

Voya Life MattersSM

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By now most of you have observed Daylight Saving Time (DST) and you are enjoying more daylight. Hopefully, you are finally well-adjusted, too. For me, it's been a double-edged sword. We enjoy longer daylight as it allows our young children more time to ride bikes and play outside, but at the same time, it is more of a chore to get them to go to bed!

Whether you are for or against Daylight Saving Time, I think we could all agree that it is a quirky bi-annual event. Did you know Ben Franklin was originally for DST because longer daylight hours would save on candle use, but it wasn't until 1918 that it was adopted in the United States. Not every country changes the clock on the same date, which can make for confusing calls to friends and family in other countries. Candy makers (think Halloween) and the barbecue industry enjoy Daylight Saving Time. TV networks, not so much. Less television is watched during daylight hours. And did you know that Arizona and Hawaii don't even participate!

Whether there's longer daylight or not, it's always a good time to feel good about your finances. So we encourage you to contact Financial Lifeline to discuss your account, in daylight or darkness.

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Spring cleaning for your finances

COVID-19 has impacted the finances of many people, generally unfavorably. Take the time this tax season to review your overall financial situation and take any needed corrective actions. Think about your financial goals such as saving for a new house, college tuition or retirement. Will you be able to meet your goals given your current income and spending habits? If the answer is "no," decide how to allocate your money and to create a budget that suits your lifestyle.

To get an accurate picture, gather your recent tax returns, bank and credit card statements. Figure out which expenses are likely to go up in the coming year and determine where you can make some cuts. Review recurring charges for mobile and landline phone service, cable TV, video and music streaming, gym memberships, magazines and newspapers, internet, satellite radio, apps, computer backup and antivirus services, and monthly subscriptions. Trim those services that don't provide value.

Contact customer service at your bank, credit card company, or brokerage firm to ask about reducing or eliminating monthly fees. If you're paying too much for the service you get, consider switching financial institutions. Enlist in auto-bill pay for recurring expenses so that you aren't hit with late fees or penalties, as they can also damage your credit rating.

Evaluate all your outstanding debt such as mortgage, car and student loans. Try to negotiate lower interest rates with your lenders. As interest rates are at historic lows, consider refinancing your mortgage or auto loan. If your energy costs (electricity, natural gas, propane, fuel oil) are increasing, ask your utility company about ways to save money.

Are your charitable contributions still appropriate given your current income and expenses? If you've recently lost a spouse or

partner's income or if your investments have lost value, you may need to temporarily reduce the amount you give until you can again truly afford to maintain the same level of donations. Instead, consider contributing your time.

Review your asset allocation in investment accounts. You may want to discuss rebalancing your portfolio with a qualified financial professional if your financial or life situation has changed significantly.

Each year request a free copy of your credit report and check for errors by visiting the website AnnualCreditReport.com.

Even though money may be tight, it is a good discipline to save even a little each month. If you automate your savings with direct deposit to a savings or investment account, you may not even miss the funds as your money grows. Save at least a portion of any tax refund.

Take advantage of employer-sponsored tax-deferred IRAs or 401(k) plans. Try to replenish your emergency money to cover three to six months of expenses, especially if you had to tap into it during the pandemic. Keep these funds in a separate account so that you're not tempted to access it to splurge.

When reviewing your documents, make sure that your Will and all beneficiary designations are up-to-date and that you have sufficient coverage for health, homeowner's, auto, and life insurance.

Being in control of your financial future is a rewarding way to do spring cleaning.



Factor in costs when selling your home

Outside of cities, many regions have seen increasing prices for home sales. It may be tempting to take advantage of the high demand and rumored bidding wars by putting your home on the market. Before doing so; however, be prepared for the work, expenses, and possible emotional implications that this can entail.

The typically quoted real estate agent commissions total 6% of a home's sale price, with the funds split between the agents for the seller and the buyer, although the percentage is often somewhat negotiable. In addition, you should expect to pay from 1-4% of the home's sale price as your share of such "closing costs" for a property survey; legal fees; title insurance; septic inspection; escrow costs; mortgage closeout and prepayment fees; deed recording; HOA fees and transfer taxes, according to *Realtor.com*.

In addition, there are expenses you would have as a seller to get the dwelling market-ready. That may mean obtaining your own appraisal and pre-sale inspection so that you can budget for and resolve any problems that otherwise may deter potential buyers, derail a sale, or slow down the closing process. To maximize the potential sale price and reduce the time on the market, it pays to invest in relatively low-cost repairs and maintenance such as sticking windows, leaky faucets and missing shutters. A fresh coat of paint or an exterior power wash can add to a "move-in condition." In some communities it is common to pay to have the home decluttered and professionally "staged" using rental furniture. Avoid major remodeling projects which may increase the selling price but may not be sufficient to recoup the costs, especially if potential buyers don't share your taste. Factor in moving costs if you are downsizing or moving to a location far away.

