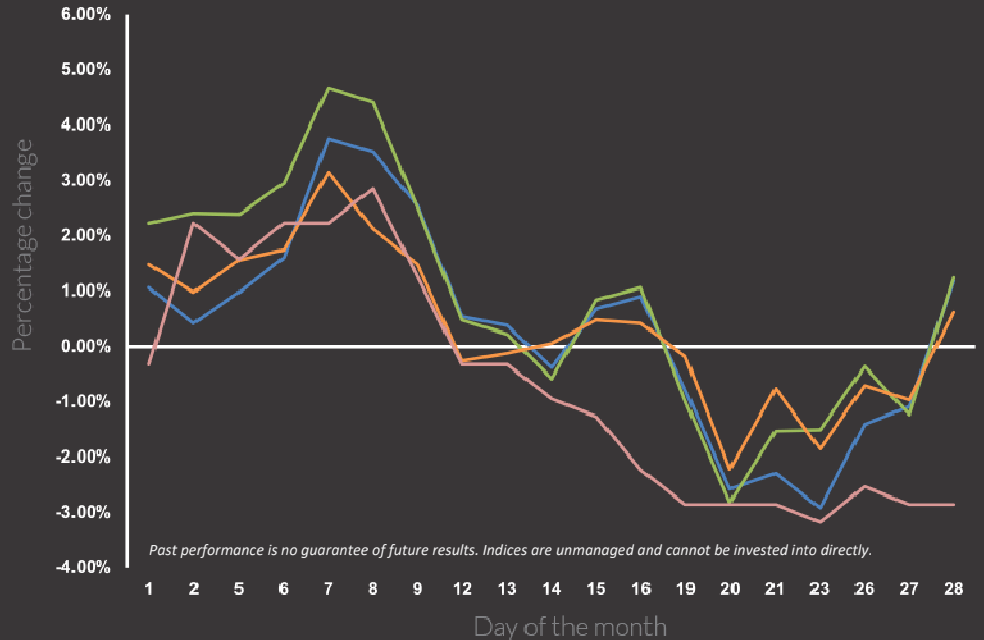
### Charitable giving scams

Holiday cheer brings out the giving spirit in many, but this too can be a target for scammers. Any time you are considering giving to an unfamiliar charity, do some extra research to verify its legitimacy. Sources such as the Better Business Bureau (bbb.org) and Charity Navigator (<https://www.charitynavigator.org/>) are trusted resources to confirm if it is an established and reputable charity. Always avoid giving out any credit or debit card information over the phone.

# The market at a glance

## November

 <b>U.S. Large Cap</b> (S&P 500)	<b>2,760.16</b> (1.79%) ▲
 <b>U.S. Mid/Small</b> (Russell 2000)	<b>1,533.27</b> (1.45%) ▲
 <b>International Large</b> (NYSE International 100)	<b>5,222.07</b> (0.20%) ▲
 <b>U.S. Treasuries</b> (U.S. 10-year Treasury yield rate)	<b>3.01</b> (-4.44%) ▼



## The market in action

- Shares of local search and review company Yelp dropped 32 percent in early November, marking the company's worst day of trading since first going public in 2012. The company missed revenue projections after it added zero net new advertising customers during the third quarter.
- Papa John's shares fell 14 percent after reports that Trian Fund Management decided not to pursue an acquisition of the pizza chain. In the third quarter, the company posted its worst quarterly sales figures since 1998, dropping nearly 10 percent compared to the third quarter of 2017.
- The Department of Justice distributed an additional \$695 million back to investors who lost money in the largest known Ponzi scheme to date led by Bernard "Bernie" Madoff that was discovered in 2008. The distribution was the third in a series of payments that will eventually total over \$4 billion.
- Chemical and pharmaceutical manufacturer Bayer lost nearly \$20 billion in market value after being ordered to pay \$289 million in negligent damages regarding the cancer risks of the company's lawn care product Roundup. By 2021, the company is expected to cut 12,000 jobs worldwide to help reduce costs.



# Close out your 2018

## Year-end financial checklist

With the end of the year just around the corner, now is a great time to look back at what has happened over the past 12 months and ensure everything is in order for the New Year. Here are some important items to review before moving into 2019.