There is no shortage of costs that can add up – perhaps up to 10% of the home price. Be sure that your budget accounts for such expenses before committing to selling your home.



Home office tax deductions

The ongoing pandemic has meant that about half of U.S. workers had to shift to working from an office to working from home, at least part-time. Are you able to claim a tax deduction for the part of your home you used as an office? Are you allowed to deduct your additional work-from-home expenses such as upgraded internet, increased utility costs or equipment you bought, such as a new computer? It all depends – as the IRS has specific requirements for claiming a home office deduction.

A "home office" deduction may be available for those who are self-employed and work as a consultant or freelancer, even as a part-time gig, and file a Schedule C (Profit or Loss from Business) as part of their tax return. To be eligible to deduct a portion of one's home the office space must be dedicated exclusively to business uses for the entire year. You can't just claim a portion of your kitchen as a write-off because that's where you sit when answering business emails.

If you meet the requirements, and your home office constitutes X% of the square footage of your home, you may then be able to deduct that X% of indirect home costs such as utilities, property tax, insurance, and mortgage interest or rent by filing IRS Form 8829 along with your Schedule C. A simplified provision makes it possible to deduct \$5 a square foot for a home office of up to 300 square feet. As claims for a home office deduction have traditionally been a red flag for IRS audits, speak with an accountant or tax advisor for advice you can rely upon.

Folks who work solely as full-time employees and receive a paycheck or a W-2 are not eligible to take a deduction on their Federal tax returns for their home office, even if the space is used solely for working, nor can they deduct the expenses incurred for furniture or supplies. The good news is that they should not be taxed on the value of any supplies and equipment their employer may provide or that are reimbursed in order to better work from home.

Protecting valuables

It is important to make sure that your purchased or inherited valuables, such as jewelry, artwork or collectible coins are properly protected from loss, damage, or theft.

Depending on the item or collection's value and storage location, loss coverage may be included in your existing insurance policy. If not, a rider may be required. Such special coverage may be more comprehensive than that provided on a standard homeowner's or renter's policy. Discuss what documentation is required to insure the piece on your homeowner's or rental policy, the deductible in the event of a claim, and under what circumstances coverage is not provided – such if you leave your home vacant for 60 or more days.

Always maintain an up-to-date inventory with receipts, appraisals, and photographs of valuables. It is a good idea to have a back-up of the documentation in a separate, secure place.

Depending on an item's size, quality, and replacement cost – store valuables in a fireproof safe at home, a bank safe deposit box, or in a climate-controlled storage unit with tight security.

For extra security, install high-quality locks and motion detection lighting, always lock exterior doors and windows, avoid sharing travel plans on social media, and have a trusted friend monitor your home if you are away from home.



Lessons from Luminaries

Illusionist Harry Houdini had tricks up his sleeve in his estate plan

The illusionist Harry Houdini dazzled audiences with his escape feats in the early 20th century. His death-defying stunts made him the most famous magician in the world.

Houdini, the son of a rabbi, was born in 1874 in Budapest, Hungary. His family moved to Wisconsin before relocating to New York City when he was 12. As a young boy, Houdini took jobs peddling newspapers to earn money for his family. He learned to pick locks while working as a locksmith apprentice and perfected this skill while performing magic tricks with his brother. He changed his name from Erich Weiss to “Harry Houdini” as a tribute to the French magician Robert Houdin. The Brothers Houdini began making a name for themselves entertaining on stage at Coney Island, where Harry met a dancer named Bess. The two would marry a year later, and Bess was Harry's stage partner for the duration of his career.

He began focusing his act on escape feats from straitjackets, handcuffs, chains and tightly bound ropes. One stunt brought him international attention and fame when he managed to extricate himself from a jail in England after being handcuffed by police at Scotland Yard. His tricks became more daring over time. A chained Houdini was lowered head-first into a glass tank filled with water. He honed his skills by practicing holding his breath, using his toes to untie knots, submerging himself in ice water and swallowing keys and bringing them back up.

Harry Houdini became fascinated by spiritualism – communication with the dead assisted by a psychic – after his mother died. He exposed charlatans who posed as spirit-mediums, taking money from unsuspecting grief-struck believers who paid to be connected with their departed loved ones. Houdini wrote an exposé on a famous spiritualist at the time and advised the New York City police department on uncovering frauds.