### Retirement accounts

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**If you are retired, make sure you have taken all required minimum distributions (RMDs).**

RMDs may be one of the most important items to review when going over your finances at the end of the year. Standard IRAs require these distributions be taken annually after the year you turn 70 ½; standard 401(k)s require them annually after you retire or turn 70 ½ (whichever is earlier). Failure to take an RMD will trigger a 50 percent excise tax on the value of the RMD.

**Maximize contributions to an IRA and employer retirement plan for the year.**

Both IRAs and 401(k)s have annual contribution limits. If you find you have excess savings and have not reached your annual limit, it may be a good idea to make additional contributions. Similarly, you may also consider making greater monthly contributions to your accounts next year, spreading out the cost of contribution. The deadline for IRA contributions for 2018 is April 15 of 2019; 401(k) deadlines may be restricted to the calendar year, depending on your employer.

**Consider converting a traditional IRA to a Roth IRA.**

Did you have a good tax year? Now may be an opportune time to convert a portion (or all) of your traditional IRA to a Roth IRA and pay your taxes at a lower rate. It is important to understand, however, that Roth accounts have contribution limits placed on them, so keeping a traditional IRA may still be beneficial. Before making any changes, consider seeking the help of a professional accountant who can help you with this conversion and calculate your new tax liability.

### Investments

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**Consider “locking-in” losses on investments to help diminish taxes on capital gains.**

If your losses exceed your gains for this year, you can use the losses to reduce up to \$3,000 of taxable income (or \$1,500 for those married filing separately). If your total losses surpass \$3,000, you can roll over excess losses to offset gains in another year. If you have losses from a previous year, remember to calculate how they affect either gains or losses from this year.

**Check to make sure you did not make (or plan on making) any “wash sales.”**

A wash sale is the sale of an asset followed by a repurchase of a similar asset within 30 days. The IRS does not allow capital losses on wash sales. If you have already made a wash sale, do not plan on the capital losses being available for tax use this year.

**Check to see when you last rebalanced your portfolio.**

Although you do not need to update your investments every year, many people go far too long without making necessary adjustments as they age.



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## Income tax

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**Review your tax withholdings.**

Did you have a major life change (employment change, marriage/divorce, a new child) that may impact your income tax? Check to make sure your tax withholdings have been properly adjusted. Having low withholdings can lead to tax penalties while having too high of withholdings prevents you from accessing your money until your tax return is filed.

**Estimate your AGI.**

Determine your adjusted gross income either on your own, or with the help of your tax preparer. Your AGI will help determine your tax bracket, which you'll need for investment and retirement planning.

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## Family funding

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**Check your flexible savings account (FSA).**

The government only permits a \$500 annual rollover in an FSA; any excess funds disappear if unused by the end of the year. If you have extra money in your FSA, you may want to schedule necessary medical or dental procedures before the end of the year.

**Check your health savings account (HSA).**

HSA funds do not disappear at the end of each year like with an FSA; however, many with few medical needs discover money accumulating in their HSAs faster than they are using it. Consider reducing your contributions to your HSA if your account has reached a comfortable amount and you know of better uses for your money.

**Consider contributions to a 529 plan to fund your children's/grandchildren's education.**

529 plans allow you to contribute to a tax-free account that may be used to pay for qualifying secondary education expenses. *(Investors should consider investment objectives, risks, charges, and expenses associated with 529 plans before using them. Information about 529 plans is available in their issuers' official statements.)*

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## Giving

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**Donate to charity as a way to reduce taxes.**

You can lower taxable income by 50 percent with a gift to a public charity or by 30 percent with a gift to a private foundation. If your gift exceeds these limits, you can roll over the excess deduction for up to five years.

**Reduce your estate through gifts.**

You are permitted to give up to \$15,000 (\$30,000 for married couples) a year per recipient as an untaxed gift. Gifts above this value will consume part of your lifetime gift/estate tax exemption amount (\$5,600,000 in 2018). If a gift directly funds education tuition or pays for qualified medical expenses, it will go untaxed no matter what the value is.

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