Houdini died tragically at age 52 in 1926 of a ruptured appendix after a fan punched him to test Harry's “gut of steel.” Houdini took the blow before he had time to tense his stomach muscles. In Houdini's very detailed Will, he left most of his estate to his widow and his five siblings. He bequeathed his collection of books on magic, valued at over \$500,000 at the time, to the Library of Congress and to the American Society for Psychical Research.

Perhaps the most unusual bequest was a provision for his wife, Bess, to try to communicate with him in the afterlife using a secret code. Bess held a séance each year for 10 years on the anniversary of Houdini's death, but gave up trying after that as her last attempt attracted worldwide media coverage.

Lessons:

- 1) Houdini never told anyone where he put his Will. His wife spent weeks searching for it and eventually required a court order to open the safe deposit box where it was found. Make sure that your critical estate planning documents are accessible.
- 2) The key to Houdini's greatness was in his willingness to take calculated risks, but only after he had carefully planned every element. Your financial security is one thing you should not take risks with, and your insurance proceeds account is there to help you protect your security.

Redeeming airline credit vouchers

Last spring, approximately 80% of scheduled airline flights were cancelled due to the pandemic. Countless more reservations were cancelled by travelers who heeded public health warnings to shelter in place. Most airlines issued vouchers or certificates to millions of travelers rather than refunding the original purchase price. It is estimated that the U.S. airline industry is sitting on \$10 billion in credits for future travel. What does that mean if you want to use your credit when you feel that it is safe for you to travel?

The terms and conditions for using the credits on non-refundable flights are complex and confusing, so read the fine print carefully. Typically, credits expire one-to-two years from the date the ticket was purchased, not the scheduled date of the flight. If your credit is about to expire, contact the airline to request an extension, or to

have the credit converted to frequent flyer points that can be used for later travel.

Most future flight credits are not redeemable for cash nor are they transferable to other travelers, even family members. There also may be restrictions on redeeming credits on “partner” airlines. In many cases, the credits can only be used once; so, if you have a \$500 credit but use it to book a \$200 flight, you may lose the remaining \$300 in value. Paper vouchers are not replaceable if lost.

If your flight was cancelled by the airline, you are entitled to a prompt and full refund pursuant to U.S. Transportation Department regulations. Call the airline and insist on a full refund. If you still don't get a refund, you may be able to dispute the charge with your credit card company.

Digital eye strain

Home confinement since the pandemic began has resulted in the average “screen time” for adults spiking to over 13 hours per day, according to a Nielsen survey. This includes all time in front of a computer, game console, tablet, e-reader, smartphone or TV.

Increased screen time has resulted in complaints of dry, itchy, red, or tired eyes, temporary blurred vision, and eye twitching. No wonder. Most devices emit high-energy blue light. That, in combination with screen distance, lighting, and other culprits can lead to a syndrome known as “digital eye strain.”

There are some possible solutions to reduce the risk of digital eye strain if you can't lower your screen time. Consider installing low-intensity or “soft white” light bulbs in the lamps at your workstation. Avoid using overhead fluorescent lights. Close the blinds or drapes in windows near your device screens because trying to adjust between the screen and bright outdoor light can cause additional eye strain.

Upgrade your monitor to a large, high resolution, flat-panel LED screen with an anti-reflective surface. Position the monitor 20 – 24” from your eyes, with the screen's center 4 – 5” inches below eye level. Keep the monitor clean. Increase the screen font size so your eyes don't need to work as hard. Maintain a viewing distance of 16” or more when using a smartphone or tablet.

Dry eyes can be a result of a lack of blinking. Every so often, blink very slowly 10 times. Take a break every 20 minutes and look 20 feet into the distance for 20 seconds. Lubricating eyes with artificial tears can also provide relief. Computer “readers,” blue light glasses or blocking filters are other possible solutions. Additionally, there are free software apps such as F.lux and Iris that change screen color temperature and brightness based on the time of day.

The good news is digital eye strain is usually temporary and will go away when you're not viewing a screen. If problems persist, it makes sense to get an eye exam to rule out other possible vision problems.



Sources used in this issue include: USA Today, NerdWallet, TakeChargeAmerica.org, Zillow.com, Redfin.com, Bankrate.com, Moving.com, BobVila.com, NACHI.org, IRS, TurboTax, CNN, MarketWatch, Business Insider, Wall Street Journal, The Arizona Daily Star, Los Angeles Times, New York Times, PeterGreenberg.com, Reuters, Consumer Reports, The Points Guy, Airfare Watchdog, Time magazine, Eyesafe.com, US Department of Labor, CDC, Environmental and Occupational Medicine, Forbes, University of Utah, American Optometric Association, UCLA Health.

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